

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2008

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I. INTRODUCTORY SECTION

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





City of Pembroke Pines



Frank C. Ortis, Mayor
Carl Shechter, Vice Mayor
Charles F. Dodge, City Manager

Angelo Castillo, Commissioner
Jack McCluskey, Commissioner
Iris A. Siple, Commissioner

March 11, 2009

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

State law requires that every general-purpose local government publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2008.

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

The City's financial statements have been audited by TCBA Watson Rice LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2008 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pembroke Pines' financial statements for the fiscal year ended September 30, 2008, 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, 2008.

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

Profile of the Government

The City of Pembroke Pines is the 11th largest city in Florida. As of September 30, 2008, the most recent official population estimate was 151,747. 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 rapidly growing City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 6.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated to any department. The City's budget is approved at the department level. The City Manager and the Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented on pages 123-126 as part of the Required Supplementary Information.

Factors Affecting Financial Condition

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

Local Economy

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the forty-nine years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (MSA), known as the "Gateway to the Americas", is an ideal location for conducting international business, especially in Latin America. As such, the MSA accounts for the majority of Florida's total export of goods to overseas markets. The total population is estimated at more than 5.4 million and has the largest and most diverse labor force in the State. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the eleventh (11th) busiest container port in the United States, and number one in Florida.

Essential to its progress is the City's pro-business attitude. It has an open door policy with the private sector, working with business on a daily basis, encouraging international trade, as well as small and minority 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.

However, both the local and broader economies have hit a turning point. The economy in fiscal year 2008 was dominated by the national housing slump, which triggered a chain reaction in financial markets that has seriously undermined the nation's economic health. In an official report from Washington, the government stated that this was the worst recession that United States has experienced in more than 25 years, and that it will more likely get worse before it gets better. The nation's Gross Domestic Product (GDP), which is the value of all goods and services produced in the economy declined at a 3.8% rate for the fourth quarter ending December 2008. This was the steepest drop since a 6.4% decline in 1982 and easily surpassing the downturns during the 1990-91 and 2001 recessions. It also represents the second consecutive decline in GDP, after a 0.5% decline in the third quarter ending September 2008. Although two consecutive declines is considered the proof of a recession, the National Bureau of Economic Research had already officially declared that the recession began at the end of 2007 based on job losses and other factors.

The decline in GDP was largely attributable to a decline in consumer spending which fell by approximately 3.5%, with big-ticket items like cars, furniture and appliances declining by 22.7%. Consumers have been tightening their belts as many face foreclosures and job loss. Exports also declined sharply by 19.7%. U.S. sales to other countries had been strong in recent years driven by the relatively low value of the dollar. But according to the International Monetary Fund (IMF) the decline in the U.S. is matched by other leading economies, which contracted about 5.5% in the last three months of 2008.

In the fourth-quarter of 2008, federal government spending boosted growth 0.4 percentage points compared with 1.1 percentage points the quarter before. Analysts noted that state and local government spending cuts were also hindering the federal government's efforts to stimulate the economy. States and local governments were busy slashing spending to try to balance budgets as a result of property tax reform.

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

	<u>2008*</u>	<u>2007*</u>
City of Pembroke Pines	4.1%	3.0%
Broward County	4.7%	3.3%
State of Florida	5.3%	3.7%
United States	5.3%	4.5%

* Average unemployment data for 2008 & 2007 is on a fiscal year basis October 1st through September 30th.

The latest unemployment rate for the State of Florida, as released by the U.S Department of Labor in January 2009 was 8.1% for December 2008. This is the highest number unemployed since the 8.9% in September 1992, and is nearly a full percentage point higher than the nation. In Florida, this represents 1 out of every 12 persons without a job. For the entire United States, the unemployment rate was 7.2% with approximately 11.1 million people unemployed for the same period, representing a 16-year high for the United States. Last year, 2.6 million jobs vanished, the most since World War II. Since the start of the recession in December 2007, the number of unemployed persons has grown by 3.6 million, and the unemployment rate has risen by 2.3 percentage points. The surge in layoff announcements, auto factory closures and an overwhelming number of filers in state unemployment offices, promises to send the unemployment rate even higher from the 7.2% in December.

Inflation is another important economic indicator that weighs heavily on national policy. Nationwide, the inflation rate as measured by the percent change in the Consumer Price Index (CPI) for all urban consumers decreased by 0.7% in December 2008; slightly smaller than the 0.9% economists were expecting. This was due to a record plunge in gasoline prices, which fell by 17.2% in December, the largest monthly decline on record going back some 71 years. For the year, consumer prices edged up by only 0.1%, down from 4.1% in 2007. This represents the smallest annual change since consumer prices actually fell by 0.7% in 1954. Over the same period December 2007 to December 2008, the inflation rate for the Miami-Fort Lauderdale area was 0.5%. This was a huge decline since October, when local prices were rising at a 4% annual rate, and comes as much relief to many consumers who were feeling the pinch. Concerns remain low about a possible deflation, but represent a marked change from just six months ago when soaring energy prices threatened to trigger a widening inflation problem that many analysts believed the Federal Reserve would have to fight by raising interest rates.

The housing market has been one of the most critical issues in the last year, and no one fully anticipated the level of the downturn that has taken place nationwide. The strong housing market that had fueled an economic boom in the State, the County and the City has taken a big hit, with falling property values, record levels of foreclosure filings, and the effects of the sub-prime mortgages which has crippled the housing market and the economy. It has sparked one of the biggest financial crises that the US and the global economies have ever had to face.

Another sign of the deepening recession came in a Commerce Department report that showed new home construction plunged 15.5 percent to a record low in December 2008. Construction of new homes and apartments fell to an annual rate of 550,000 in December, below analysts' expectations of 610,000. The report capped a miserable year for new home construction. Builders broke ground on only 904,000 units last year, the lowest since records began in 1959.

Pending home sales fell to the lowest level on record in November 2008 as the plummeting stock market and faltering economy made buyers postpone buying a home. The index which tracks signed contracts to purchase existing homes fell 4% to 82.3 as reported by the National Association of Realtors. The index was down 5.3% from November 2007. Local economies of Broward County and Pembroke Pines are

witnessing a rise in foreclosures and a decline in the demand for affordable housing units. The nation's foreclosure crisis centered around four states: California, Florida, Nevada and Arizona, and generated about half of all foreclosure filings nationwide last year, according to Realty Trac Incorporated. South Florida's foreclosure debacle worsened last year and the outlook for 2009 is not expected to improve. Broward County had approximately 47,400 homeowners in some state of foreclosure in 2008, this is a 128% increase over the 20,800 a year earlier, and leads as the nation's 6th highest annual foreclosure rate with one in 17 homes being taken back by lenders. Nationally, 3.2 million foreclosures were filed in 2008, an 81% increase from 2007, and a 225% increase from 2006.

The business environment within the County, neighboring cities and within Pembroke Pines itself is also weakening due to the economic pressures. Major retailers such as Linen and Things, KB Toys and Circuit City stores are going out of business and closing their doors, with many others stating on record that they anticipate job losses in the near future. Broward County continues to encourage business investment through numerous incentives, and provides an effective platform for global companies seeking a convenient location to serve Latin America and the Caribbean, as well as national, regional and local enterprises. Pembroke Pines is continuing its commercial development, and as such, last year the City has added to its list of successful business partners in the western portion of the City including the "Shops at Pembroke Gardens", which is a 40-acre lifestyle center featuring major national restaurants and stores. In addition to this, the City has issued approximately 1,130 new local business tax licenses throughout the year which are indications that there continues to be successful economic opportunities for business owners within the City. The City will continue its efforts to advertise the benefits of locating in Pembroke Pines, and through its Economic Development Board, will continue to plan seminars and symposiums, host business expos, and assist with expedited permit reviews that specifically benefit our business partners.

Although the City is almost fully built out, Pembroke Pines continues to maintain one of the lower tax rates within Broward County. In fiscal year 2008, the City ranked as the twelfth lowest among the 31 cities in Broward for property taxes, municipal taxes and fees combined, and in 2009 moved to the sixteenth lowest. The City's current operating millage rate for the fiscal year ending September 30th, 2009 is 4.9630, which includes a debt service millage of 0.5318. For the fiscal year ended September 30th, 2008, the City's millage rate ranked as the thirteenth lowest in the County at 4.6397 and included a debt service millage of 0.4672. For the past few years, increases in property values have helped to mitigate increases in the City's millage rate, however, the City can no longer rely on this as a result of property tax reform, and the lowering of property values. The City is steadfast in its resolve to continue to be progressive, and by leveraging its current resources in innovative ways, will remain true to its strategic vision and motto "Join us and progress with us". This vision continues to be one that seeks to provide its residents with the highest quality of life, at an affordable cost, and utilizing cost efficiencies in every way practicable.

Long-Term Financial Planning

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

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise, and in light of the recent property tax reform initiatives passed by the State legislature. As the City approaches build-out, the long-term strategic focus has had to shift from one of growth to one of redevelopment, yet the overall long-term goals remain targeted on the health, welfare, safety and quality of life for our residents. The 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-containment especially for personnel-related costs which accounted for approximately 74.1% of total General Fund expenditures for the 2009 Adopted Budget, versus 75.9% in the previous fiscal year. The City's 2009 budget was adopted using the operating millage rate of 4.4312, but in order to maintain current levels of service, increases in the fire assessment and other fees had to be implemented. The Budget was adopted eliminating vacancies and reducing capital, operating, and contractual expenditures. The City also implemented a four-day work week in an effort to reduce energy costs, and revised operating hours of various park facilities.

As citizens began to feel the effects of the economic realities on their wallets, cities and counties throughout the State were required to revisit their own budgets in unprecedented ways, as residents and state lawmakers clamored for property tax relief and tax reform. The budget preparation for the fiscal year ending September 30th, 2009 was a difficult challenge for the City. The State has capped the City's property tax revenues by limiting tax increases to the growth in personal income and new construction. However, the City can override this cap by 10% provided it is approved by two-thirds of the City Commission; or greater than 10% if approved by a unanimous vote, or if approved by a referendum of the voters. The estimated change in personal income growth for fiscal year 2010 is 2.57%, yet increases in personnel-related costs such as pension and health insurance have far exceeded this cap, and with build-out, new construction is miniscule.

This restricted revenue tax policy aimed at protecting residents, has had, and will continue to have, a significant impact on the service delivery capacity of the City, other municipal governments, and the educational system in the coming years. The City must begin to create new and diversified revenue streams, and continue to pursue avenues of reducing costs.

On January 29th, 2008, Florida voters approved a property tax constitutional amendment, which included, but was not limited to, an additional homestead exemption of \$25,000, and allowed for portability of the "Save Our Homes" value of up to \$500,000. The City Commission hosted a visioning session in January, and is faced with the daunting task of making difficult decisions concerning the City's future, weighing in the balance how the City will sustain this level of loss, while still following its core mission to serve the residents of the City.

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. During fiscal year 2008, the City issued two bonds: the Charter Schools Revenue Bonds, Series 2008 in the amount of \$64,095,000 and the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 in the amount of \$8,040,000. It was important that these debt issues be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission on November 1, 2006. This policy allows for the efficient management of the City debt, and stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal to or exceed \$100,000. Additionally, this is the first year that the City has entered into derivative products. 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.

Over the last year, the City has developed the budget in such a way as to preserve unreserved, undesignated fund balance in the General Fund between 10 and 30 percent of the total annual General Fund expenditures. This also provides a contingency for unexpected future events. The importance of monitoring the City's fund balance levels has become such an integral part of its overall financial planning, that on November 1, 2006 the City formally adopted Ordinance Number 1562 creating a Fund Balance Reserve Policy. Currently this policy only covers the General Fund, and specifies the course of action in the event that the undesignated, unreserved fund balance falls below the target range. The City's General Fund unreserved, undesignated fund balance for 2008 of \$31.3 million, as a percentage of 2009 budgeted expenditures is 19.6% which falls within the established policy guidelines.

Major Initiatives

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

The projects funded from the proceeds of the bonds range from various roadwork projects, and recreational and cultural amenities, to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City's Mayor and Commissioners. Due to the size of the "Building Our Future Program", it is expected to have a significant impact that will benefit both the current and future residents of the City, and is expected to take a number of years to complete.

Many of the planned "Phase I" and "Phase II" projects using the funds from the General Obligation (G.O.) Bonds, Series 2005 and Series 2007 have been completed. The City has been careful in scheduling projects in order to minimize disruptions to existing traffic patterns, and to provide its residents and commercial partners the ability to operate "business as usual". The main thrust of the Phase I projects has been traffic mitigation and roadwork improvements, and traffic flow has significantly improved along the main Pines Boulevard corridor. In fiscal year 2008, the City spent a total of approximately \$17.3 million on G.O. Bond projects. The main components of these expenditures included \$13.2 million spent on transportation projects, \$2.2 million on improvements to recreational facilities and playground equipment, \$1.8 million on the purchase of land and development of open space related to the completion of the SW Pines Nature Park, and the other \$0.1 million was spent on improvements to landscaping. A total of 130 projects were approved by the City Commission relating the "Building Our Future Program". As of December 2008, 7 projects had not yet begun, 63 projects were fully completed, 9 projects were in the construction phase, 24 projects were in the design/planning phase, 6 projects were re-allocated and 21 projects were eliminated. Of the \$90.0 million, 79.4% or \$71.5 million has been spent or allocated.

In fiscal year 2007, the City signed an inter-local agreement with Broward County, in which the City would take over the road improvement project related to Sheridan Street between Southwest 196th Avenue and Southwest 172nd Avenue. As part of the agreement, the City is responsible for the design, construction, and design engineering, and the County will reimburse the City up to a maximum of \$15.5 million. In fiscal year 2008, the City has spent an additional \$5.8 million, bringing the total amount spent on this project to \$14.0 million. To date, the City has spent a total of \$14.0 million on this project.

As part of the City's continued efforts to enhance the functionality and services of the Senator Howard C. Forman Human Services Campus, the City has renovated a number of existing buildings at the site, and currently has plans to expand this facility to provide a wide array of educational, professional, and health-related services, as well as residential treatment facilities to special-needs groups, senior residents and the community at large. There have been significant improvements to this site thus far, including the completion of the three Senior Housing Residential Complexes, referred to as "Pines Place". Tower I was completed in May 2005 and consist of 208 residential units, and Tower II was completed in fiscal year 2006 and consists of an additional 186 residential units. Construction for Tower III was completed in December 2007, and the building was opened for residents on January 1st 2008 consisting of 220 one-bedroom units. In addition to the 614 units located at the Senator Howard C. Forman Human Services Campus, the City owns and operates two buildings containing 190 one-bedroom senior housing residential units, referred to as "Pines Point". This brings the total to 804 senior housing residential units provided by the City. As a result of the slump in the housing market, in May 2008 the City passed an Ordinance which changed the age limit to 18 years of age for eligible applicants for the Pines Place rental community, but the demand for these affordable housing units has declined. However, Pines Point remains a "senior" rental community.

The plans for "City Center" are developing and remain to be a project of significant importance in terms of both financial implications and resource allocation needed for its development. This project was initially started in fiscal year 2003 with the purchase of approximately 115 acres of undeveloped land adjacent to City Hall, for \$22 million. This site is the last major piece of property along the Pines Boulevard corridor, and will provide a unique opportunity for the City to ensure that the needs and well-being of our residents are properly evaluated and provided for in a controlled environment. The City is overseeing the development of this property as a "City Center" that will provide an interesting mix of residential, commercial, professional and governmental services to residents. It includes plans for a conference center, town houses, apartments, office buildings, restaurants, small shops, and a central plaza with a fountain, all within a pedestrian-friendly setting. The City is expecting to recover its development costs through the sale of building sites to various businesses and developers. As a result of the enormous implications of this project, the City Commission requested an independent market and cost-benefit analysis of the viability of the project, which indicated that this project was still beneficial to the City. The total estimated cost for this project is \$67.0 million, of which \$64.3 million has been spent as of December 2008. It is estimated that the City's portion, for the infrastructure development, will be completed in March 2009. In December 2008, the City Commission approved a measure to put the current City Hall up for sale for \$14.5 million. Money from the sale would be used to construct a new City Hall at City Center with no additional costs to the City. The offer is being considered by Keiser University. The City Center project may also include a transportation hub, and an amphitheater.

A new project also being undertaken by the City includes the re-configuration of the Interstate 75 interchange at Pines Boulevard. This project is underway and is expected to be completed in February 2010, and was awarded to Bergeron Land Development, Inc. This construction will change the interchange from its current rural configuration to an urban style similar to Interstate 95. High speed entrance and exit lanes will be replaced with lanes that will stop at new traffic lights. The total cost for this project is estimated at \$12.8 million and includes a Local Agency Program (LAP) agreement with the Florida Department of Transportation in the amount of \$10.1 million. Developers who are directly benefiting from this construction will contribute the remaining \$2.7 million.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007.

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

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

Additionally, the City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2007. The City of Pembroke Pines has received this award consecutively for eleven years since the fiscal year beginning October 1, 1997.

In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

The City's Charter Schools' budget also received the GFOA Distinguished Budget Presentation Award for their fiscal year beginning July 1, 2008. This is the fifth consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004.

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

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

In closing, without the leadership, the vision, and support of the Mayor and the City Commissioners, the accomplishments and future successes noted in this report would not have been possible.

Sincerely,



Charles F. Dodge
City Manager



René González, CPA, CGFO, CPFO
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

List of City Officials

City Commission:

Frank C. Ortis, Mayor

Carl Shechter, Vice Mayor

Angelo Castillo, Commissioner

Jack McCluskey, Commissioner

Iris A. Siple, Commissioner

City Manager:

Charles F. Dodge LLC

City Attorney:

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

City Clerk:

Judith A. Neugent

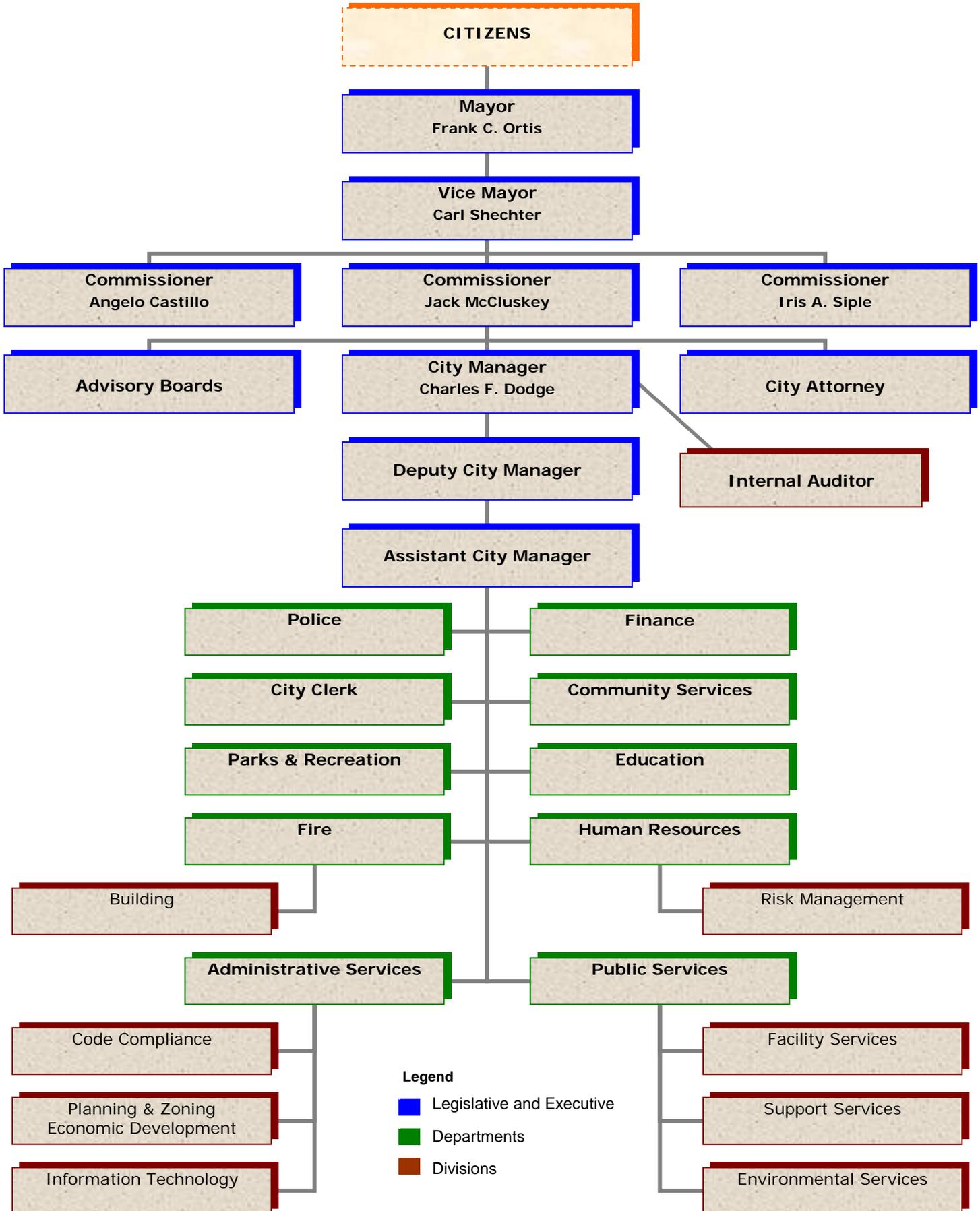
Finance Director:

René D. González



CITY OF PEMBROKE PINES, FLORIDA

Organizational Chart



II. FINANCIAL SECTION

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



Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, (the "City") as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 63% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 22 and 121 through 126, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, state projects and local awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Fort Lauderdale, Florida
March 11, 2009

TCBA Water Rice LLP

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, 2008. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to ix of this report.

Financial Highlights

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$334.7 million (*net assets*), as compared with \$335.5 million for the previous fiscal year. Of this amount, \$50.1 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$0.8 million (or -0.2 percent) during the current fiscal year. Included in the total net assets are governmental net assets which increased by \$0.7 million (0.7 percent), and the business-type net assets which decreased by \$1.5 million (or -0.7 percent). The reasons for the decrease in net assets are analyzed on pages 8-12.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94.1 million, a decrease of \$13.4 million (-12.5 percent) in comparison with the prior year. Approximately \$26.4 million (28.1 percent) of this total amount is available for spending at the City's discretion (*unreserved, undesignated fund balance*). The reasons for the decrease in fund balance are analyzed on page 13.
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities had a deficit of \$15.8 million, or -6.4 percent of total governmental activities expenses. The unrestricted net assets of the business-type activities were \$65.9 million, or 152.5 percent of total business-type expenses.

Overview of the Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are

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

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 operations.

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

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 127-130 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with this budget, on pages 123-126. The basic governmental fund financial statements can be found on pages 25-28 of this report.

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

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

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

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

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

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

The notes to the basic financial statements can be found on pages 36-120 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 121-126 of this report.

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

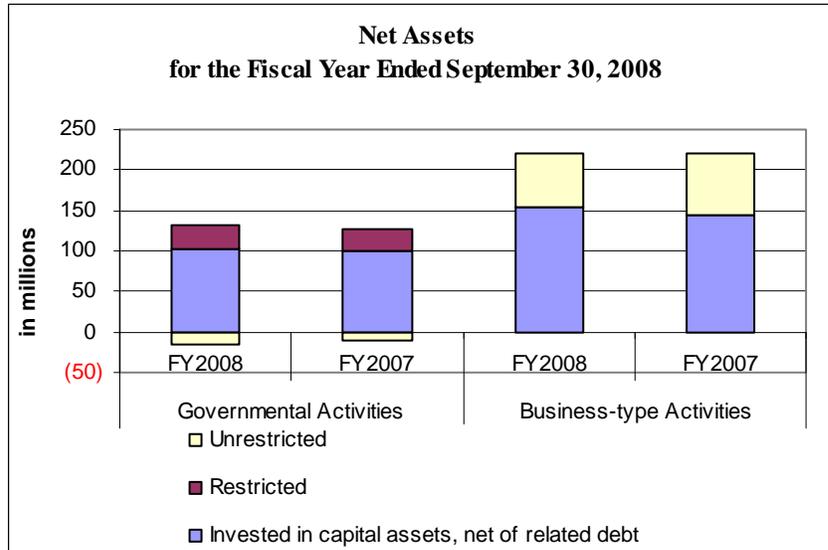
Combining and individual fund statements and schedules can be found on pages 127-130 of this report.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets exceeded liabilities by \$334.7 million at the close of the most recent fiscal year, which represents a -0.2 percent decrease compared to last year's net assets of \$335.5 million. By far the largest portion of the City's net assets, \$256.5 million (76.6 percent), represents investment in capital assets, which includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.



Another portion of the City's net assets, \$28.0 million (8.4 percent), represent resources that are subject to external restrictions on how they may be used. This balance increased by approximately \$2.2 million (8.7 percent), all related to governmental activities. At the end of the fiscal year there were no restricted assets relating to the business-type activities. The restricted net assets of the governmental funds increased mainly as a result of an increase in net assets relating to charter schools of \$4.0 million; this was offset by a decrease in the net assets for debt service of \$2.2 million. The remaining balance is unrestricted net assets of \$50.1 million (15.0 percent), which decreased by \$15.2 million (23.3 percent) over last year.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

	Net Assets (in millions) **					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 134.9	\$ 122.6	\$ 3.7	\$ 18.2	\$ 138.6	\$ 140.8
Restricted assets	59.4	79.1	2.7	2.7	62.1	81.8
Negative net pension obligation	62.0	65.1	3.3	3.5	65.3	68.6
Unamortized bond issue costs	6.5	6.1	-	-	6.5	6.1
Capital assets, not being depreciated	101.3	115.1	16.1	6.5	117.4	121.6
Capital assets, being depreciated, net	275.7	236.3	137.3	137.4	413.0	373.7
Total assets	<u>639.8</u>	<u>624.3</u>	<u>163.1</u>	<u>168.3</u>	<u>802.9</u>	<u>792.6</u>
Long-term liabilities	424.7	418.7	1.0	1.1	425.7	419.8
Other liabilities	99.7	91.0	(57.2)	(53.6)	42.5	37.4
Total liabilities	<u>524.4</u>	<u>509.7</u>	<u>(56.2)</u>	<u>(52.5)</u>	<u>468.2</u>	<u>457.2</u>
Invested in capital assets, net of related debt	103.1	100.4	153.4	143.9	256.5	244.3
Restricted	28.1	25.8	-	-	28.1	25.8
Unrestricted	(15.8)	(11.6)	65.9	76.9	50.1	65.3
Total net assets	<u>\$ 115.4</u>	<u>\$ 114.6</u>	<u>\$ 219.3</u>	<u>\$ 220.8</u>	<u>\$ 334.7</u>	<u>\$ 335.4</u>

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

Despite an overall decrease in net assets of \$0.7 million, the City continues to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate business-type activities. However, governmental activities had a deficit of \$15.8 million in unrestricted net assets.

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

Changes in Net Assets (in millions) **

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for services	\$114.0	\$101.6	\$31.8	\$30.8	\$145.8	\$132.4
Operating grants & contributions	10.5	7.6	-	-	10.5	7.6
Capital grants & contributions	11.9	6.7	7.3	2.5	19.2	9.2
General Revenues:						
Property taxes	52.3	49.8	-	-	52.3	49.8
Permits, fees and licenses	15.3	15.1	0.1	0.3	15.4	15.4
Utility taxes	9.9	9.7	-	-	9.9	9.7
Communications services tax	7.4	7.1	-	-	7.4	7.1
Other taxes	8.7	8.2	-	-	8.7	8.2
Intergovernmental - unrestricted	12.6	13.5	-	-	12.6	13.5
Investment earnings - not restricted	3.5	6.9	2.5	4.2	6.0	11.1
Other miscellaneous	0.6	0.7	-	-	0.6	0.7
Total revenues	<u>246.7</u>	<u>226.9</u>	<u>41.7</u>	<u>37.8</u>	<u>288.4</u>	<u>264.7</u>
Expenses:						
General government services	27.0	23.3	-	-	27.0	23.3
Public safety	99.1	89.0	-	-	99.1	89.0
Physical environment	3.7	4.1	-	-	3.7	4.1
Transportation	12.0	12.9	-	-	12.0	12.9
Economic environment	10.7	7.6	-	-	10.7	7.6
Human services	53.9	54.1	-	-	53.9	54.1
Culture/recreation	21.6	20.9	-	-	21.6	20.9
Interest on long-term debt	18.0	16.8	-	-	18.0	16.8
Water utility services	-	-	5.3	5.3	5.3	5.3
Sewer/wastewater services	-	-	13.1	12.3	13.1	12.3
Water-sewer combined service	-	-	24.8	26.1	24.8	26.1
Total expenses	<u>246.0</u>	<u>228.7</u>	<u>43.2</u>	<u>43.7</u>	<u>289.2</u>	<u>272.4</u>
Change in net assets	<u>0.7</u>	<u>(1.8)</u>	<u>(1.5)</u>	<u>(5.9)</u>	<u>(0.8)</u>	<u>(7.7)</u>
Net assets, beginning	114.6	116.4	220.9	226.8	335.5	343.2
Net assets, ending	<u>\$115.3</u>	<u>\$114.6</u>	<u>\$219.4</u>	<u>\$220.9</u>	<u>\$334.7</u>	<u>\$335.5</u>

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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Governmental activities. Net assets of the City's governmental activities increased by 0.7 percent (\$0.7 million) from \$114.6 million in the last fiscal year to \$115.4 million in the current fiscal year.

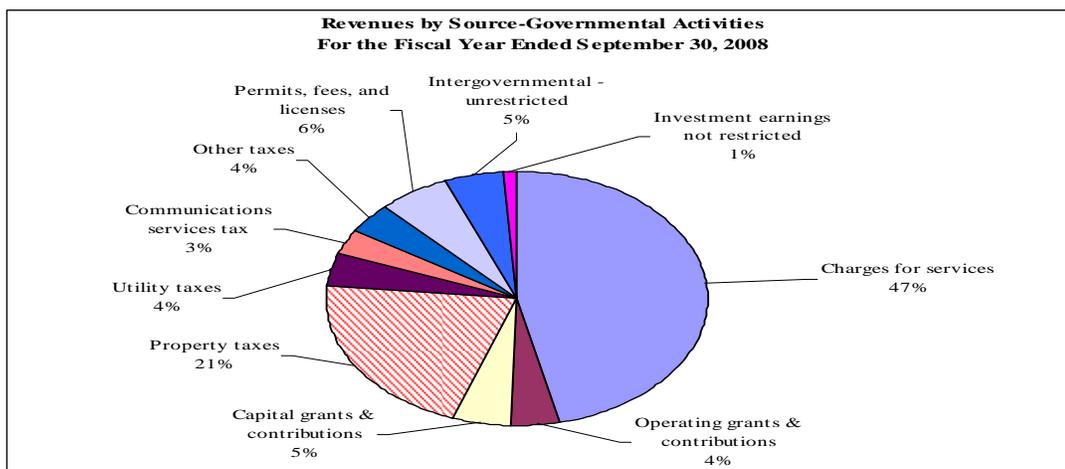
Revenues:

Revenues from Governmental activities increased by \$19.8 million (8.7 percent) over last year. This increase was mainly attributable to an increase in charges for services of \$12.4 million (12.3%), an increase in property taxes of \$2.6 million (5.2%), an increase in capital grants and contributions in the amount of \$5.2 million (78.6%), and an increase in operating grants and contribution of \$2.9 million (38.8%). This was offset by a decrease in investment earnings-not restricted of \$3.4 million (-49.3%). All other revenues combined increased by \$0.1 million.

Charges for services are intended to fully recover the costs of providing those services. The increase in charges for services amounted to \$12.4 million (12.3%). Of this increase, Public Safety revenues increased by \$8.5 million, mainly as a result of the additional revenues for fire control special assessments. This assessment was increased in fiscal year 2008 to cover 100% of the fire control cost. These rates are for fire rescue and do not include Emergency Medical Services (EMS). The City's Charter School system has contributed \$3.7 million to the increase in the charges for services as a result of additional revenues received from the State of Florida. These revenues include an additional \$0.9 million for the class size reduction and public education capital outlay programs, and \$2.6 million for the Florida Education Finance Program. As a result of the class size reduction mandated by the Florida State Legislature, the City issued bonds in order to finance the construction of additional classrooms.

Property tax revenues increased by \$2.6 million (5.2%). The City's operating millage was 4.1725, which is the rolled-back rate for the fiscal year ended September 30, 2008, and an additional voter-approved debt millage of 0.4672 was added, thus decreasing the City's total millage rate to 4.6397 versus 4.8564 from 2007. The additional revenues collected were as a result of the additional debt millage, and is accounted for in the Debt Service Fund. In fiscal year 2009, the City adopted millage rate of 4.4312 and a debt service millage of 0.5318 resulting in a total millage of 4.9630.

Capital grants and contributions increased by \$5.2 million, mainly as a result of a \$2.1 million contribution from Broward County as part of the inter-local agreement signed with the City for the design and construction of roadwork improvements in the western portion of the City. The total amount to be reimbursed by the County is \$15.5 million. An additional \$2.9 million was capital contributed to the City for drainage and paving improvements related to SW145th Avenue between Pembroke Road and Pines Boulevard.



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

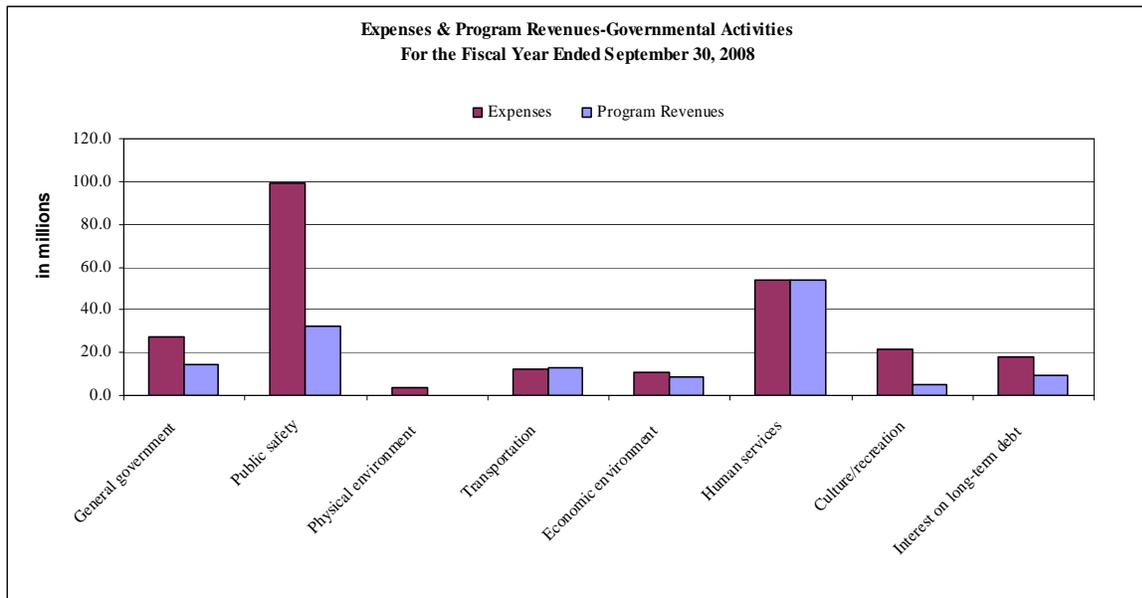
Expenses:

Expenses increased by \$17.3 million (7.6 percent) over last year. The increase in governmental expenses were mainly centered around Public Safety which increased by \$10.2 million, General Government services which increased by \$3.7 million, an increase in Economic Environment of \$3.2 million, and an increase in Interest on long-term debt of \$1.2 million. These increases were offset by a decline in Transportation expenses of \$0.9 million. All other decreases in expenses totaled \$0.1 million.

Public Safety expenses increased by approximately \$10.2 million (11.5 percent) as a result of personnel benefit costs relating to pensions, Other Post-Employment Benefits (OPEB) and health insurance. Overall, pension costs increased by \$3.5 million, health insurance costs increased by \$3.0 million and OPEB costs increased by \$2.0 million. All other personnel costs increased by \$1.7 million as a result of union-negotiated increases for cost of living adjustments.

General Government expenses increased by \$3.7 million, mainly due to the increase in OPEB costs of \$4.0 million. This is the first year that the City has implemented the new Governmental Accounting Standards Board (GASB) Statements 43 and 45 – Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. The City’s Annual Required Contribution was \$11.4 million for fiscal year 2008, but the actual amount contributed was \$6.6 million.

Expenses related to Economic Environment increased by \$3.2 million, mainly driven by an increase in expenses for City grants. These expenses increased by approximately \$1.6 million over last year, and included spending on assisting first-time home buyers with the purchase of a home. The City also used the grants funds to purchase and rehabilitate the mobile home community of Holly Lake. Depreciation expenses also increased by \$0.7 million, and a \$0.4 million increase was attributable to increased expenses in operating the City’s residential rental units.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

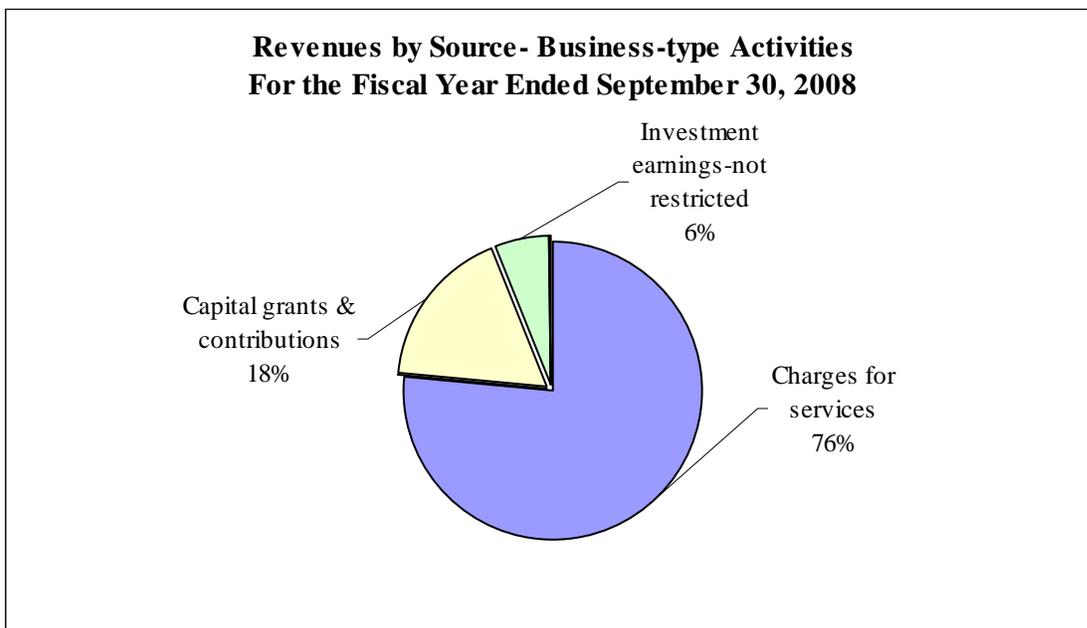
Business-type activities. The net assets of the City's business-type activities decreased by \$1.5 million (-0.7 percent) from \$220.8 million in the last fiscal year to \$219.3 million in the current fiscal year.

Revenues:

Revenues increased over last year by \$3.9 million (10.3 percent). The main factors contributing to this was an increase of \$1.0 million in charges for services, a net increase in grant revenues of \$4.8 million, and a net decrease in general revenues of \$1.9 million.

The increase in charges for services of \$1.0 million was mainly attributable to an increase in water and sewer charges which were increased based on the change in the Consumer Price Index (CPI) for the twelve months ended April 2007. The water and sewer rates increased by 2.57% for the fiscal year ended September 30, 2008.

The net decrease in General Revenues was attributable to a \$1.7 million decrease in investment earnings-not restricted, and a \$0.2 million decrease in permits, fees and licenses. The decrease in investment earnings-not restricted is a result of the Utility Fund not having any investments throughout the year; investments were liquidated in order to meet immediate cash needs.

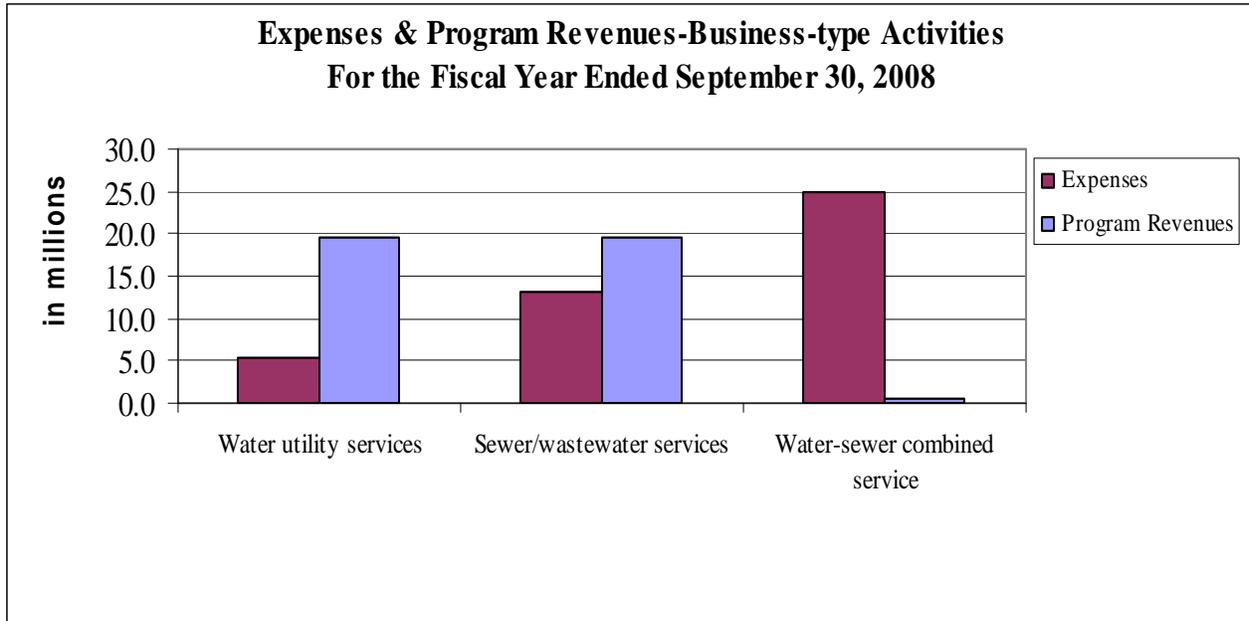


City of Pembroke Pines, Florida

Management's Discussion and Analysis

Expenses:

Expenses of the business-type activities were lower over last year by \$0.5 million (1.1 percent). This was attributable to a decrease in water-sewer combined service in the amount of \$1.3 million as a result of decreases in operating expenses for insurance and administrative fees. This was offset by an increase in sewer/wastewater services of \$0.8 million as a result of wastewater treatment charges for the large user agreement between the City of Hollywood, Florida and the City of Pembroke Pines.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

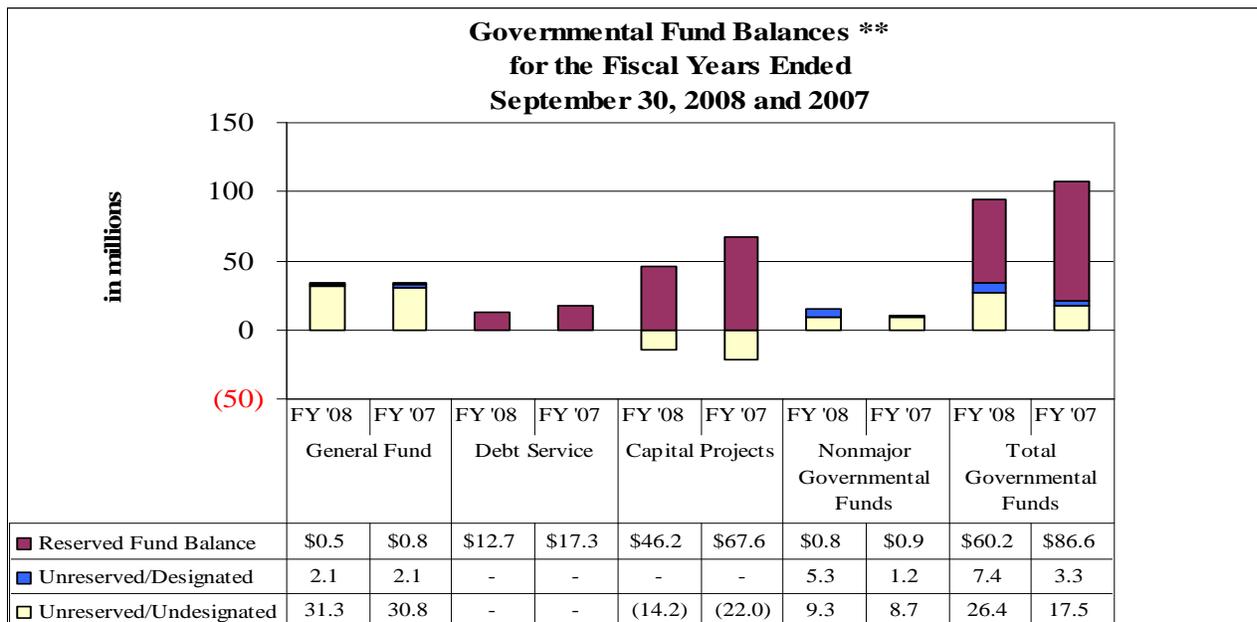
Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances (both reserved and unreserved) of \$94.1 million, a decrease of 13.4 million in comparison with the \$107.5 million prior year balance. This decrease was attributable to an increase in assets of \$5.5 million and an increase in liabilities of \$18.9 million.

Approximately \$26.4 million of this total amount (28.1 percent) represents unreserved-undesignated fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed for a variety of restricted purposes, such as construction projects, debt service, grant expenditures, and encumbrances; or designated by the City administration for disaster assistance and rent payments.



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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The General Fund

The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$31.3 million, as compared with \$30.8 million in the prior year. Reserved fund balance decreased by \$0.3 million to \$0.5 million. Unreserved, designated fund balance remained unchanged at \$2.1 million, as designated for disaster assistance.

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

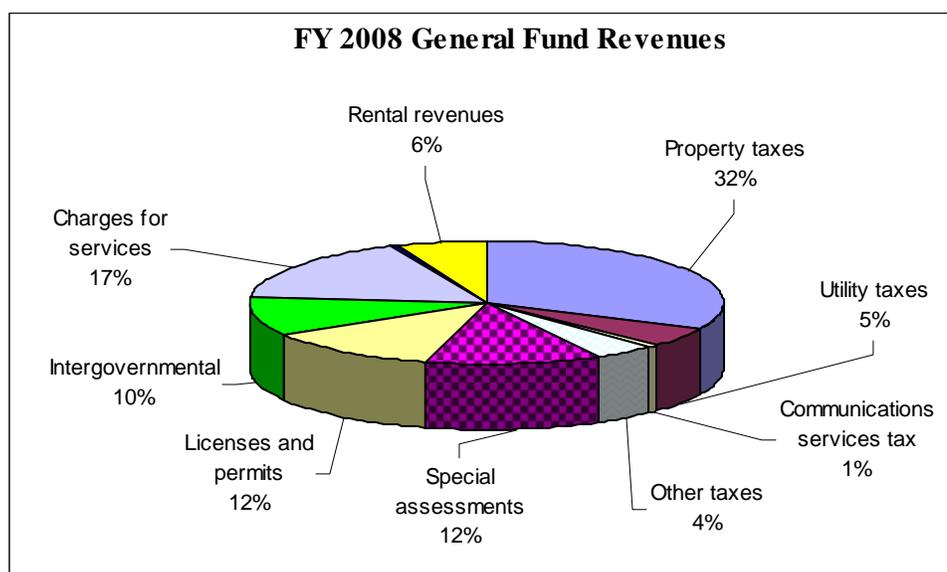
<u>Revenue Sources</u>	General Fund Revenues (in millions) **					
	2008	Percent	2007	Percent	Increase	Percentage
	<u>Amount</u>	<u>of Total</u>	<u>Amount</u>	<u>of Total</u>	<u>From 2007</u>	<u>(Decrease)</u>
Property taxes	\$47.1	32%	\$47.1	33%	\$0.0	0%
Utility taxes	8.3	5%	8.1	6%	0.2	2%
Communications services tax	0.9	1%	1.3	1%	(0.4)	(31)%
Other taxes	5.9	4%	5.5	4%	0.4	7%
Special assessments	17.6	12%	8.5	6%	9.1	107%
Licenses and permits	18.1	12%	19.7	14%	(1.6)	(8)%
Intergovernmental	15.2	10%	14.0	10%	1.2	9%
Charges for services	25.7	17%	24.7	17%	1.0	4%
Fines and forfeitures	1.1	1%	1.1	1%	0.0	0%
Investment income	0.3	0%	2.8	2%	(2.5)	(89)%
Rental revenues	8.6	6%	8.3	6%	0.3	4%
Other revenues	0.5	0%	0.4	0%	0.1	25%
Total revenues	\$149.3	100%	\$141.5	100%	\$7.8	6%

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

Compared to the prior fiscal year, total General Fund revenues increased by \$7.8 million or 5.6 percent in fiscal year 2008. Special assessments increased by \$9.1 million, as a result of the fire protection special assessment. Fiscal year 2008 was the first year in which the City levied and collected 100% of the fire control costs, netting an additional \$8.8 million for the City. Additionally, intergovernmental revenues increased by \$1.2 million as a result of a \$2.0 million increase in grant revenues and a \$0.8 million decrease in state shared revenues. Charges for services increased by \$1.0 million, mainly driven by a \$1.2 million increase in golf revenues; a \$0.5 million increase in public safety revenues and offset by a \$0.6 million decrease in general government revenues. The City's renovation of the golf course was completed for a full year in 2008 after being closed for most of 2007.

Property tax revenues remained flat as the City's tax rate for 2008 was based on the rolled-backed millage rate of 4.1725. Investment income declined by \$2.5 million. This was caused by the poor investment climate during the year as a result of the economic downturn, as well as a decline of the investment balances due to liquidity needs. Licenses and permits decreased by \$1.6 million due to a decline in construction throughout the City.

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



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

General Fund Expenditures (in millions) **

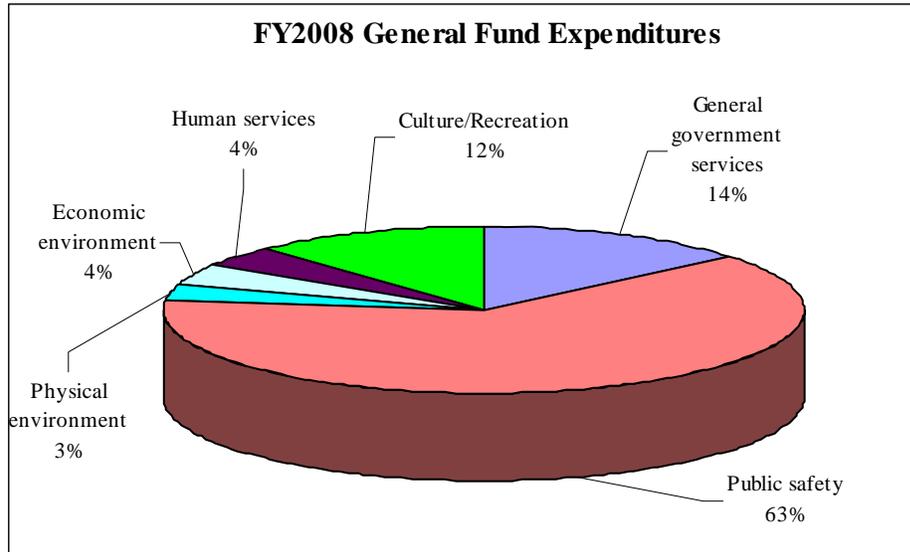
	<u>2008</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2007</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2007</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Expenditures:						
General government services	\$ 21.4	14%	\$ 22.3	16%	\$ (0.9)	(4)%
Public safety	93.8	63%	84.6	61%	9.2	11%
Physical environment	3.6	3%	4.0	3%	(0.4)	(10)%
Economic environment	5.5	4%	4.6	3%	0.9	18%
Human services	6.4	4%	6.9	5%	(0.5)	(7)%
Culture/Recreation	18.0	12%	17.3	12%	0.7	4%
Total expenditures	\$ 148.7	100%	\$ 139.7	100%	\$ 9.0	6%

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

In fiscal year 2008, total General Fund expenditures increased by \$9.0 million or 6.4 percent compared to the prior year. The main increase in the General Fund expenditures was related to public safety which increased by \$9.2 million. Of this amount, increases in spending related to Fire and Police were \$6.1 million and \$4.0 million, respectively. This was offset by a decrease of \$0.9 million in spending related to emergency and disaster relief. The \$10.1 million increase in Fire and Police spending are mainly attributable to a \$3.5 million increase in pension costs, a \$3.0 million increase in Other Post-Employment Benefit (OPEB) costs, and a \$2.0 million increase in health insurance costs.

Other increases in wages and salaries were due to union-negotiated cost of living increases of 2.75 percent for General employees, 1.5 percent for Police Officers on October 1, 2007 and April 1, 2008; and 3% for Firefighters on October 1, 2007.

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



Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund decreased by \$4.6 million or (26.4%), as compared with 2007. This was mainly a result of a decrease in reserves of \$3.6 million, as a result of the refunding of the Charter School Revenue Bonds, Series 2001A and Series 2001B, and \$1.0 million decrease in an interfund receivable relating to capitalized interest on the Capital Improvement Revenue Bonds, Series 2007 for \$26.805 million. Additional information can be found in the Capital Assets and Debt Administration section on pages 18-20.

Capital Projects Fund

The deficit in the unreserved, undesignated fund balance of the Capital Projects Fund decreased by \$7.8 million from a deficit of \$22.0 million in fiscal year 2007 to a deficit of \$14.2 million in fiscal year 2008. The reserved fund balance decreased significantly by \$21.4 million over last year to \$46.2 million, and represented reserved for encumbrances of \$7.8 million and reserved for capital projects of \$38.4 million. These balances are mainly attributable to construction projects related to the General Obligation Bonds, and various other construction projects being undertaken by the City.

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

Unrestricted net assets at the end of the year for the Utility Fund amounted to \$65.9 million compared to \$76.9 million in the prior year. Other factors concerning the finances of this major fund have already been addressed in the discussion of the City's business-type activities.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

General Fund Budgetary Highlights

Expenditures

Over the past year aggregate adjustments to the budget increased appropriations by \$2.5 million mainly to reflect \$1.9 million in carryovers from fiscal year 2007 related principally to encumbered capital items, \$0.3 million for hardening homes against the effects of hurricanes, and \$0.2 million for the second year of the Transitional Independent Living (TIL) program. Actual expenditures were \$6.3 million or 4.1% below final budget due largely to budgetary savings as follows:

- **General government** - \$3.0 million principally in the Non-departmental and Public Services divisions. Budget savings of \$2.2 million in the Non-departmental division consisted primarily of \$0.9 million appropriated for contingencies but not utilized and \$0.9 million associated with lower than expected property and liability insurance claims. Unspent appropriations of \$0.2 million, for hardening homes against the effects of hurricanes (My Safe Florida Home Program), were carried forward to fiscal year 2009.
- **Culture and recreation** - \$0.9 million comprised of \$0.3 million in personnel, \$0.4 million in operating and \$0.2 million in capital. Savings in personnel were linked mainly to retirement contributions of \$0.4 million. There was no significant savings in salaries. There were small operating savings in a myriad of accounts, chiefly electricity since the budget provided for higher electricity cost. Capital expenditures were lower than budget due generally to the delay in completing the renovations at the Academic Village Recreation Complex. The unspent funds were carried over to the fiscal year 2009.
- **Public safety** - \$1.0 million composed mostly of \$0.9 million savings in the Fire Department which included \$1.5 million in capital and \$0.2 million in operating, which were countered by \$0.8 million in additional personnel expenses. Significant capital savings stemmed largely from \$0.4 million related to the incomplete refurbishment of the fire stations at Stirling Road and at 9500 Pines Boulevard, as well as \$0.9 million for remaining work on the Fire Training Facility. Unutilized funds connected with these capital items, with the exception of Stirling Road station, were carried over to fiscal year 2009. Savings in the Fire Department were augmented by \$0.2 million in Police Department operating expense savings.
- **Human services** - \$0.7 million including \$0.2 million related to unexpended funds for Transitional Housing that has been carried forward to fiscal year 2009. In addition, there were \$0.2 million in unspent funds by the Early Development Centers as a result of unmet enrollment expectations.

Revenues

Actual revenues were \$2.7 million or 1.8% below the final budget due mostly to budget shortfalls in:

- **Miscellaneous revenues** of \$3.6 million linked mainly to \$2.4 million in interest attributable primarily to lower than anticipated rates, \$0.9 million in rental for the Senator Howard C. Forman Human Services Campus related to the loss of two lessees and one potential lessee, and \$0.8 million in Pines Place apartment rentals due to the economic conditions and the availability of other rental units in the area. These were mitigated by a \$0.5 million gain in interim fire assessments associated mostly with completion of Holiday Inn Express and several Shops at Pembroke Gardens.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

- **Charges for services** of \$0.8 million tied principally to \$0.5 million in early development centers fees due to lower than expected enrollment in both the regular and summer programs.

The budget shortfalls in these categories were countered by gains in the following categories:

- **Intergovernmental revenues** of \$1.2 million was the result of the receipt of the final FEMA reimbursement of \$3.4 million which mitigated shortfalls of \$1.1 million in the Local Government ½ Cent Sales Tax and \$0.6 million in Sales Tax Proceeds, directly related to the economic decline, along with \$0.2 million of the My Safe Florida Home Program funds linked to the project cycle.
- **Taxes** of \$0.8 million resulted mainly from \$0.4 million increase in Ad Valorem Taxes and \$0.3 million in Fire Insurance Premium Taxes. The budget for Ad Valorem was based on 95% of tax levied. The remaining 5% allows for early payment discounts as well as possible changes by the Valuation Adjustments Board. Collections as a percentage of tax levied were a favorable 95.7%, generating the positive variance. Due to the timing of receipts, the budget for the insurance premium utilized fiscal year 2006 actual as a forecast basis and did not reflect the \$0.4 million increase received during fiscal year 2007, giving rise to the under budget. The only significant decline was \$0.1 million in Public service taxes – electric service.

In view of the aforementioned, the projected change in fund balance was a \$3.5 million decrease. However, the actual fund balance change was a \$0.2 million increase resulting in a variance of \$3.7 million.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of September 30, 2008, amounted to \$530.4 million (net of accumulated depreciation), compared with \$495.4 million last year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in the City's capital assets for the current fiscal year was 7.1 percent.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Capital assets, not being depreciated:						
Land	\$56.4	\$56.4	\$3.0	\$3.0	\$59.4	\$59.4
Construction in progress	44.8	58.7	13.1	3.5	57.9	62.2
Total capital assets, not being depreciated	101.2	115.1	16.1	6.5	117.3	121.6
Capital assets, being depreciated, net						
Buildings	192.8	171.3	15.9	16.4	208.7	187.7
Improvements other than buildings	65.9	44.8	120.1	119.6	186.0	164.4
Machinery and equipment	12.9	15.5	1.3	1.4	14.2	16.9
Infrastructure	4.2	4.7	-	-	4.2	4.7
Total capital assets, being depreciated, net	275.8	236.3	137.3	137.4	413.1	373.7
Total capital assets	\$377.0	\$351.4	\$153.4	\$143.9	\$530.4	\$495.3

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

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

The net addition to capital assets before depreciation, and excluding disposals for governmental activities was approximately \$40.6 million and included the following items:

- Began construction of the Charter School Expansion project which included the addition of 50 new classrooms. This construction was undertaken by the City as part of the State's mandate for Class Size Reduction. During fiscal year 2008, the City spent approximately \$10.9 million on this project.
- Continued various transportation projects throughout the City utilizing the 2007 and 2005 General Obligation Bond proceeds. In 2008, the City spent an additional \$10.3 million on road improvements throughout the City.
- Continued various improvements to recreational facilities. In fiscal year 2008, the City spent approximately \$1.3 million on various park improvements and playground equipment.
- Completed construction of the SW Pines Nature Park. The City has spent an additional \$2.0 million in 2008. This has been developed as a soccer park, which is located in the western portion of the City, and includes soccer fields, football field, jogging and exercise trail, playground, picnic facility, handball court, basketball court, nature trail, restrooms and a concessions area. The total cost for this project was approximately \$15.0 million.
- Spent an additional \$1.8 million as part of the open space and wetland development.
- Continued construction of the Sheridan Street improvement as part of an inter-local agreement with Broward County. In fiscal year 2008, the City spent an additional \$5.8 million. As part of the agreement, Broward County will reimburse the City approximately \$15.5 million.

Of the \$15.5 million net addition to capital assets before depreciation, and excluding disposals for business-type activities, the majority of these purchases included:

- Water plant expansion project phase III for approximately \$9.8 million.
- Continued rehabilitation of the sewer treatment plant and water plant for approximately \$0.3 million.
- Continued upgrading of the odor control system.
- Water and sewer lines and lift stations dedicated by developers in the amount of \$5.4 million.

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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$400.6 million. The majority of the City's outstanding debt is secured by specified revenue sources; fiscal year 2008 was the first time that the City has entered into swap transactions.

Outstanding Debt (in millions)		
Revenue and General Obligation Bonds		
Governmental		
Activities		
	2008	2007
Revenue Bonds	\$ 314.0	\$ 301.3
General Obligation Bonds	86.6	88.0
	<u>\$ 400.6</u>	<u>\$ 389.3</u>

- During the current fiscal year, the City's net outstanding debt increased by \$11.3 million (2.9 percent), as a result of issuing \$72.135 million in new bonds less payments and refundings of \$59.375 million of existing bonds.

All of the outstanding bonds are insured and have been having the highest bond rating until the recent downgrade of the bond insurers by the Rating Agencies, and consequently the insured rating on these bonds was downgraded. Such ratings reflect only the respective views of such Rating Agencies. Generally, Rating Agencies base their ratings on such information and materials, and on 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, or any one of them, if in their or its judgment, circumstances warrant.

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

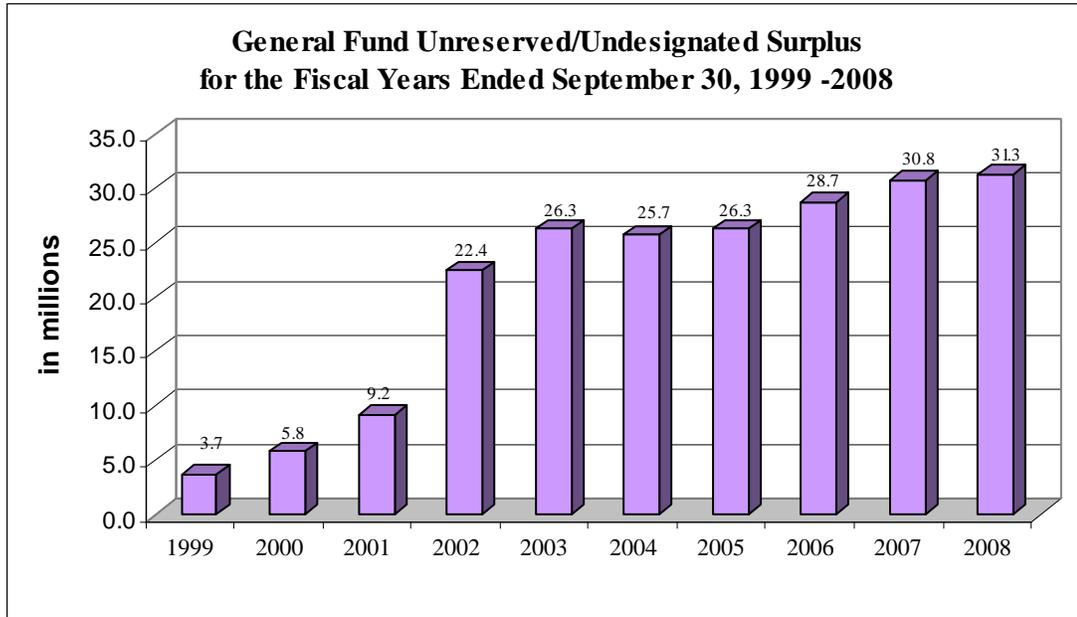
Economic Factors, and Next Year's Budgets and Rates

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

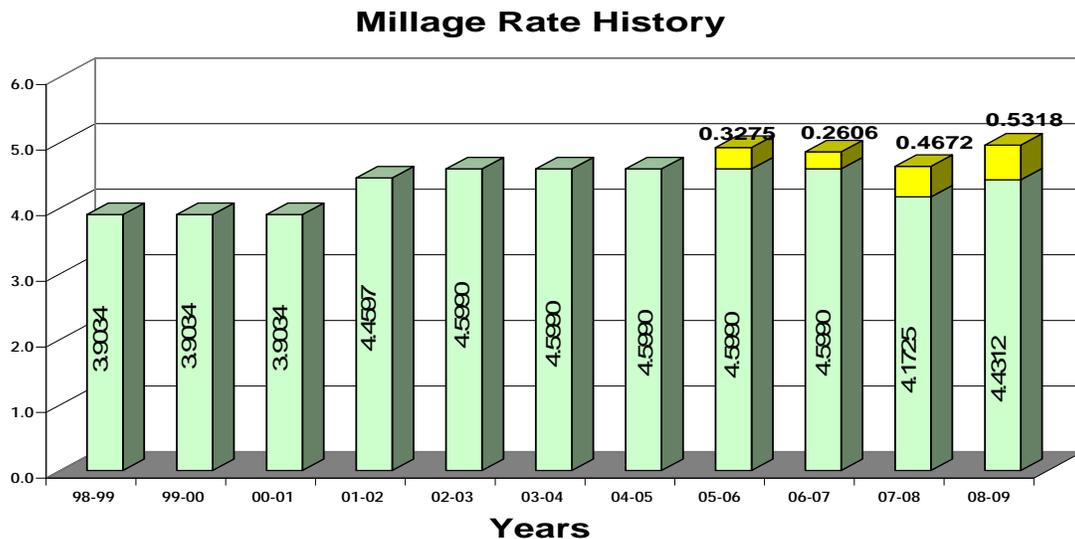
The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2008 was 4.1 percent, which is an increase from the 3.0 percent a year ago. This compares favorably to unemployment rates for Broward County, which was 4.7 percent, and 5.3 percent for the State of Florida for the same period.

During the current fiscal year, unreserved/undesignated fund balance in the General Fund increased to \$31.3 million, compared to \$30.8 million from last year. The \$31.3 million is approximately equal to four months of the General Fund operating expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph.

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



A portion of unreserved fund balance may be used to preclude or moderate future tax and user fee increases. In 1995, the State of Florida limited all local governments' ability to increase homestead residential property taxable values in any given year to 3 percent or the cost of living increase, whichever is lower. However, for fiscal year 2008, the State required all local governments to decrease taxes by rolling back the millage rate.



In 2009, the City Commission by super-majority vote increased the tax rate by almost 3/10th of a mill to 4.312; however, this would result in the City collecting approximately \$1.0 million less in property tax revenues. For many years, the City, just like many other cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect. State legislative changes in effect for fiscal year 2009 have reduced the City's ability to increase taxes.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The water and sewer revenue projections were increased for the 2009 budget year. The water and sewer rates were increased by 25.36 percent effective October 1, 2008 for all residential and commercial customers based on the need to balance the 2009 budget and to fund capital needs for that year.

The development of the City's budget for fiscal year 2009 required a more conservative approach to revenue projections in order to minimize exposure to revenue fluctuations, and to focus on expenditure containment due to the rising costs for retirement benefits for pensions and Other Post-Employment Benefits (OPEB). The estimated rate of inflation used in the preparation of the budget was 3.86 percent based on the projected change in the Consumer Price Index for All Urban Consumers- U.S. City Average.

All these and other factors were considered in preparing the City's budget for fiscal year 2009.

Requests for Information

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

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

Basic Financial Statements



Government-wide Financial Statements



City of Pembroke Pines, Florida

Statement of Net Assets

September 30, 2008

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$37,740,070	\$394,629	\$38,134,699
Investments	84,046,605	-	84,046,605
Receivables, net	12,544,811	3,275,667	15,820,478
Inventories	531,984	24,396	556,380
Restricted assets:			
Pooled cash and cash equivalents	24,314,989	1,214,092	25,529,081
Investments	35,076,617	1,525,562	36,602,179
Prepaid costs	87,217	-	87,217
Negative net pension obligation	61,980,423	3,308,898	65,289,321
Unamortized bond issue costs	6,489,362	-	6,489,362
Capital assets, not being depreciated	101,255,576	16,079,366	117,334,942
Capital assets, being depreciated, net	<u>275,747,532</u>	<u>137,310,080</u>	<u>413,057,612</u>
Total assets	<u>639,815,186</u>	<u>163,132,690</u>	<u>802,947,876</u>
Liabilities			
Accounts payable and accrued liabilities	25,252,435	404,352	25,656,787
Arbitrage payable	460,112	-	460,112
Deposits	1,856,180	-	1,856,180
Deferred revenue	7,069,278	-	7,069,278
Internal balances	60,315,995	(60,315,995)	-
Net OPEB obligation	4,759,323	-	4,759,323
Payable from restricted assets:			
Deposits	-	2,739,746	2,739,746
Noncurrent liabilities:			
Due within one year	22,364,646	558,303	22,922,949
Due in more than one year	<u>402,360,108</u>	<u>437,719</u>	<u>402,797,827</u>
Total liabilities	<u>524,438,077</u>	<u>(56,175,875)</u>	<u>468,262,202</u>
Net assets			
Invested in capital assets, net of related debt	103,142,455	153,389,446	256,531,901
Restricted for:			
\$2 Police Education	177,471	-	177,471
ADA/Paratransit Program	669,760	-	669,760
Charter schools	4,574,104	-	4,574,104
Debt Service	13,391,412	-	13,391,412
FDLE - Confiscated	1,458,424	-	1,458,424
Justice - Confiscated	253,470	-	253,470
Road & Bridge Fund	6,679,892	-	6,679,892
Treasury - Confiscated	217,480	-	217,480
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	162,105	-	162,105
Unrestricted	<u>(15,795,579)</u>	<u>65,919,119</u>	<u>50,123,540</u>
Total net assets	<u>\$115,377,109</u>	<u>\$219,308,565</u>	<u>\$334,685,674</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Activities

Fiscal Year Ended September 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$27,026,054	\$14,295,201	\$3,125	\$ -	\$(12,727,728)	\$ -	\$(12,727,728)
Public safety	99,176,919	28,386,165	3,459,271	715,771	(66,615,712)	-	(66,615,712)
Physical environment	3,654,027	1,075	-	-	(3,652,952)	-	(3,652,952)
Transportation	11,950,528	355,227	1,406,371	10,909,294	720,364	-	720,364
Economic environment	10,717,579	4,974,853	3,612,477	-	(2,130,249)	-	(2,130,249)
Human services	53,871,577	51,655,776	1,983,448	-	(232,353)	-	(232,353)
Culture/recreation	21,576,740	4,759,467	24,700	289,156	(16,503,417)	-	(16,503,417)
Interest on long-term debt	17,996,176	9,602,414	-	-	(8,393,762)	-	(8,393,762)
Total governmental activities	<u>245,969,600</u>	<u>114,030,178</u>	<u>10,489,392</u>	<u>11,914,221</u>	<u>(109,535,809)</u>	<u>-</u>	<u>(109,535,809)</u>
Business-type activities:							
Water utility services	5,318,791	16,310,543	-	3,253,534	-	14,245,286	14,245,286
Sewer/wastewater services	13,080,744	15,422,017	-	4,053,470	-	6,394,743	6,394,743
Water-sewer combined service	24,812,790	73,193	-	-	-	(24,739,597)	(24,739,597)
Total business-type activities	<u>43,212,325</u>	<u>31,805,753</u>	<u>-</u>	<u>7,307,004</u>	<u>-</u>	<u>(4,099,568)</u>	<u>(4,099,568)</u>
Total	<u>\$289,181,925</u>	<u>\$145,835,931</u>	<u>\$10,489,392</u>	<u>\$19,221,225</u>	<u>(109,535,809)</u>	<u>(4,099,568)</u>	<u>(113,635,377)</u>
General revenues:							
Property taxes, levied for debt service					5,264,984	-	5,264,984
Property taxes, levied for general purposes					47,077,737	-	47,077,737
Utility taxes					9,939,667	-	9,939,667
Communications services tax					7,359,061	-	7,359,061
Insurance premium taxes					2,581,143	-	2,581,143
Local option gas taxes					2,785,670	-	2,785,670
Local business tax					3,316,948	-	3,316,948
Permits, fees, and licenses					15,294,804	63,032	15,357,836
Intergovernmental revenue - unrestricted					12,563,396	-	12,563,396
Fines & forfeitures					16,849	-	16,849
Miscellaneous revenues					578,325	10,476	588,801
Investment earnings not restricted					3,505,189	2,488,373	5,993,562
Total general revenues					<u>110,283,773</u>	<u>2,561,881</u>	<u>112,845,654</u>
Change in net assets					747,964	(1,537,687)	(789,723)
Net assets, beginning					<u>114,629,145</u>	<u>220,846,252</u>	<u>335,475,397</u>
Net assets, ending					<u>\$115,377,109</u>	<u>\$219,308,565</u>	<u>\$334,685,674</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida
Balance Sheet
Governmental Funds
September 30, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and cash equivalents	\$ 17,835,822	\$ -	\$ -	\$ 17,147,458	\$ 34,983,280
Investments	75,207,307	-	-	-	75,207,307
Receivables:					
Franchise fees and taxes	6,064,351	-	-	482,705	6,547,056
Other	3,852,055	-	-	30,322	3,882,377
Inventories	452,203	-	-	79,781	531,984
Prepaid costs	-	-	-	54,850	54,850
Due from other funds	14,951,748	-	-	-	14,951,748
Due from other governments	408,705	-	115,086	1,591,587	2,115,378
Restricted assets:					
Pooled cash and cash equivalents	-	12,773,253	10,933,516	608,220	24,314,989
Investments	-	-	35,076,617	-	35,076,617
Total assets	<u>\$ 118,772,191</u>	<u>\$ 12,773,253</u>	<u>\$ 46,125,219</u>	<u>\$ 19,994,923</u>	<u>\$ 197,665,586</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 11,809,751	\$ -	\$ -	\$ 102,450	\$ 11,912,201
Accrued liabilities	194,934	-	-	-	194,934
Retainage payable	-	-	2,974,431	-	2,974,431
Due to other funds	-	57,540	-	1,260,065	1,317,605
Interfund payables	-	-	2,314,341	-	2,314,341
Due to other governments	4,336,456	-	-	-	4,336,456
Deposits	1,340,911	-	-	515,269	1,856,180
Deferred revenue	4,319,381	-	-	2,749,897	7,069,278
Advances from other funds	62,813,335	-	8,822,462	-	71,635,797
Total liabilities	<u>84,814,768</u>	<u>57,540</u>	<u>14,111,234</u>	<u>4,627,681</u>	<u>103,611,223</u>
Fund balances:					
Reserved for:					
Wetland Mitigation Trust:					
Nonexpendable	-	-	-	446,115	446,115
Expendable	-	-	-	162,105	162,105
Capital projects	-	-	38,373,183	-	38,373,183
Prepaid costs	-	-	-	54,850	54,850
Encumbrances	54,327	-	7,819,003	8,769	7,882,099
Inventory	452,203	-	-	79,781	531,984
Debt service	-	12,715,713	-	-	12,715,713
Unreserved, reported in:					
General fund:					
Designated for disaster assistance	2,125,000	-	-	-	2,125,000
Undesignated	31,325,893	-	-	-	31,325,893
Special revenue funds:					
Designated for rent payments	-	-	-	5,338,482	5,338,482
Undesignated	-	-	-	9,277,140	9,277,140
Capital projects fund:					
Undesignated	-	-	(14,178,201)	-	(14,178,201)
Total fund balances	<u>33,957,423</u>	<u>12,715,713</u>	<u>32,013,985</u>	<u>15,367,242</u>	<u>94,054,363</u>
Total liabilities and fund balances	<u>\$ 118,772,191</u>	<u>\$ 12,773,253</u>	<u>\$ 46,125,219</u>	<u>\$ 19,994,923</u>	<u>\$ 197,665,586</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
September 30, 2008

Fund Balances - Total governmental funds (page 25)	\$ 94,054,363
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	377,003,108
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	6,489,362
Rebatable arbitrage, included in liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(460,112)
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,813,665)
Net OPEB obligation is not due and payable in the current period and, therefore, not reported in the funds.	(4,759,323)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(455,625,000)
Deferred amounts for issuance discounts/premiums, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	62,745,632
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(20,190,764)
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.	61,933,508
Net assets of governmental activities (page 23)	\$ 115,377,109

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, 2008

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 47,077,737	\$ 5,264,984	\$ -	\$ -	\$ 52,342,721
Utility taxes	8,260,752	1,678,915	-	-	9,939,667
Communications services tax	973,680	6,385,381	-	-	7,359,061
Insurance premium taxes	2,581,143	-	-	-	2,581,143
Local option, use and fuel taxes	-	-	-	2,785,670	2,785,670
Local business tax	3,316,948	-	-	-	3,316,948
Special assessments	17,602,253	-	-	-	17,602,253
Permits, fees and licenses	18,141,596	809,561	1,850,641	-	20,801,798
Intergovernmental	15,154,406	-	289,155	49,451,002	64,894,563
Charges for services	25,733,313	-	-	1,733,851	27,467,164
Fines and forfeitures	1,097,886	-	-	377,405	1,475,291
Investment income	288,880	440,270	1,769,686	517,024	3,015,860
Contributions	67,511	-	8,231,014	3,068,163	11,366,688
Rental revenue	8,571,221	9,602,414	-	1,625,945	19,799,580
Other	478,896	-	-	1,441,331	1,920,227
Total revenues	<u>149,346,222</u>	<u>24,181,525</u>	<u>12,140,496</u>	<u>61,000,391</u>	<u>246,668,634</u>
Expenditures					
Current:					
General government	21,424,007	-	60,259	27,210	21,511,476
Public safety	93,790,189	-	-	974,831	94,765,020
Physical environment	3,584,401	-	-	-	3,584,401
Transportation	-	-	20,277,467	8,858,173	29,135,640
Economic environment	5,438,344	-	1,818,878	3,612,490	10,869,712
Human services	6,427,448	-	11,010,060	43,435,413	60,872,921
Culture and recreation	18,002,690	-	6,072,991	-	24,075,681
Debt service:					
Principal	-	5,830,000	-	-	5,830,000
Interest	-	18,334,763	420,029	-	18,754,792
Bond issuance cost	-	1,745,904	-	-	1,745,904
Other debt service costs	-	107,691	-	-	107,691
Total expenditures	<u>148,667,079</u>	<u>26,018,358</u>	<u>39,659,684</u>	<u>56,908,117</u>	<u>271,253,238</u>
Excess (deficiency) of revenues over expenditures	<u>679,143</u>	<u>(1,836,833)</u>	<u>(27,519,188)</u>	<u>4,092,274</u>	<u>(24,584,604)</u>
Other financing sources (uses):					
Transfers in	-	133,863	-	3,014,976	3,148,839
Transfers out	(460,450)	-	(133,863)	(2,554,526)	(3,148,839)
Bonds issued	-	58,110,153	14,024,847	-	72,135,000
Current bond refunding	-	(7,910,000)	-	-	(7,910,000)
Payment to refunded bond escrow agent	-	(53,053,448)	-	-	(53,053,448)
Total other financing sources (uses)	<u>(460,450)</u>	<u>(2,719,432)</u>	<u>13,890,984</u>	<u>460,450</u>	<u>11,171,552</u>
Net change in fund balances	218,693	(4,556,265)	(13,628,204)	4,552,724	(13,413,052)
Fund balances, beginning	33,738,730	17,271,978	45,642,189	10,814,518	107,467,415
Fund balances, ending	<u>\$ 33,957,423</u>	<u>\$ 12,715,713</u>	<u>\$ 32,013,985</u>	<u>\$ 15,367,242</u>	<u>\$ 94,054,363</u>

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, 2008

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

Net change in fund balances - total governmental funds (page 27) \$ (13,413,052)

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	\$ 40,429,598	
Depreciation expense	<u>(14,358,291)</u>	
Net adjustment		26,071,307

The net effect of various miscellaneous transactions involving capital assets (508,708)

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

The details of the difference are as follows:

Debt issued:		
2008 Charter School Revenue Bonds	(64,095,000)	
2008 Variable Rate Capital Improvement Revenue Refunding Bonds	<u>(8,040,000)</u>	
	(72,135,000)	
Principal payments:		
Taxable Revenue Bonds	1,045,000	
General Obligation Bonds	1,485,000	
Capital Improvement Revenue Bonds	1,170,000	
Public Improvement Revenue Bonds	1,650,000	
Refunded Capital Improvement Revenue Bonds	465,000	
Refunded Public Improvement Revenue Bonds	<u>15,000</u>	
	5,830,000	
Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	<u>62,164,321</u>	
Net adjustment		(4,140,679)

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

The details of the difference are as follows:

Rebatable arbitrage		64,570
Compensated absences		(459,377)
Accrued interest		991,313
Net OPEB obligation		(4,759,323)
Amortization of negative pension obligation		(3,098,087)

Change in net assets of governmental activities (page 24) \$ 747,964

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2008

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Assets		
Current assets:		
Pooled cash and cash equivalents	\$ 394,629	\$ 2,756,790
Investments	-	8,839,298
Accounts receivable:		
Customer accounts, net	3,275,667	-
Inventory	24,396	-
Prepaid costs	-	32,367
Total current assets	<u>3,694,692</u>	<u>11,628,455</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	1,214,092	-
Investments	<u>1,525,562</u>	-
Total restricted assets	<u>2,739,654</u>	-
Advances to other funds	<u>71,635,797</u>	-
Negative net pension obligation	<u>3,308,898</u>	<u>46,915</u>
Capital Assets:		
Land	3,006,562	-
Buildings and utility plant	195,684,030	-
Construction-in-progress	13,072,804	-
Machinery and equipment	6,246,190	-
Less accumulated depreciation	<u>(64,620,140)</u>	-
Total capital assets (net of accumulated depreciation)	<u>153,389,446</u>	-
Total noncurrent assets	<u>231,073,795</u>	<u>46,915</u>
Total assets	<u>\$ 234,768,487</u>	<u>\$ 11,675,370</u>

(continued)

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2008
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 44,420	\$ 198,079
Retainage payable	359,932	-
Interfund payable	11,319,802	-
Compensated absences	558,303	12,307
Claims payable	-	11,452,673
Total current liabilities	<u>12,282,457</u>	<u>11,663,059</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	2,739,746	-
Noncurrent liabilities:		
Compensated absences	<u>437,719</u>	<u>12,311</u>
Total noncurrent liabilities	<u>3,177,465</u>	<u>12,311</u>
Total liabilities	<u>15,459,922</u>	<u>11,675,370</u>
Net Assets:		
Invested in capital assets	153,389,446	-
Unrestricted	<u>65,919,119</u>	<u>-</u>
Total net assets	<u>219,308,565</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 234,768,487</u>	<u>\$ 11,675,370</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended September 30, 2008

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 31,805,753	\$ 22,552,864
Other	<u>73,508</u>	<u>2,123,445</u>
Total operating revenues	<u>31,879,261</u>	<u>24,676,309</u>
Operating expenses:		
Operating, administrative and maintenance	37,124,289	25,101,066
Depreciation	<u>5,750,018</u>	<u>-</u>
Total operating expenses	<u>42,874,307</u>	<u>25,101,066</u>
Operating loss	<u>(10,995,046)</u>	<u>(424,757)</u>
Nonoperating revenues & expenses:		
Interest income	2,488,373	424,757
Loss on disposal of fixed assets	<u>(338,017)</u>	<u>-</u>
Total nonoperating revenues & expenses	<u>2,150,356</u>	<u>424,757</u>
Loss before contributions	(8,844,690)	-
Capital contributions	<u>7,307,004</u>	<u>-</u>
Change in net assets	(1,537,686)	-
Net assets, beginning	<u>220,846,252</u>	<u>-</u>
Net assets, ending	<u>\$ 219,308,566</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2008

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities		
Cash received from customers:		
For services	\$ 31,670,573	\$ 22,552,864
For deposits	115,468	-
Cash payments to suppliers for goods and services	(14,880,916)	(24,214,223)
Cash payments to employees for services	(6,932,492)	(200,727)
Interfund services used	(14,973,492)	-
Other operating revenues	<u>73,508</u>	<u>2,123,445</u>
Net cash provided (used) by operating activities	<u>(4,927,351)</u>	<u>261,359</u>
Cash flows from noncapital financing activities		
Increase in advances to other funds	(15,226,462)	(32,367)
Increase in due to other funds	11,319,802	-
Interest earned from other funds	2,139,173	-
Grants for hurricane damage	<u>94,465</u>	<u>-</u>
Net cash used by noncapital financing activities	<u>(1,673,022)</u>	<u>(32,367)</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(10,113,227)	-
Proceeds from sale of equipment	2,430	-
Capital contributions provided by developers	<u>1,875,969</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(8,234,828)</u>	<u>-</u>

(continued)

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2008
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from investing activities		
Purchase of investment securities	\$ -	\$ (5,058,522)
Proceeds from sale and maturity of investments	13,682,292	843,697
Interest on cash and cash equivalents	29,551	289,454
Net cash provided (used) by investing activities	<u>13,711,843</u>	<u>(3,925,371)</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(1,123,358)	(3,696,379)
Pooled cash and cash equivalents at beginning of year	<u>2,732,079</u>	<u>6,453,169</u>
Pooled cash and cash equivalents at end of year	<u>\$ 1,608,721</u>	<u>\$ 2,756,790</u>
Displayed as:		
Unrestricted	\$ 394,629	\$ 2,756,790
Restricted	<u>1,214,092</u>	<u>-</u>
Total, September 30, 2008	<u>\$ 1,608,721</u>	<u>\$ 2,756,790</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (10,995,046)	\$ (424,757)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	5,750,018	-
Change in assets and liabilities:		
Receivables:		
Increase in customer accounts, net	(135,180)	-
Decrease in negative net pension obligation	184,060	5,303
Increase in accounts payable	203,209	678,010
Increase (decrease) in compensating absences	(18,332)	2,799
Increase (decrease) in other liabilities	(31,548)	4
Increase in customer deposits	<u>115,468</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (4,927,351)</u>	<u>\$ 261,359</u>
Noncash investing, capital, and financing activities:		
Property contributed by developers	\$ 5,431,048	\$ -
Increase in fair value of investments	319,649	135,303

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2008

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short-term investments	\$ 22,811,769	\$ 2,704,839
Receivables		
Accrued interest and dividends	1,043,893	-
Other	<u>1,390,738</u>	<u>1,652,525</u>
Total receivables	<u>2,434,631</u>	<u>1,652,525</u>
Investments, at fair value		
U.S. Government securities	23,922,346	-
Corporate Bonds	48,722,747	-
Common Stocks	90,221,619	-
Foreign bonds	2,950,588	-
Domestic equity fund	27,272,144	-
International equity fund	18,123,967	-
Real estate fund	21,613,640	-
Mutual funds	<u>109,980,617</u>	<u>-</u>
Total investments	<u>342,807,668</u>	<u>-</u>
Capital Assets:		
Property and equipment, net	<u>475,356</u>	<u>-</u>
Total capital assets	<u>475,356</u>	<u>-</u>
Total assets	<u>368,529,424</u>	<u>4,357,364</u>
Liabilities		
DROP participants payable	43,843,227	-
Reserve for health insurance claims	473,916	-
Accounts payable	4,462,914	1,652,525
Accrued liabilities	<u>-</u>	<u>2,704,839</u>
Total liabilities	<u>48,780,057</u>	<u>4,357,364</u>
Net Assets		
Net assets held in trust for pension benefits and other purposes	<u>\$ 319,749,367</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended September 30, 2008

	<u>Pension and OPEB Trust Funds</u>
Additions	
Contributions:	
Plan members	\$ 5,628,324
Employee buybacks	119,833
Employer	28,681,503
State	<u>2,581,143</u>
Total	<u>37,010,803</u>
Investment income:	
Investment earnings and appreciation (depreciation)	(63,145,809)
Less investment expense	<u>1,504,144</u>
Net investment income (loss)	<u>(64,649,953)</u>
Other additions:	
Specific stop loss recovery	500,045
Medicare Part D subsidy	<u>79,454</u>
Total other additions	<u>579,499</u>
Total additions	<u>(27,059,651)</u>
Deductions	
Pension benefits	23,161,649
Refunds of contributions	118,974
Administrative expenses	<u>656,251</u>
Total deductions	<u>23,936,874</u>
Change in net assets	(50,996,525)
Net assets, beginning	<u>370,745,892</u>
Net assets, ending	<u>\$ 319,749,367</u>

See notes to basic financial statements.

Notes to Basic Financial Statements



City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Financial Reporting Entity

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

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

Blended Component Units

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

Discretely Presented Component Units

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

d. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments (continued)

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

2. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Receivables

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Capital Assets

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

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

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

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

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

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

5. Inventories and Prepaid Items

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Restricted Assets

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

7. Compensated Absences

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

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

8. Long-Term Obligations

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Long-Term Obligations (continued)

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

9. Rebatable Arbitrage

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

Governmental units that issue no more than \$5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The City incurred \$460,112 of rebatable arbitrage liability as of September 30, 2008.

10. Property Taxes

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

11. Fund Equity

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

12. Use of Estimates

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

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

For the year ended September 30, 2008, the City complied, in all material respects, with these revenue restrictions.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS

a. Deposits and Investments

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

Deposits and investments as of September 30, 2008 are classified in the accompanying financial statements as follows:

Statement of net assets

Cash and cash equivalents	\$ 38,134,699
Investments	84,046,605
Restricted cash and cash equivalents	25,529,081
Restricted investments	36,602,179
Statement of Fiduciary net assets	
Cash and short-term investments	22,811,769
Investments	342,807,668
Total cash and investments	<u>\$ 549,932,001</u>

Cash on hand, deposits and investments as of September 30, 2008 consist of the following:

Governmental and Business-type investments

Cash on hand	\$ 21,834
Deposits with financial institutions	11,336,721
Certificate of Deposit	5,192,873
Money market funds held with financial institutions	5,659,961
Local Government Investment Pool (LGIP)	46,483,203
Fund B Surplus Trust Fund (Fund B)	27,711
Investments held with external Investment managers	52,776,926
Investment in real estate	62,813,335
Firefighters and Police Officers Pension Fund:	
Cash and short-term investments	19,250,004
Investments	232,827,051
General Employees Pension Fund:	
Investments in mutual funds	109,980,617
Other Post-Employment Benefits (OPEB):	
Cash and short-term investments	3,561,765
Total cash and investments	<u>\$ 549,932,001</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (*continued*)

Deposits

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

Investments

In accordance with City Ordinance 1493, as adopted on September 1, 2004, the City's authorized investments include, but are not limited to, investments in obligations of the U.S. Treasury, its agencies, instrumentalities, the Local Government Surplus Funds Trust Fund administered by the State Board of Administration (SBA), the Florida Municipal Investment Trust administered by the Florida League of Cities, corporate obligations or corporate notes of U.S. corporations, certificates of deposit issued by qualified public depositories, real estate, Real Estate Investment Trusts (REITs) and Land Trusts provided the transactions comply with Federal and State Laws, and the City's Code of Ordinances.

Under Florida Statutes Chapter 218, *Financial Matters Pertaining to Political Subdivisions*, authorized investments include the following, which are consistent with City's written investment policy: Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, direct obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered with under the Investment Company Act of 1940, and any other investments authorized by law or by ordinance of the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments in External Investments Pools

State Board of Administration (SBA)

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

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, currently referred to as the LGIP, consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. Through September 30, 2008 investors received distributions from Fund B totaling 65.3% of their original balances. Additionally, the SBA has made significant changes to the investment strategy of the pool and has adopted legislative changes to the administration of the pool to strengthen controls, including the creation of a Participant Advisory Council, a six-member panel to regularly review the administration of the LGIP and make recommendations to the Trustees.

The LGIP is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value factor for Fund B as of September 30, 2008 was 0.798385, and the fair value is calculated by multiplying the factor by the account balance. As at September 30, 2008, the City had \$46,483,203 invested in the LGIP and \$27,711 invested in Fund B.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments in External Investments Pools (continued)

The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Local Government Investment Pool (LGIP) and the Florida Municipal Investment Trust (FMIVT) are not registrants with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. The City invests in the High Quality Government Fund and the 1-3 Year Bond Fund which had the following balances as of September 30, 2008, \$120,364 and \$38,807,559 respectively.

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

Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table on the following page as of September 30, 2008.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
<u>Managed by External Investment Manager:</u>			
Temporary investments	\$ 72,634	-	0.1%
Federal agencies	3,927,305	0.82	4.0%
Mortgage pass-through	1,691,946	2.65	1.7%
Collateralized mortgage obligations	1,778,113	9.38	1.9%
Mortgages -collateralized mortgage-backed securities	511,047	1.10	0.5%
Asset-backed securities	445,221	0.69	0.4%
Corporate	4,908,759	1.40	4.9%
Sovereign/Other government	513,979	0.77	0.5%
<u>Investment in External Investment Pools:</u>			
FMIvT -High quality government fund	120,364	0.14	0.1%
FMIvT -1-3 Year bond fund	38,807,559	1.33	39.1%
Local Government Investment Pool (LGIP)	46,483,203	-	46.8%
Fund B Surplus Trust Fund (Fund B)	27,711	-	0.0%
Total Governmental & Business-type Fixed Income	\$ 99,287,841		100.0%
Weighted average effective duration of the Governmental & Business-type activities		0.86	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
Federal agencies	\$ 23,922,346	3.50	31.6%
Corporate bonds	48,722,747	4.70	64.5%
State of Israel bonds	2,950,588	2.70	3.9%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 75,595,681		100.0%
Weighted average effective duration of Police & Fire Pension Fund		4.24	
General Employees Pension Fund:			
<u>Investment in separate fixed income investments accounts:</u>			
Principal bond and mortgage	\$ 24,360,966	4.49	54.9%
Principal inflation protection	5,728,730	4.35	12.9%
Principal high yield	5,314,620	3.90	12.0%
Principal preferred securities	1,591,806	5.66	3.6%
Principal US property	7,338,846	-	16.6%
Total Fixed Income General Employees Pension Fund	\$ 44,334,968		100.0%
Weighted average effective duration of the General Employees Pension Fund		3.70	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

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

The weighted average days to maturity of the LGIP as of September 30, 2008 is 8.5 days and the weighted average life of Fund B as of September 30, 2008 is 9.36 years.

As a result of the economic downturn and the credit crisis, the City held investments, as shown in the table below with a fair market value as of September 30, 2008 of \$648,215 that were not in compliance with the Operating Investment Policy in relation to the effective duration requirements. The Operating Investment Policy states that for mortgage-backed securities issued by a private corporation, the maximum effective duration is 5 years. However, the expected prepayments slowed dramatically thus increasing the estimated average life above 5 years. As a result of the loss that would be suffered, the City decided not to sell these holdings, but they would be monitored by the Investment Manager for an opportune time to sell, as there was currently no market for these securities. The Operating Investment Policy allows the Investment Manager to adjust the existing portfolio to the provisions of the policy so as not to require the premature liquidation of any investment. The City is also reviewing its Operating Investment Policy to make changes that will ensure the safety of principal.

Type of Investment	Name	CUSIP	Ratings		Fair Market Value
			Standard & Poor's	Moody's	
Mortgage-backed Securities	Countrywide Home Loans	170256AD3	AAA	AAA	\$ 298,561
Mortgage-backed Securities	Credit Suisse Mtg. Backed	12629EAD7	AAA	BA2	179,696
Mortgage-backed Securities	Indymac Index Mtg.	45660LYD5	AAA	AAA	169,958
Total fair market value					\$ 648,215

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Firefighters and Police Officers Pension Investments

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

General Employees Pension Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

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

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:		
<u>Managed by External Investment Manager:</u>		
Temporary investments	Aaa / AAA	\$ 72,634
Federal agencies	AGY / AGY	3,927,305
Mortgage pass-through	AGY / AGY	1,691,946
Collateralized mortgage obligations	AA+ / Aa1	1,778,113
Mortgages -collateralized mortgage-backed securities	Aaa / AAA	511,047
Asset-backed securities	Aaa / AAA	445,221
Corporate	A / A2	4,908,759
Sovereign/Other government	A+ / A1	513,979
<u>Investment in External Investment Pools:</u>		
FMIvT -High quality government fund	AAAf/S1+	120,364
FMIvT -1-3 Year bond fund	AAA/V2	38,807,559
Local Government Investment Pool (LGIP)	AAA _m	46,483,203
Fund B Surplus Trust Fund (Fund B)	Not rated	27,711
Total Governmental & Business-type Fixed Income		<u><u>\$ 99,287,841</u></u>
FIDUCIARY FUNDS:		
Firefighters and Police Officers Pension Fund:		
U.S. government guaranteed	Not applicable	\$ 23,922,346
Corporate bonds	AAA	2,168,140
Corporate bonds	AA+	515,350
Corporate bonds	AA	2,444,228
Corporate bonds	AA-	2,801,345
Corporate bonds	A+	10,611,925
Corporate bonds	A	18,556,599
Corporate bonds	A-	5,899,761
State of Israel bonds	A	2,950,588
Corporate bonds	BB+	836,386
Corporate bonds	BBB+	3,623,058
Corporate bonds	BBB	505,535
Corporate bonds	BBB-	760,420
Total Fixed Income Firefighters and Police Officers Pension Fund		<u><u>\$ 75,595,681</u></u>
General Employees Pension Fund:		
<u>Investment in separate fixed income investments accounts:</u>		
Principal bond and mortgage	Not rated	\$ 24,360,966
Principal inflation protection	Not rated	5,728,730
Principal high yield	Not rated	5,314,620
Principal preferred securities	Not rated	1,591,806
Principal US property	Not rated	7,338,846
Total Fixed Income General Employees Pension Fund		<u><u>\$ 44,334,968</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

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

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

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

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

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

Type of Investment	Name	CUSIP	Ratings		Fair Market Value
			Standard & Poor's	Moody's	
Corporate Bond	American Gen. Financial	002635PSP9	BBB	A3	\$ 248,710
Corporate Bond	Lehman Brothers Inc.	52517PXT3	Not rated	B3	61,375
Total fair market value					\$ 310,085

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk (continued)

Firefighters and Police Officers Pension Investments

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

General Employees Pension Investments

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

Concentration of Credit Risk: 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2008 are as follows:

Receivables	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Enterprise Fund	Total
Customer accounts	\$ -	\$ -	\$ -	\$3,552,151	\$ 3,552,151
Franchise fees and taxes	6,064,351	-	482,705	-	6,547,056
Due from other governments	408,705	115,086	1,591,587	-	2,115,378
Other receivables	3,852,055	-	30,322	-	3,882,377
Gross receivables	<u>10,325,111</u>	<u>115,086</u>	<u>2,104,614</u>	<u>3,552,151</u>	<u>16,096,962</u>
Less: allowance for uncollectible accounts	-	-	-	(276,484)	(276,484)
Net total receivables	<u><u>\$10,325,111</u></u>	<u><u>\$ 115,086</u></u>	<u><u>\$ 2,104,614</u></u>	<u><u>\$3,275,667</u></u>	<u><u>\$15,820,478</u></u>

Receivables not expected to be collected within one year consist of \$213,634 for ICMA-RC Forfeitures. These funds will be used to offset future City Contributions to the defined contribution plans for the Charter Schools and Early Development Centers.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

c. Restricted Assets

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2008 are as follows:

<u>Restricted assets</u>	<u>Debt Service</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Fund</u>	<u>Total</u>
Revenue Bonds sinking fund	\$ 10,163,521	\$ -	\$ -	\$ -	\$10,163,521
General Obligation Bonds sinking fund	569	-	-	-	569
Revenue Bonds reserve fund	2,609,163	-	-	-	2,609,163
Restricted for construction projects	-	46,010,133	-	-	46,010,133
Restricted for wetland mitigation	-	-	608,220	-	608,220
Customer deposits - water and sewer	-	-	-	2,739,654	2,739,654
Total restricted assets	\$ 12,773,253	\$ 46,010,133	\$ 608,220	\$ 2,739,654	\$62,131,260

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets

Capital asset activity for the year ended September 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 56,416,314	\$ 4,404	\$ -	\$ 56,420,718
Construction-in-progress	58,677,229	34,996,786	(48,839,157)	44,834,858
Total capital assets, not being depreciated	<u>115,093,543</u>	<u>35,001,190</u>	<u>(48,839,157)</u>	<u>101,255,576</u>
Capital assets, being depreciated:				
Buildings	199,467,925	25,924,838	(71,575)	225,321,188
Improvements other than buildings	69,662,784	25,909,598	(146,979)	95,425,403
Machinery and equipment	58,024,804	2,570,284	(8,994,069)	51,601,019
Infrastructure	32,887,950	14,868	-	32,902,818
Total capital assets, being depreciated	<u>360,043,463</u>	<u>54,419,588</u>	<u>(9,212,623)</u>	<u>405,250,428</u>
Less accumulated depreciation for:				
Buildings	(28,131,533)	(4,436,078)	918	(32,566,693)
Improvements other than buildings	(24,829,378)	(4,774,551)	74,379	(29,529,550)
Machinery and equipment	(42,563,132)	(4,587,316)	8,476,595	(38,673,853)
Infrastructure	(28,172,454)	(560,346)	-	(28,732,800)
Total accumulated depreciation	<u>(123,696,497)</u>	<u>(14,358,291)</u>	<u>8,551,892</u>	<u>(129,502,896)</u>
Total capital assets, being depreciated, net	236,346,966	40,061,297	(660,731)	275,747,532
Governmental activities capital assets, net	<u>\$ 351,440,509</u>	<u>\$ 75,062,487</u>	<u>\$ (49,499,888)</u>	<u>\$ 377,003,108</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets (continued)

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction-in-progress	3,489,269	9,823,230	(239,695)	13,072,804
Total capital assets, not being depreciated	<u>6,495,831</u>	<u>9,823,230</u>	<u>(239,695)</u>	<u>16,079,366</u>
Capital assets, being depreciated:				
Buildings	20,675,280	-	-	20,675,280
Improvements other than buildings	171,546,106	5,654,726	(2,192,082)	175,008,750
Machinery and equipment	6,601,143	306,014	(660,967)	6,246,190
Total capital assets, being depreciated	<u>198,822,529</u>	<u>5,960,740</u>	<u>(2,853,049)</u>	<u>201,930,220</u>
Less accumulated depreciation for:				
Buildings	(4,316,805)	(503,380)	-	(4,820,185)
Improvements other than buildings	(51,975,185)	(4,797,061)	1,904,742	(54,867,504)
Machinery and equipment	(5,090,734)	(449,577)	607,860	(4,932,451)
Total accumulated depreciation	<u>(61,382,724)</u>	<u>(5,750,018)</u>	<u>2,512,602</u>	<u>(64,620,140)</u>
Total capital assets, being depreciated, net	137,439,805	210,722	(340,447)	137,310,080
Business-type activities capital assets, net	<u>\$ 143,935,636</u>	<u>\$ 10,033,952</u>	<u>\$ (580,142)</u>	<u>\$ 153,389,446</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 899,807
Public safety	3,178,246
Physical environment	65,488
Transportation	1,813,437
Economic environment	1,796,892
Human services	3,947,986
Culture/recreation	2,656,435
Total depreciation expense - governmental activities	<u>\$ 14,358,291</u>
Business-type activities:	
Water-sewer combined service	\$ 5,750,018
Total depreciation expense - business-type activities	<u>\$ 5,750,018</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

e. Interfund Receivables, Payables and Transfers

The composition of interfund balances and transfers as of September 30, 2008 is follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor Governmental	\$ 1,260,065	Provide temporary resources
General	Utility	13,634,143	Provide temporary resources
General	Debt Service	57,540	Provide temporary resources
Total		<u>\$14,951,748</u>	

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility	Capital Projects	\$ 2,314,341	Capital projects expenditures
Total		<u>\$ 2,314,341</u>	

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	General Fund	\$62,813,335	Purchase of investments
*Utility	Capital Projects	8,822,462	Capital projects expenditures
Total		<u>\$71,635,797</u>	

*This amount is not expected to be paid within one year from September 30, 2008.

Interfund Transfers:

<u>Transfer in:</u>				
	Debt Service Fund	Nonmajor Governmental Funds	Total	Purpose
Transfer out:				
General Fund	\$ -	\$ 460,450	\$ 460,450	Supplement other funds
Capital Projects Fund	133,863	-	133,863	Payment of bond principal
Nonmajor Governmental Funds	-	2,554,526	2,554,526	Supplement other funds
Total	<u>\$ 133,863</u>	<u>\$ 3,014,976</u>	<u>\$3,148,839</u>	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases

The City is the lessor in operating leases on various buildings as described below. Depreciation expense on these leased assets for the year ended September 30, 2008 amounted to \$455,682. Cost and carrying amounts of these leased assets as of September 30, 2008 were as follows:

Land	\$ 572,700
Buildings	<u>22,628,143</u>
Total Cost	23,200,843
Less: Accumulated Depreciation	<u>(2,277,785)</u>
Book Value as of 9/30/08	<u>\$ 20,923,058</u>

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce, and 200 square feet to the Florida District 101 State Representative in the City Hall Building. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist, 397 square feet to a hair salon, and 270 square feet to a medical doctor. The 11,950 square foot restaurant "Club 19" at the City's Golf & Racquet Club is also leased out to an operator. As of September 30, 2008, Club 19 leased facilities consisted of \$72,700 in land and \$212,077 in buildings for a total of \$284,777. The accumulated depreciation and the net book value of the property as of September 30, 2008 are \$99,223 and \$185,554, respectively. Depreciation expense for the year was \$4,242. Additional office space at City Hall is provided at no cost to various Federal and local elected officials who represent portions of the City.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between \$3,800 and \$51,428 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$993,784 from the tower rentals in the year ended September 30, 2008.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

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

On April 20, 1998 the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at \$500,000, and buildings costing \$1,780,834 with a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2008 amounted to \$673,942 and \$1,606,892, respectively. Depreciation expense for the year was \$28,382.

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

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 4.c. "Commitments"). As of September 30, 2008 the City had sub-subleased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Citrus Health Network, Jose Maria Vargas University, Bayview Center for Mental Health, Green Cross of Pembroke Pines, Safeguard Services, Elan Lawn Services and several other lessees at various rentals and terms. The City also provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City's seven Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of \$1,756,077 from the rental of buildings on the Campus for the year ended September 30, 2008.

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 and the Southwest Broward County Campus for Broward College. 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 is for 10 years through December 31, 2012, with one ten-year renewal period.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

An additional option may be negotiated if requested in writing to the City. The rental income of \$912,332 received in the Charter Schools' fiscal year ended June 30, 2008 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, 2008 amounted to \$1,129,399 and \$12,470,446, respectively. Depreciation expense for the year was \$282,350.

On November 23, 2004 the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 3.g. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2008 amounted to \$375,221 and \$6,660,166, respectively. Depreciation expense for the year was \$140,708.

The City receives various short-term rentals from religious 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, 2008 the City received rental income of \$1,591,122 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$3,344,312 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". The City also maintains a storage lot for recreational vehicles and boats and trailers, and received storage rentals amounting to \$282,991 for the year ended September 30, 2008. None of these short-term rentals are included in the table below.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

The approximate minimum future rentals to be received, excluding cost of living increases or expected lease renewals, on non-cancelable operating leases as of September 30, 2008 are:

Fiscal year ending September 30:

2009	\$3,563,811
2010	2,449,205
2011	2,235,358
2012	1,733,899
2013	1,208,237
2014-2018	4,035,269
2019-2023	3,743,929
2024-2028	3,587,794
2029-2033	3,399,668
2034-2038	3,131,026
2039-2043	<u>583,766</u>
Total minimum future rentals	<u>\$29,671,962</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2008 include the following (All capitalized terms are as defined in each bond issue's official documents):

Public Improvement Revenue Bonds, Series 1998 - On September 23, 1998, the City issued \$24,055,000 bonds for the purpose of acquiring land for a Charter High School, construction and equipping of a Charter Middle School, site development for the Academic Village, a communication system for the Fire Department and improvements to the City's fire stations and police annex. The Academic Village is the site for the Charter High School, a branch of the Florida International University, a branch of The Broward County Southwest Regional Library, and a branch of Broward College. The \$18,935,000 outstanding bonds, maturing on and after October 1, 2009, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service until they are called for redemption on October 1, 2008. The unrefunded bonds have an outstanding balance of \$940,000 due on October 1, 2008. They bear interest at the rate of 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the Charter Middle School and the Charter High School.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	<u>\$ 940,000</u>	<u>\$ 20,210</u>	<u>\$ 960,210</u>
Total	<u><u>\$ 940,000</u></u>	<u><u>\$ 20,210</u></u>	<u><u>\$ 960,210</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Bonds, Series 1999 – On April 27, 1999, the City issued \$45,240,000 bonds for the purpose of providing funds to finance the construction and equipping of the Charter High School and certain other City projects. In addition, the City used \$10,985,000 of these bonds to refund the City's outstanding Capital Improvement Revenue Bonds, Series 1995. The \$28,100,000 outstanding bonds, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds, were advance refunded and defeased on December 1, 2006 by the Capital Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service until they are called for redemption on December 1, 2008. The remaining \$10,220,000 outstanding bonds that were not refunded are due in varying installments through December 1, 2026. They bear interest at rates which range from 4.10 % to 5.25%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues, and rentals from the City's Charter Schools, Early Development Centers, and senior housing facility. The bonds maturing on and after December 1, 2009 are subject to redemption at the option of the City, on or after December 1, 2008, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ 1,220,000	\$ 474,340	\$ 1,694,340
2010	310,000	442,820	752,820
2011	320,000	429,310	749,310
2012	335,000	414,772	749,772
2013	355,000	399,248	754,248
2014-2018	2,035,000	1,725,417	3,760,417
2019-2023	2,615,000	1,150,587	3,765,587
2024-2027	3,030,000	338,101	3,368,101
Total	<u>\$ 10,220,000</u>	<u>\$ 5,374,595</u>	<u>\$ 15,594,595</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2001 – On October 12, 2001, the City issued \$19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The \$10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining \$5,125,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest at rates which range from 4.00% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the City of Pembroke Pines/Florida State University Charter Elementary School. The bonds maturing on and after October 1, 2012 are subject to redemption at the option of the City, on or after October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ 775,000	\$ 195,000	\$ 970,000
2010	800,000	163,500	963,500
2011	835,000	130,800	965,800
2012	870,000	96,265	966,265
2013	905,000	59,425	964,425
2014	940,000	20,210	960,210
Total	<u>\$ 5,125,000</u>	<u>\$ 665,200</u>	<u>\$ 5,790,200</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2003A – On October 17, 2003, the City issued \$39,935,000 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of \$39,305,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2004 Bonds and any additional bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. The bonds maturing on and after October 1, 2014 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2013, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ 665,000	\$ 2,326,658	\$ 2,991,658
2010	705,000	2,285,764	2,990,764
2011	750,000	2,242,332	2,992,332
2012	795,000	2,196,214	2,991,214
2013	840,000	2,147,409	2,987,409
2014-2018	5,020,000	9,897,364	14,917,364
2019-2023	6,720,000	8,157,108	14,877,108
2024-2028	8,975,000	5,830,153	14,805,153
2029-2033	11,990,000	2,721,426	14,711,426
2034	2,845,000	84,923	2,929,923
Total	\$ 39,305,000	\$ 37,889,351	\$ 77,194,351

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2004 – On April 1, 2004, the City issued \$49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$49,090,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 3.25% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2003A Bonds and any additional bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ 1,025,000	\$ 2,411,475	\$ 3,436,475
2010	1,060,000	2,376,269	3,436,269
2011	1,095,000	2,337,188	3,432,188
2012	1,135,000	2,293,956	3,428,956
2013	1,180,000	2,246,181	3,426,181
2014-2018	6,750,000	10,358,069	17,108,069
2019-2023	8,525,000	8,531,257	17,056,257
2024-2028	10,925,000	6,052,202	16,977,202
2029-2033	14,115,000	2,789,719	16,904,719
2034	3,280,000	86,100	3,366,100
Total	\$ 49,090,000	\$ 39,482,416	\$ 88,572,416

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ -	\$ 928,873	\$ 928,873
2010	-	928,873	928,873
2011	475,000	921,747	1,396,747
2012	485,000	906,741	1,391,741
2013	500,000	890,110	1,390,110
2014-2018	2,810,000	4,142,309	6,952,309
2019-2023	3,440,000	3,489,164	6,929,164
2024-2028	4,320,000	2,584,194	6,904,194
2029-2033	5,505,000	1,366,375	6,871,375
2034-2035	2,605,000	131,875	2,736,875
Total	<u>\$ 20,140,000</u>	<u>\$ 16,290,261</u>	<u>\$ 36,430,261</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ -	\$ 757,915	\$ 757,915
2010	-	757,915	757,915
2011	365,000	751,527	1,116,527
2012	375,000	738,343	1,113,343
2013	390,000	724,136	1,114,136
2014-2018	2,190,000	3,367,327	5,557,327
2019-2023	2,720,000	2,820,963	5,540,963
2024-2028	3,455,000	2,068,875	5,523,875
2029-2033	4,400,000	1,091,750	5,491,750
2034-2035	2,080,000	105,250	2,185,250
Total	<u>\$ 15,975,000</u>	<u>\$ 13,184,001</u>	<u>\$ 29,159,001</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling \$18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling \$10,985,000. This advance refunding generates a net present value benefit of \$1,268,541. These refunding bonds have an outstanding balance of \$29,705,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues. They were issued on parity with the Public Improvement Revenue Bonds, Series 1998, 2001, 2004A, and 2004B. The bonds maturing on and after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ 15,000	\$ 1,367,250	\$ 1,382,250
2010	1,005,000	1,346,850	2,351,850
2011	1,040,000	1,305,950	2,345,950
2012	1,085,000	1,263,450	2,348,450
2013	1,130,000	1,219,150	2,349,150
2014-2018	10,670,000	4,850,875	15,520,875
2019-2023	14,760,000	1,660,350	16,420,350
Total	<u>\$ 29,705,000</u>	<u>\$ 13,013,875</u>	<u>\$ 42,718,875</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. The advance refunding generates a net present value benefit of \$1,778,037. These refunding bonds have an outstanding balance of \$44,585,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999 and the Variable Rate Capital Improvement Revenue Bonds, Series 2005. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ 475,000	\$ 1,941,613	\$ 2,416,613
2010	1,470,000	1,902,712	3,372,712
2011	1,530,000	1,842,713	3,372,713
2012	1,590,000	1,780,312	3,370,312
2013	1,650,000	1,715,513	3,365,513
2014-2018	9,435,000	7,406,450	16,841,450
2019-2023	11,995,000	4,839,950	16,834,950
2024-2028	12,240,000	2,020,194	14,260,194
2029-2032	4,200,000	366,138	4,566,138
Total	\$ 44,585,000	\$ 23,815,595	\$ 68,400,595

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ -	\$ 1,211,463	\$ 1,211,463
2010	515,000	1,201,162	1,716,162
2011	535,000	1,180,163	1,715,163
2012	555,000	1,158,362	1,713,362
2013	580,000	1,135,663	1,715,663
2014-2018	3,280,000	5,301,050	8,581,050
2019-2023	4,000,000	4,569,219	8,569,219
2024-2028	4,905,000	3,671,100	8,576,100
2029-2033	6,215,000	2,363,125	8,578,125
2034-2037	6,220,000	641,500	6,861,500
Total	\$ 26,805,000	\$ 22,432,807	\$ 49,237,807

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

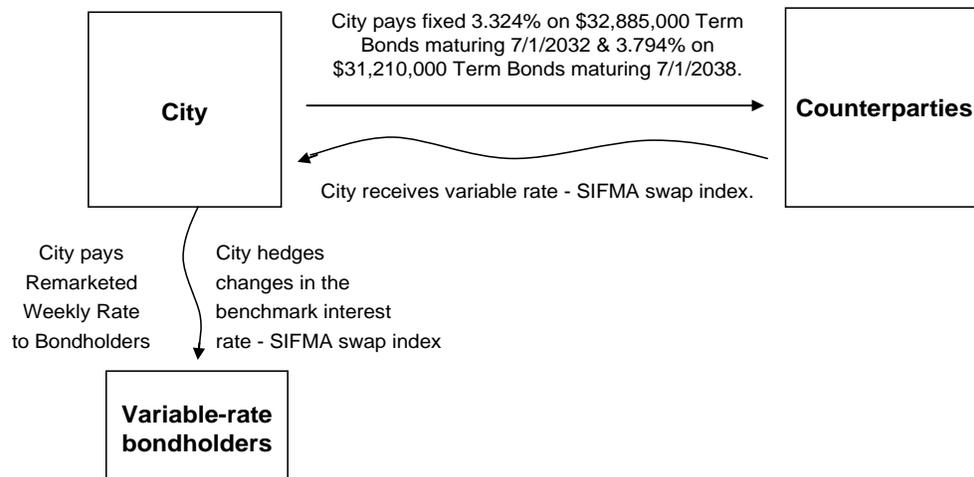
NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 (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.

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2008" is based on the Weekly Rate of 8.15% which is the rate in effect at the financial statement date (September 30, 2008) per GASB Statement No. 38, paragraph 10. The average Weekly Rate from 3/25/2008 (the date the 2008 Charter School Revenue Bonds were issued) through 9/30/2008 was 2.31%.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ 300,000	\$ 5,205,157	\$ 5,505,157
2010	300,000	5,195,218	5,495,218
2011	300,000	5,170,768	5,470,768
2012	300,000	5,189,102	5,489,102
2013	100,000	5,110,300	5,210,300
2014-2018	500,000	25,514,615	26,014,615
2019-2023	1,635,000	25,239,754	26,874,754
2024-2028	11,520,000	23,242,416	34,762,416
2029-2033	22,610,000	16,096,140	38,706,140
2034-2038	26,530,000	6,309,282	32,839,282
Total	\$ 64,095,000	\$ 122,272,752	\$ 186,367,752

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

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

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2008" is based on the Weekly Rate of 7.90% which is the rate in effect at the financial statement date (September 30, 2008) per GASB Statement No. 38, paragraph 10. The average Weekly Rate from 7/25/2008 (the date the 2008 Variable Rate Capital Improvement Revenue Refunding Bonds were issued) through 9/30/2008 was 2.88%.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ -	\$ 632,688	\$ 632,688
2010	-	633,420	633,420
2011	-	645,601	645,601
2012	-	632,388	632,388
2013	-	632,688	632,688
2014-2018	655,000	3,056,496	3,711,496
2019-2023	1,060,000	2,683,929	3,743,929
2024-2028	1,400,000	2,187,794	3,587,794
2029-2033	1,870,000	1,529,668	3,399,668
2034-2038	2,475,000	656,026	3,131,026
2039	580,000	3,766	583,766
Total	\$ 8,040,000	\$ 13,294,464	\$ 21,334,464

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

General Obligation Bonds - The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying general obligation bonds. The outstanding General Obligation Bonds as of September 30, 2008 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 \$44,120,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.00% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2009	\$ 965,000	\$ 1,831,848	\$ 2,796,848
2010	995,000	1,802,897	2,797,897
2011	1,025,000	1,772,053	2,797,053
2012	1,055,000	1,739,252	2,794,252
2013	1,090,000	1,704,438	2,794,438
2014-2018	6,080,000	7,908,052	13,988,052
2019-2023	7,370,000	6,607,088	13,977,088
2024-2028	9,060,000	4,920,312	13,980,312
2029-2033	11,245,000	2,740,855	13,985,855
2034-2035	5,235,000	355,950	5,590,950
Total	\$ 44,120,000	\$ 31,382,745	\$ 75,502,745

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

General Obligation Bonds (continued)

General Obligation Bonds, Series 2007 – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of \$43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of \$42,450,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2009	\$ 760,000	\$ 1,920,937	\$ 2,680,937
2010	790,000	1,892,438	2,682,438
2011	820,000	1,860,837	2,680,837
2012	855,000	1,825,988	2,680,988
2013	890,000	1,791,787	2,681,787
2014-2018	5,010,000	8,385,475	13,395,475
2019-2023	6,190,000	7,223,537	13,413,537
2024-2028	7,695,000	5,707,650	13,402,650
2029-2033	9,665,000	3,741,100	13,406,100
2034-2036	9,775,000	1,071,601	10,846,601
Total	<u>\$ 42,450,000</u>	<u>\$ 35,421,350</u>	<u>\$ 77,871,350</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments

Governmental Accounting Standard Board (GASB) Statement Number 53 - Accounting and Financial Reporting for Derivative Instruments is effective for financial statements periods beginning after June 15, 2009. This will be fiscal year 2010 for the City of Pembroke Pines. The City has not yet applied GASB Statement 53 to the City's fiscal year 2008 financial statements. The fair value balance and notional amount of the derivative instrument outstanding at September 30, 2008 and the change in fair value of such derivative instrument for the year then ended were not reported in the 2008 financial statements as of September 30, 2008. However, they are as follows:

		Fair Value				
		<u>Changes in Fair Values</u>		<u>at September 30, 2008</u>		
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
Governmental Activities						
Cash flow hedges						
Pay-fixed interest rate swap	Deferred outflow not reported in the fiscal year 2008 financial statements		\$(942,379)	Debt	\$(942,379)	\$64,095,000

The fair values of the interest rate swaps 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. 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, 2008, along with the credit rating of the associated counterparty:

<u>Type</u>	<u>Objective</u>	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
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	\$23,019,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA-/Aaa
		Royal Bank of Canada	\$21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aaa
		The Bank of New York Mellon	\$ 9,865,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA/Aaa
		The Bank of New York Mellon	\$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA/Aaa

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

Risks

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

Basis risk. The City is exposed to basis risk on its pay-fixed interest rate swaps because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedged variable-rate debt, which is remarketed every 7 days. As of September 30, 2008 the weighted-average interest rate on the City's hedged variable-rate debt is 2.31%, while the SIFMA municipal swap index rate is 2.20%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Derivative Instruments (continued)

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

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

Hedging derivative instrument payments and hedged debt As of September 30, 2008, 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 8.15% on the variable-rate bonds and the current SIFMA Municipal Swap Index rate of 7.96% of the hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Fiscal Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2009	\$ 300,000	\$ 5,205,157	\$ (2,821,280)	\$ 2,683,877
2010	300,000	5,195,218	(2,807,372)	2,687,846
2011	300,000	5,170,768	(2,793,464)	2,677,304
2012	300,000	5,189,102	(2,779,556)	2,709,546
2013	100,000	5,110,300	(2,767,966)	2,442,334
2014-2018	500,000	25,514,615	(14,028,607)	11,986,008
2019-2023	1,635,000	25,239,754	(8,356,818)	18,517,936
2024-2028	11,520,000	23,242,416	(6,501,043)	28,261,373
2029-2033	22,610,000	16,096,140	(6,452,301)	32,253,839
2034-2038	26,530,000	6,309,282	(3,131,270)	29,708,012
Total	<u>\$ 64,095,000</u>	<u>\$ 122,272,752</u>	<u>\$ (52,439,677)</u>	<u>\$ 133,928,075</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. 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 or "A3" by Moody's Investors Service, the City will have an option of posting collateral in order to prevent swap termination. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparty. At September 30, 2008, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative \$942,379. If the collateral posting requirements were triggered at September 30, 2008, the City would be required to post \$942,379 in collateral to its counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. The City's underlying General Obligation Bond rating is Aa3 by Moody's, AA- by Fitch, and not rated by Standard & Poor's. The insurer's ratings are "AAA" by Standard & Poor's and "Aa2" by Moody's Investors Service. Therefore, no collateral has been posted at September 30, 2008.

Advanced and Current Refundings

Charter School Revenue Bonds, Series 2008 - On March 25, 2008, the City issued \$64,095,000 Charter School Revenue Bonds, Series 2008, to provide resources to (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$29,405,000 of the Charter School Revenue Bonds, Series 2001A, and \$17,715,000 of Charter School Revenue Bonds, Series 2001B. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$6,722,054. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding of the fixed rate refunded bonds to variable rate refunding bonds with four interest rate swaps was undertaken to consolidate all of the Charter School related debts, and to provide funds for the costs of the design, construction and equipping of additional classroom facilities and other capital improvements and acquisitions for the Charter Schools and Charter Lab School in order to be in compliance with the requirements of the 2002 class size reduction State constitutional amendment.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Advanced and Current Refundings (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 - On July 25, 2008, the City issued \$8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The reacquisition price exceeded the net carrying amount of the old debt by \$179,777. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

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

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$15,715,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

Public Improvement Revenue Bonds, Series 1998 - The outstanding balance is \$18,935,000 maturing on and after October 1, 2009. They were refunded on December 1, 2006. These bonds are to be redeemed on October 1, 2008 with the escrow funds.

Capital Improvement Revenue Bonds, Series 1999 - The outstanding balance is \$28,100,000 maturing on and after December 1, 2009. They were refunded on December 1, 2006. These bonds were redeemed on December 1, 2008 with the escrow funds.

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

Charter School Revenue Bonds, Series 2001A - The outstanding balance is \$29,405,000. They were refunded on March 25, 2008. The bonds maturing on or after July 1, 2012 are to be redeemed on July 1, 2011 with the escrow funds.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Advanced and Current Refundings (continued)

Charter School Revenue Bonds, Series 2001B - The outstanding balance is \$17,715,000. They were refunded on March 25, 2008. The bonds maturing on or after July 1, 2013 are to be redeemed on July 1, 2012 with the escrow funds.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

g. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and loans payable:					
Revenue bonds:					
Public Improvement Revenue					
Bonds, Series 1998	\$ 1,840,000	\$ -	\$ (900,000)	\$ 940,000	\$ 940,000
Capital Improvement Revenue					
Bonds, Series 1999	11,390,000	-	(1,170,000)	10,220,000	1,220,000
Public Improvement Revenue					
Bonds, Series 2001	5,875,000	-	(750,000)	5,125,000	775,000
Charter School Revenue Bonds,					
Series 2001A	29,405,000	-	(29,405,000)	-	-
Charter School Revenue Bonds,					
Series 2001B	17,715,000	-	(17,715,000)	-	-
Taxable Communications Services					
Tax Revenue Bonds, Series 2003A	39,935,000	-	(630,000)	39,305,000	665,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2004	49,505,000	-	(415,000)	49,090,000	1,025,000
Public Improvement Revenue					
Bonds, Series 2004A	20,140,000	-	-	20,140,000	-
Public Improvement Revenue					
Bonds, Series 2004B	15,975,000	-	-	15,975,000	-
Variable Rate Capital Improvement					
Revenue Bonds, Series 2005	7,910,000	-	(7,910,000)	-	-
Public Improvement Refunding					
Revenue Bonds, Series 2006	29,720,000	-	(15,000)	29,705,000	15,000
Capital Improvement Refunding					
Revenue Bonds, Series 2006	45,050,000	-	(465,000)	44,585,000	475,000
Capital Improvement Revenue					
Bonds, Series 2007	26,805,000	-	-	26,805,000	-
Charter School Revenue Bonds,					
Series 2008	-	64,095,000	-	64,095,000	300,000
Variable Rate Capital Improvement					
Revenue Refunding Bonds, Series 2008	-	8,040,000	-	8,040,000	-
Total revenue bonds	301,265,000	72,135,000	(59,375,000)	314,025,000	5,415,000
General obligation bonds:					
General Obligation Bonds, Series 2005	45,055,000	-	(935,000)	44,120,000	965,000
General Obligation Bonds, Series 2007	43,000,000	-	(550,000)	42,450,000	760,000
Total general obligation bonds	88,055,000	-	(1,485,000)	86,570,000	1,725,000
Less deferred amounts:					
For issuance discounts/premiums	1,180,976	-	265,381	1,446,357	-
On refundings	(2,188,740)	(7,289,865)	316,617	(9,161,988)	-
Total bonds payable	388,312,236	64,845,135	(60,278,002)	392,879,369	7,140,000
Estimated self-insurance claims	10,662,292	20,518,169	(19,727,788)	11,452,673	2,892,603
Compensated absences	19,753,202	11,473,097	(10,833,587)	20,392,712	12,332,043
Governmental activity long-term liabilities	<u>\$ 418,727,730</u>	<u>\$ 96,836,401</u>	<u>\$ (90,839,377)</u>	<u>\$ 424,724,754</u>	<u>\$ 22,364,646</u>
Business-type activities:					
Compensated absences	\$ 1,045,902	\$ 623,968	\$ (673,848)	\$ 996,022	\$ 558,303
Business-type activity long-term liabilities	<u>\$ 1,045,902</u>	<u>\$ 623,968</u>	<u>\$ (673,848)</u>	<u>\$ 996,022</u>	<u>\$ 558,303</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION

a. Risk Management

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The City established a risk management fund (an Internal Service Fund) to account for the uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$150,000 for each City employee workers' compensation claim, \$250,000 for each Police or Firefighter's workers' compensation claim, \$150,000 per occurrence for each general liability claim, \$100,000 per occurrence for each employee's dishonesty claim and \$25,000 for each occurrence of damage to City-owned property. The City's exposure on health insurance is limited to \$1,206 per month per covered employee. Total maximum loss exposure to the City for health insurance on covered employees was \$21,808,578 for the fiscal year ended September 30, 2008. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$11,452,673 reported in the fund at September 30, 2008 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

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

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2006-2007	\$9,976,050	\$18,633,164	\$(17,946,922)	\$10,662,292
2007-2008	10,662,292	20,518,169	(19,727,788)	11,452,673

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

b. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to future audit and compliance testing, which may result in adjustments by Federal and State grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of such expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. The City is involved in various lawsuits incidental to its operations. In the opinion of management and legal counsel, any potential losses resulting from claims against the City would not have a material adverse effect on the financial position of the City.

c. Commitments

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charges to operations of the water and sewer fund under this Agreement were \$7,434,712 during the year ended September 30, 2008. This amount represents an increase of \$1,354,767 over the total paid to the City of Hollywood during the previous fiscal year.

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

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank™ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site that then comprised approximately 450 acres located in the Chapel Trail Preserve. This agreement which lasted until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the Wetlands for a five-year period once construction was completed; and the sales and marketing of the mitigation credits. On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns nine sites totaling approximately 583 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

c. Commitments (continued)

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, 2008 the balance in the Trust Fund account was \$606,514. For the fiscal year ended September 30, 2008, the Trust earned \$17,768 in investment income, and incurred expenses of \$27,210.

The City has the following construction commitments as of September 30, 2008:

<u>Vendor</u>	<u>Project Name</u>	<u>Original Amount</u>	<u>Balance as of September 30, 2008</u>
The Haskell Company.	SW Pines Nature/Rec Park.	\$15,295,617	\$510,618
T.D.I. International, Inc.	Golf Course Renovation.	6,309,145	23,801
Stiles Construction Co.	City Center.	18,642,631	2,816,743
Stiles Construction Co.	City Center - Spine Road.	7,000,000	5,745,097
Widell, Inc.	Expand Water Treatment Plant.	1,676,400	217,682
Widell, Inc.	Water Plant Improvements II.	15,403,880	1,977,741
Bergeron Land Devel.	Sheridan Street Widening.	18,562,599	4,304,450
The Haskell Company.	Charter School Additions.	12,900,000	4,089,282
Weekley Asphalt.	Pembroke Road Corridor 2B.	4,874,897	1,292,868
Bergeron Land Devel.	Pembroke Road Corridor 2C.	4,369,002	1,119,962
The Haskell Company	Pembroke Road Corridor 2.	2,554,326	1,080,278
General Asphalt Co.	Pines Blvd. & Hiatus Road.	303,204	298,164
Stiles Construction Co.	Pines Boulevard Phase III.	3,454,390	252,489

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits Plans (OPEB)

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments will be 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 did not hold any investments as of September 30, 2008.

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements, therefore included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2008.

Other Post-Employment Benefits (OPEB) Statement of Fiduciary Net Assets September 30, 2008

	<u>2008</u>
Assets	
Cash	\$ 3,561,765
Total assets	<u>3,561,765</u>
Liabilities	
Reserve for health insurance claims	473,916
Accounts payable	399,329
Total liabilities	<u>873,245</u>
Net Assets	
Net assets held in trust for pension benefits	<u>\$ 2,688,520</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

d. Other Post-Employment Benefits Plans (OPEB)

Other Post-Employment Benefits (OPEB) Statement of Changes in Fiduciary Net Assets For the Year Ended September 30, 2008

Additions:	<u>2008</u>
Contributions	
Plan members	\$ 184,300
Employer	6,636,677
Total contributions	<u>6,820,977</u>
Investment income:	
Investment earnings	67,709
Less investment expenses	-
Net investment earnings	<u>67,709</u>
Other additions:	
Specific Stop Loss Recovery	500,045
Medicare Part D Subsidy	79,454
Total other additions	<u>579,499</u>
Total additions	<u>7,468,185</u>
Deductions:	
Benefit payments	4,594,481
Administrative expenses	185,184
Total deductions	<u>4,779,665</u>
Change in net assets	2,688,520
Net assets, beginning	<u>-</u>
Net assets, ending	<u>\$ 2,688,520</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

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

Plan Description

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

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

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

Medical/Prescription Drug Plan Benefits

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

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

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

Life Insurance Benefits

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

Plan Membership Information

At October 1, 2007, the date of the latest actuarial valuation, the Plan's membership consisted of:

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

Contributions and Reserves

Funding Policy

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

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

For the year ended September 30, 2008, the Plan members contributed \$184,300 and the City contributed \$6,636,677 which was 58% of ARC. The ARC as determined by the actuarial valuation was \$11,396,000.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

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

Reserves

The balance in the Plan's legally required reserves as at September 30, 2008 was \$473,916.

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended September 30, 2008, the City's annual OPEB cost for the Plan was \$11,396,000. 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, 2008 were as follows:

Annual required contribution	\$ 11,396,000
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	11,396,000
Contributions made	(6,636,677)
Change in net pension obligation/(asset)	4,759,323
Net pension obligation/(asset), beginning of year	-
Net pension obligation/(asset), end of year	\$ 4,759,323

Trend Information

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	Contribution	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9/30/2008	\$11,396,000	\$ 6,636,677	58%	\$ 4,759,323

In future years, three-year trend information will be presented. Fiscal Year 2008 is the first year of implementation of GASB 43 and 45 and the City has elected to implement prospectively; therefore, prior year comparative data is not available.

Funded Status and Funding Progress

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2007	\$ -	\$ 126,392,000	\$ 126,392,000	0%	\$84,808,998	149.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

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

Funded Status and Funding Progress (continued)

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

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

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

Methods and Assumptions

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

	Retiree Health and Life Insurance Program	
Valuation date	10/1/2007	
Actuarial cost method	Unit Credit Method	
Amortization method	Level percent, open	
Remaining amortization period	30 years (weighted average)	
Asset valuation method	Not applicable as assets were invested in cash and cash equivalents.	
Actuarial assumptions:		
Investment rate of return	8.0%	
Projected salary increases*	4.0%	
Healthcare cost trend rate	11.0%	initial
	6.0%	ultimate

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

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

Defined Contribution OPEB Plan

Retirement Health Savings Plan – Police Union Members

Effective October 1, 2006, as part of the collective bargaining agreement between the City of Pembroke Pines and Broward County Police Benevolent Association (PBA), the City is required to contribute 2% of the Police Union member's base salary to a retirement health saving account for employees hired after October 1, 2006. As of the fiscal year ended September 30, 2008 there were 19 officers in this Plan and the City has contributed \$18,993. The Plan is sponsored by the PBA, and is administered by the International City Management Association Retirement Corporation (ICMA-RC). Plan benefits are 100% vested and must be used towards medical expenses eligible under the Internal Revenue Code (IRC) Section 213 other than direct long-term care expenses, and including non-prescription medications allowed under the IRC.

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans

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

Summary of Significant Accounting Policies

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

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

Plans’ Membership Information

At October 1, 2007, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>General Employees</u>	<u>Firefighters and Police Officers</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	389	205
Current employees:		
Fully Vested	203	163
Partially Vested	131	n/a
Non-vested	<u>126</u>	<u>245</u>
Total	<u>849</u>	<u>613</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan

The General Employees Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2008.

General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2008

	<u>2008</u>
Assets	
Investments	\$ 109,980,617
Receivables	165,643
Total assets	<u>110,146,260</u>
Liabilities	<u>-</u>
Net Assets	
Net assets held in trust for pension benefits	<u><u>\$ 110,146,260</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

General Employees Pension Trust Fund Statement of Changes in Fiduciary Net Assets For the Year Ended September 30, 2008

Additions:	<u>2008</u>
Contributions:	
Plan members	\$ 2,215,604
Employer	6,830,795
Total contributions	<u>9,046,399</u>
Investment earnings:	
Investment (losses)	(23,553,575)
Less investment expenses	40,786
Net investment (losses)	<u>(23,594,361)</u>
Total (reductions)	<u>(14,547,962)</u>
Deductions:	
Pension benefits	4,872,010
Refunds of contributions	(21,618)
Administrative expenses	52,739
Total deductions	<u>4,903,131</u>
Change in net assets	(19,451,093)
Net assets, beginning	<u>129,597,353</u>
Net assets, ending	<u><u>\$ 110,146,260</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Plan Description

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

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

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

Eligibility

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

Service Retirement Benefits

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Disability Benefits

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

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

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

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

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

Funding Policy

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

Participants are required to contribute 8.5% of regular wages, while the City's contribution of \$6,830,795 or 31.07% of annual covered payroll, is based on the actuarial report using the entry age normal frozen initial liability method with the unfunded liabilities being amortized over 30 years. Chapter 112, Part VII, Florida Statutes requires amortization of unfunded liabilities over a period no longer than 30 years. The weighted average remaining period is 23 years.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

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

Investments

As of September 30, 2008, 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, 2008, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment losses for the year ended September 30, 2008 were \$23,594,361 which represented a 160% decrease over last year's net investment earnings of \$14,711,030.

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	\$	6,830,795
Interest on net pension obligation		(1,325,963)
Adjustment to annual required contribution		2,199,351
Annual pension cost		7,704,183
Contributions made		(6,830,795)
Change in net pension obligation/(asset)		873,388
Net pension obligation/(asset), beginning of year		(16,574,532)
Net pension obligation/(asset), end of year		\$ (15,701,144)

Three-Year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
<u>Ended</u>	<u>Cost (APC)</u>	<u>Contribution</u>	<u>Contributed</u>	<u>(Asset)</u>
9/30/2006	\$ 7,402,662	\$ 6,429,405	87%	\$ (17,496,504)
9/30/2007	8,340,902	7,418,930	89	(16,574,532)
9/30/2008	7,704,183	6,830,795	89	(15,701,144)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the General Employees' Pension Plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation is five (5) years. For the fiscal year ended September 30, 2008, \$928,512 was contributed to the DROP.

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2007, the date of the most recent actuarial valuation date is as follows:

	(a)	(b)	Unfunded	Funded	(c)	UAAL as a Percentage of Covered Payroll
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>AAL (UAAAL) (b) - (a)</u>	<u>Ratio (a) / (b)</u>	<u>Covered Payroll</u>	<u>(b-a) / (c)</u>
10/1/2007	\$ 123,702,275	\$ 139,548,384	\$ 15,846,109	89%	\$ 21,988,709	72.1%

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Additional information as of the latest actuarial valuation follows:

Valuation date	10/1/2007
Actuarial cost method	Entry age normal frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23 years (weighted average)
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases*	8.41%
Cost of living adjustments	3%
*Includes inflation at	3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers

Plan Description

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Eligibility

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

Service Retirement Benefits

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

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

Disability Benefits

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

13th Check Benefits

Retired police officers and disabled police officers receiving pension or DROP benefits, prior to October 1, 2006, or their beneficiaries may be eligible to receive a supplemental pension distribution, the amount of which shall be determined September 30th each year. The amount of the distribution should be up to 2% of investment return in excess of 9% (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 retirement. However, no supplemental benefits will be available for members who retire, enter the DROP or are disabled on or after October 1, 2006. Police retirees who retired prior to April 1, 2006 will be provided with a one-time irrevocable option to continue to receive the 13th check; or they may opt to receive instead a cost of living increase to their retirement benefit.

Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, including amounts from the State, was \$17,795,174 or 66.87% of covered payroll.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

The State contributions totaled \$2,581,143 or 9.7% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

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

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

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

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

Under Ordinance 1353, certain employees who were once ineligible to participate, may make buyback contributions in order to credit them for periods of service not taken into account under the Plan. For the fiscal year ended September 30, 2008, the total employee buybacks were \$119,833.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

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

Property and Equipment

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

Property and equipment consist of the following at September 30, 2008:

<u>Description</u>	<u>Estimated Useful Life</u>	<u>FY 2008</u>
Land	-	\$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
Total property and equipment		<u>489,833</u>
Accumulated depreciation		<u>(14,477)</u>
Property and equipment, net		<u>\$ 475,356</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2008, the depreciation expense amounted to \$14,477.

Investments

Investments are reported at fair value as of September 30, 2008. 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. 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 benefits.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

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

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

The Plan's net investment loss for the year ended September 30, 2008 was \$41,123,301, a 124.6% decrease from last year's net investment earnings of \$33,013,690.

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	\$ 17,795,174
Interest on net pension obligation	(4,160,179)
Adjustment to annual required contribution	<u>6,574,240</u>
Annual pension cost	20,209,235
Contributions made	<u>(17,795,174)</u>
Change in net pension obligation/(asset)	2,414,061
Net pension obligation/(asset), beginning of year	(52,002,238)
Net pension obligation/(asset), end of year	<u><u>\$ (49,588,177)</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Annual Pension Cost and Net Pension Obligation/(Assets) (continued)

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	<u>Contribution</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/2006	\$13,976,176	\$ 10,233,546	73%	\$ (55,222,399)
9/30/2007	17,474,611	14,254,450	82	(52,002,238)
9/30/2008	20,209,235	17,795,174	88	(49,588,177)

DROP Plan

During December 1996, the CPFFPO adopted the Deferred Retirement Option Plan (DROP) under Ordinance 1198. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. The Ordinance allows eligible police officers and firefighters to participate in the DROP for a maximum of five years. Upon election to participate in the DROP, monthly retirement benefits that would have been payable had the member terminated employment and elected to receive monthly pension payments, shall be made into the member's DROP account. DROP payments contributed to a member's DROP account earn or lose interest at the same rate and frequency as in the CPFFPO, less reasonable and necessary administrative expenses, unless the fixed interest option below is selected.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment

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

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

For the year ended September 30, 2008 and 2007 investment income in the financial statements of the CPFPO is reduced by the investment income earned on the DROP accounts totaling \$2,715,097 and \$2,664,962, respectively. No benefit payments are made from a member's DROP account during their participation in the DROP.

Optional Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2007, the date of the most recent actuarial valuation date is as follows:

	(a)	(b)	Unfunded	Funded	(c)	UAAAL as a Percentage of Covered Payroll
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	AAL (UAAL) (b) - (a)	Ratio (a) / (b)	Covered Payroll	(b-a) / (c)
10/1/2007	\$ 229,650,770	\$ 370,661,059	\$ 141,010,289	62%	\$ 26,610,708	529.9%

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

Additional information as of the latest actuarial valuation follows:

Valuation date	10/1/2007
Actuarial cost method	Frozen initial liability
Amortization method	Level percent, closed
Remaining amortization period	26 years (weighted average)
Asset valuation method	Market value with 5 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases*	5.0% - 12%
Payroll growth	5.1%
Cost of living adjustments:	
Firefighters	2% or 3%
Police officers	2.0%, 2.5% or 3.0%
*Includes inflation at	4.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

Florida Retirement System (FRS) - Charter School Employees

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

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

Plan Description

Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the highest five (5) fiscal years of earnings. The FRS provides vesting of benefits after six (6) years of creditable service. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. The FRS also provides death and disability benefits. A State statute establishes the benefit. Normal retirement requirements are vesting and age 62, or 30 years of creditable service regardless of age. FRS issues an annual financial report. A copy can be obtained by sending a written request to:

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State statute. For the Charter Schools' fiscal year ended June 30, 2008, the actuarially determined contribution rate was 9.85% of covered payroll which amounted to \$1,620,320. As of June 30, 2008 there were 468 members in this Plan. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.05%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 4. OTHER INFORMATION (continued)

f. Defined Contribution Plans

Charter School and Early Development Center Employees

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

At September 30, 2008, there were one hundred and twenty-two (122) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 9.85 percent of the Plan member's gross salary. For the 2008 fiscal year, the City contributed \$372,322 to the Charter Schools' Plan. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2008

NOTE 5. SUBSEQUENT EVENTS

The City owns and operates seven charter schools: three Elementary Schools, two Middle Schools and one High School are operated under individual charters of the sponsoring Broward County School Board, and one Elementary Lab School is operated by charter granted by Florida State University. These schools are accounted for as special revenue funds of the City. The Charter Schools have a fiscal year of July 1st through June 30th, and are included in the financial statements of the City as of June 30th. The Charter Schools are public schools that operate outside the authority of the local school boards; however they are financed with tax money administered through the school boards.

Currently, the Charter Schools are facing an \$850,000 shortfall in state funds needed to operate, as a result of two rounds of state budget cuts. The Charter Schools are planning on hiring a development director, who will be charged with raising funds and securing grants for the Schools. Additionally, in November 2007, the Charter Schools filed a lawsuit alleging that the Broward County School Board owed the Charter Schools at least \$2.5 million in capital projects money. The hearing for this lawsuit is scheduled to be heard within the next few months in the Broward Circuit Court. The outcome of this lawsuit is critical to the operational functions of the Charter Schools. The Charter Schools are also identifying possible spending cuts which will affect the educational opportunities offered to their students.

Required Supplementary Information



City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2008

<u>Fiscal Year</u>	<u>(A) Annual Required Contributions</u>	<u>Employer Contributions</u>	<u>State Contributions</u>	<u>Total Employer Contributions</u>	<u>(B) Percentage Contributed</u>
General Employees Pension Plan					
2008	\$ 6,830,795	\$ 6,830,795	\$ -	\$ 6,830,795	100%
2007	7,418,930	7,418,930	-	7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
2001	3,361,081	3,361,081	-	3,361,081	100%
2000	2,800,921	2,800,921	-	2,800,921	100%
1999	2,336,107	2,336,107	-	2,336,107	100%
City Pension Fund for Firefighters and Police Officers					
2008	\$ 17,795,174	\$ 15,214,031	\$ 2,581,143	\$ 17,795,174	100%
2007	14,254,450	11,812,342	2,442,108	14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
2004	4,905,659	3,654,190 (C)	1,730,676	5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
2001	4,267,395	3,254,269	1,013,126	4,267,395	100%
2000	3,550,488	2,580,359	970,129	3,550,488	100%
1999	2,750,728	1,762,362	988,366	2,750,728	100%
Other Post-Employment Benefits (OPEB)					
2008	\$ 11,396,000	\$ 6,636,677	\$ -	\$ 6,636,677	58%

(A) Actuarially determined contribution requirements.

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

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

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2008

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						
10/1/2007	\$ 123,702,275	\$ 139,548,384	\$ 15,846,109	88.6%	\$ 21,988,709	72.1%
10/1/2006	107,426,569	123,224,221	15,797,652	87.2%	21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
10/1/2000	41,116,588	48,928,587	7,811,999	84.0%	17,310,177	45.1%
10/1/1999	35,531,088	43,534,603	8,003,515	81.6%	14,777,035	54.2%
10/1/1998	30,441,656	38,673,221	8,231,565	78.7%	13,037,087	63.1%
City Pension Fund for Firefighters and Police Officers						
10/1/2007	\$ 229,650,770	\$ 370,661,059	\$ 141,010,289	62.0%	\$ 26,610,708	529.9%
10/1/2006	205,102,670	302,916,889	97,814,219	67.7%	26,040,640	375.6%
10/1/2005	186,347,282	263,608,172	77,260,890	70.7%	24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
10/1/2000	81,679,522	93,079,784	11,400,262	87.8%	20,958,000	54.4%
10/1/1999	68,869,000	79,095,000	10,226,000	87.1%	19,493,000	52.5%
10/1/1998	58,718,000	64,162,000	5,444,000	91.5%	17,676,000	30.8%
Other Post-Employment Benefits (OPEB)						
10/1/2007	\$ -	\$ 126,392,000	\$ 126,392,000	0.0%	\$ 84,808,998	149.0%

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$61,413,342	\$61,413,342	\$62,210,260	\$796,918
Permits, fees and licenses	18,768,892	18,406,655	18,141,596	(265,059)
Intergovernmental revenue	13,356,325	13,923,408	15,154,406	1,230,998
Charges for services	27,189,453	26,537,215	25,733,313	(803,902)
Fines and forfeitures	1,147,200	1,147,700	1,097,886	(49,814)
Miscellaneous revenues	30,420,086	30,616,491	27,008,761	(3,607,730)
Total revenues	<u>152,295,298</u>	<u>152,044,811</u>	<u>149,346,222</u>	<u>(2,698,589)</u>
Expenditures				
General government services				
Administrative services	3,647,670	3,647,670	3,449,872	197,798
City attorney	839,695	839,913	839,913	-
City clerk	1,174,821	1,174,821	1,104,511	70,310
City manager	841,944	868,025	863,187	4,838
Finance	2,660,835	2,660,835	2,647,127	13,708
Human resources	1,066,496	1,066,496	1,044,357	22,139
Mayor & commission	498,438	510,416	510,416	-
Non-departmental	5,535,930	5,549,032	3,363,097	2,185,935
Public services	8,158,683	8,117,552	7,601,527	516,025
Total general government services	<u>24,424,512</u>	<u>24,434,760</u>	<u>21,424,007</u>	<u>3,010,753</u>
Public safety				
Administrative services	991,207	991,207	974,828	16,379
Emergency & disaster relief services	-	-	121,169	(121,169)
Fire	47,817,830	48,695,409	47,812,057	883,352
Police	44,833,029	45,053,592	44,882,135	171,457
Total public safety	<u>93,642,066</u>	<u>94,740,208</u>	<u>93,790,189</u>	<u>950,019</u>

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2008
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Physical environment				
Public services	\$4,032,647	\$4,073,778	\$3,584,401	\$489,377
Total physical environment	<u>4,032,647</u>	<u>4,073,778</u>	<u>3,584,401</u>	<u>489,377</u>
Economic environment				
Community services	5,546,796	5,722,827	5,438,344	284,483
Total economic environment	<u>5,546,796</u>	<u>5,722,827</u>	<u>5,438,344</u>	<u>284,483</u>
Human services				
Community services	2,033,935	2,551,159	2,182,947	368,212
Education	4,530,810	4,532,810	4,244,501	288,309
Total human services	<u>6,564,745</u>	<u>7,083,969</u>	<u>6,427,448</u>	<u>656,521</u>
Culture/recreation				
Parks & recreation	18,298,722	18,936,243	18,002,690	933,553
Total culture/recreation	<u>18,298,722</u>	<u>18,936,243</u>	<u>18,002,690</u>	<u>933,553</u>
Total expenditures	<u>152,509,488</u>	<u>154,991,785</u>	<u>148,667,079</u>	<u>6,324,706</u>
Excess (deficiency) of revenues over expenditures	<u>(214,190)</u>	<u>(2,946,974)</u>	<u>679,144</u>	<u>3,626,117</u>
Other financing sources (uses):				
Transfers out	(553,801)	(553,801)	(460,450)	93,351
Total other financing sources (uses)	<u>(553,801)</u>	<u>(553,801)</u>	<u>(460,450)</u>	<u>93,351</u>
Net change in fund balances	(767,991)	(3,500,775)	218,694	3,719,468
Fund balances, beginning	33,738,730	33,738,730	33,738,730	-
Fund balances, ending	<u>\$32,970,739</u>	<u>\$30,237,955</u>	<u>\$33,957,424</u>	<u>\$3,719,468</u>

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2008

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.
4. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department or a division.
 - b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
 - c. The City Commission may approve supplemental appropriations of revenues and expenditures. If this is done, adoption of an amended budget ordinance is required.
5. The final budget includes budget transfers and supplemental appropriations, which have the effect of adjusting the original adopted budget. General Fund supplemental appropriations amounted to \$2,482,297 for the fiscal year ended September 30, 2008 and consist primarily of:
 - a. \$1,946,383 in carryover of funds related principally to encumbered capital items,
 - b. \$250,000 for wind inspections and assistance to low-income homeowners in hardening their homes against the effects of hurricanes (completely grant funded), and
 - c. \$216,299 for transitional housing (partially grant funded).

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2008

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a downward \$250,487 net revenue adjustment which included mainly:

- a. \$692,850 associated with aligning the budget with Broward County School Board contract for School Resource Officers. The original budget anticipated full reimbursement of cost however the contract only provided for partial reimbursement.

The most significant upward adjustment related to grants, \$250,000 from My Safe Florida Home Program as well as \$192,379 from Department of Children and Families and Children Services Council.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The only General Fund budgetary expenditure that was in excess of appropriations for the fiscal year ended September 30, 2008 was additional emergency and disaster relief services in connection with Hurricane Wilma. The City anticipates a subsequent 100% reimbursement from the Federal Emergency Management Agency (FEMA) or insurance.

Combining and Individual Fund Statements and Schedules



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Law Enforcement Grant Fund – To account for the Federal funded program:

Victim's Advocate (Victims of Crime Act):

1. One (1) part time victim's advocate

Highway Safety Grant (DUI Reduction Program):

1. Overtime
2. Equipment

Homeland Security (Urban Area Security Initiative-UASI)

1. Equipment

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

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

Byrne Grant:

1. Equipment

COPS Grants - To account for the Federal funded programs:

Cops Ahead:

1. One (1) full time officer.
2. Benefits.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

1. Minor home repairs/weatherization.
2. Homeowner counseling.
3. Foreclosure prevention.
4. Emergency repair program.
5. Administration.
6. Homebuyer assistance.
7. Public facilities.

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):

1. Home repairs/weatherization.
2. Arch Barrier removal.
3. Public facilities.
4. Commercial revitalization.
5. Administration.
6. Acquisition-Rehabilitation or new construction.
7. Senior Center transportation.

HOME Investment partnership Program (HOME):

1. Home repairs/weatherization.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

Permanent Fund

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

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

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds									
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	COPS Grants	State Housing Initiative Program	Schools Chartered by *			Florida State University Elementary
							Broward County School District			
							Elementary	Middle	High	
Assets										
Pooled cash and cash equivalents	\$ 6,110,892	\$ -	\$ 694,146	\$ 11,746	\$ -	\$ 2,703,810	\$ 3,504,146	\$ 1,271,668	\$ 459,683	\$ 264,788
Receivables:										
Franchise fees and taxes	482,705	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	12,735	9,097	4,245	4,245
Total receivables	<u>482,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,735</u>	<u>9,097</u>	<u>4,245</u>	<u>4,245</u>
Inventory	-	-	-	-	-	-	15,347	12,196	23,818	3,420
Due from other governments	-	698,129	-	-	-	-	58,486	19,131	33,019	287,473
Prepaid costs	-	-	-	-	-	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,593,597</u>	<u>\$ 698,129</u>	<u>\$ 694,146</u>	<u>\$ 11,746</u>	<u>\$ -</u>	<u>\$ 2,703,810</u>	<u>\$ 3,590,714</u>	<u>\$ 1,312,092</u>	<u>\$ 520,765</u>	<u>\$ 559,926</u>
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ 28,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 73,423	\$ -
Due to other funds	-	698,129	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	121,480	60,650	284,945	28,460
Deferred revenue	-	-	-	11,746	-	2,703,810	9,281	3,610	3,407	4,780
Total liabilities	<u>28,829</u>	<u>698,129</u>	<u>-</u>	<u>11,746</u>	<u>-</u>	<u>2,703,810</u>	<u>130,761</u>	<u>64,458</u>	<u>361,775</u>	<u>33,240</u>
Fund balances:										
Reserved for:										
Wetland Mitigation Trust:										
Nonexpendable	-	-	-	-	-	-	-	-	-	-
Expendable	-	-	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	8,769	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	15,347	12,196	23,818	3,420
Unreserved:										
Designated for rent payments	-	-	-	-	-	-	3,444,606	1,235,438	135,172	523,266
Undesignated (deficit)	<u>6,564,768</u>	<u>(8,769)</u>	<u>694,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,564,768</u>	<u>-</u>	<u>694,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,459,953</u>	<u>1,247,634</u>	<u>158,990</u>	<u>526,686</u>
Total liabilities and fund balances	<u>\$ 6,593,597</u>	<u>\$ 698,129</u>	<u>\$ 694,146</u>	<u>\$ 11,746</u>	<u>\$ -</u>	<u>\$ 2,703,810</u>	<u>\$ 3,590,714</u>	<u>\$ 1,312,092</u>	<u>\$ 520,765</u>	<u>\$ 559,926</u>

* As of June 30, 2008

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2008
(continued)

	<u>Special Revenue Funds</u>							<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Housing and Urban Development Grant</u>	<u>Community Bus Program</u>	<u>Older Americans Act</u>	<u>Treasury Confiscated</u>	<u>Justice Confiscated</u>	<u>\$2 Police Education</u>	<u>FDLE Confiscated</u>	<u>Wetland Mitigation Trust Fund</u>	
Assets									
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 217,480	\$ 253,470	\$ 177,471	\$ 1,478,158	\$ -	\$ 17,147,458
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	482,705
Other	-	-	-	-	-	-	-	-	30,322
Total receivables	-	-	-	-	-	-	-	-	513,027
Inventory	-	-	25,000	-	-	-	-	-	79,781
Due from other governments	488,324	-	7,025	-	-	-	-	-	1,591,587
Prepaid costs	54,850	-	-	-	-	-	-	-	54,850
Restricted pooled cash and investments	-	-	-	-	-	-	-	608,220	608,220
Total assets	<u>\$ 543,174</u>	<u>\$ -</u>	<u>\$ 32,025</u>	<u>\$ 217,480</u>	<u>\$ 253,470</u>	<u>\$ 177,471</u>	<u>\$ 1,478,158</u>	<u>\$ 608,220</u>	<u>\$ 19,994,923</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,450
Due to other funds	543,174	-	18,762	-	-	-	-	-	1,260,065
Deposits	-	-	-	-	-	-	19,734	-	515,269
Deferred revenue	-	-	13,263	-	-	-	-	-	2,749,897
Total liabilities	<u>543,174</u>	<u>-</u>	<u>32,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,734</u>	<u>-</u>	<u>4,627,681</u>
Fund balances:									
Reserved for:									
Wetland Mitigation Trust:									
Nonexpendable	-	-	-	-	-	-	-	446,115	446,115
Expendable	-	-	-	-	-	-	-	162,105	162,105
Prepaid costs	54,850	-	-	-	-	-	-	-	54,850
Encumbrances	-	-	-	-	-	-	-	-	8,769
Inventory	-	-	25,000	-	-	-	-	-	79,781
Unreserved:									
Designated for rent payments	-	-	-	-	-	-	-	-	5,338,482
Undesignated (deficit)	(54,850)	-	(25,000)	217,480	253,470	177,471	1,458,424	-	9,277,140
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,480</u>	<u>253,470</u>	<u>177,471</u>	<u>1,458,424</u>	<u>608,220</u>	<u>15,367,242</u>
Total liabilities and fund balances	<u>\$ 543,174</u>	<u>\$ -</u>	<u>\$ 32,025</u>	<u>\$ 217,480</u>	<u>\$ 253,470</u>	<u>\$ 177,471</u>	<u>\$ 1,478,158</u>	<u>\$ 608,220</u>	<u>\$ 19,994,923</u>

* As of June 30, 2008

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008

	Special Revenue Funds									
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	COPS Grants	State Housing Initiative Program	Schools Chartered by *			Florida State University Elementary
							Broward County School District			
							Elementary	Middle	High	
Revenues:										
Taxes	\$ 2,785,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,164,985	732,564	936,296	26,451	2,500	2,292,309	13,574,648	9,132,097	13,679,154	5,109,033
Charges for services	355,227	-	-	-	-	-	813,156	193,855	90,934	249,619
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Investment income	256,128	-	-	-	-	-	84,947	30,020	59,323	5,683
Contributions	2,853,480	55,915	-	-	-	-	9,491	1,064	30,745	60,825
Rental revenue	-	-	-	-	-	-	112,095	142,201	1,323,685	47,964
Other	94,792	-	-	-	-	-	373,251	321,333	536,277	115,678
Total revenues	<u>7,510,282</u>	<u>788,479</u>	<u>936,296</u>	<u>26,451</u>	<u>2,500</u>	<u>2,292,309</u>	<u>14,967,588</u>	<u>9,820,570</u>	<u>15,720,118</u>	<u>5,588,802</u>
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	788,479	-	26,451	70,419	-	-	-	-	-
Transportation	7,108,760	-	424,812	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	2,292,321	-	-	-	-
Human services	-	-	-	-	-	-	13,496,485	9,639,006	13,861,128	5,199,769
Total expenditures	<u>7,108,760</u>	<u>788,479</u>	<u>424,812</u>	<u>26,451</u>	<u>70,419</u>	<u>2,292,321</u>	<u>13,496,485</u>	<u>9,639,006</u>	<u>13,861,128</u>	<u>5,199,769</u>
Excess (deficiency) of revenues over expenditures	<u>401,522</u>	<u>-</u>	<u>511,484</u>	<u>-</u>	<u>(67,919)</u>	<u>(12)</u>	<u>1,471,103</u>	<u>181,564</u>	<u>1,858,990</u>	<u>389,033</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	67,919	-	1,076,424	875,506	-	-
Transfers out	(854,526)	-	-	-	-	-	-	-	(1,700,000)	-
Total other financing sources (uses)	<u>(854,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,919</u>	<u>-</u>	<u>1,076,424</u>	<u>875,506</u>	<u>(1,700,000)</u>	<u>-</u>
Net change in fund balances	(453,004)	-	511,484	-	-	(12)	2,547,527	1,057,070	158,990	389,033
Fund balances, beginning	7,017,772	-	182,662	-	-	12	912,426	190,564	-	137,653
Fund balances, ending	<u>\$ 6,564,768</u>	<u>\$ -</u>	<u>\$ 694,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,459,953</u>	<u>\$ 1,247,634</u>	<u>\$ 158,990</u>	<u>\$ 526,686</u>

* As of June 30, 2008

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,785,670
Intergovernmental	1,444,596	345,648	1,010,721	-	-	-	-	-	49,451,002
Charges for services	-	-	31,060	-	-	-	-	-	1,733,851
Fines and forfeitures	-	-	-	73,232	9,746	50,248	244,179	-	377,405
Investment income	-	-	-	5,488	7,843	5,468	44,356	17,768	517,024
Contributions	-	-	56,643	-	-	-	-	-	3,068,163
Rental revenue	-	-	-	-	-	-	-	-	1,625,945
Other	-	-	-	-	-	-	-	-	1,441,331
Total revenues	<u>1,444,596</u>	<u>345,648</u>	<u>1,098,424</u>	<u>78,720</u>	<u>17,589</u>	<u>55,716</u>	<u>288,535</u>	<u>17,768</u>	<u>61,000,391</u>
Expenditures:									
General government	-	-	-	-	-	-	-	27,210	27,210
Public safety	-	-	-	10,572	-	45,487	33,423	-	974,831
Transportation	124,427	1,200,174	-	-	-	-	-	-	8,858,173
Economic environment	1,320,169	-	-	-	-	-	-	-	3,612,490
Human services	-	-	1,239,025	-	-	-	-	-	43,435,413
Total expenditures	<u>1,444,596</u>	<u>1,200,174</u>	<u>1,239,025</u>	<u>10,572</u>	<u>-</u>	<u>45,487</u>	<u>33,423</u>	<u>27,210</u>	<u>56,908,117</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(854,526)</u>	<u>(140,601)</u>	<u>68,148</u>	<u>17,589</u>	<u>10,229</u>	<u>255,112</u>	<u>(9,442)</u>	<u>4,092,274</u>
Other financing sources (uses):									
Transfers in	-	854,526	140,601	-	-	-	-	-	3,014,976
Transfers out	-	-	-	-	-	-	-	-	(2,554,526)
Total other financing sources (uses)	<u>-</u>	<u>854,526</u>	<u>140,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>460,450</u>
Net change in fund balances	-	-	-	68,148	17,589	10,229	255,112	(9,442)	4,552,724
Fund balances, beginning	-	-	-	149,332	235,881	167,242	1,203,312	617,662	10,814,518
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,480</u>	<u>\$ 253,470</u>	<u>\$ 177,471</u>	<u>\$ 1,458,424</u>	<u>\$ 608,220</u>	<u>\$ 15,367,242</u>

* As of June 30, 2008

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

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**
 - Road and Bridge Fund
 - Law Enforcement Grant
 - ADA Paratransit Program
 - Police Community Service Grant
 - COPS Grants
 - 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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 5,232,579	\$ 5,232,579	\$ 5,264,984	\$ 32,405
Utility taxes	1,669,034	1,669,034	1,678,915	9,881
Communication services tax	6,351,331	6,351,331	6,385,381	34,050
Permits, fees and licenses	801,523	801,523	809,561	8,038
Investment income	855,502	855,502	440,270	(415,232)
Rental revenue	10,670,264	10,230,363	9,602,414	(627,949)
Total revenues	<u>25,580,233</u>	<u>25,140,332</u>	<u>24,181,525</u>	<u>(958,807)</u>
Expenditures				
Debt service:				
Principal	7,105,000	7,105,000	5,830,000	1,275,000
Interest	18,455,995	19,488,401	18,334,763	1,153,638
Bond issuance cost	-	1,777,143	1,745,904	31,239
Other debt service costs	32,365	107,428	107,691	(263)
Current bond refunding	-	7,910,000	7,910,000	-
Advance refunding escrow	-	4,605,591	4,605,591	-
Total expenditures	<u>25,593,360</u>	<u>40,993,563</u>	<u>38,533,949</u>	<u>2,459,614</u>
Excess (deficiency) of revenues over expenditures	<u>(13,127)</u>	<u>(15,853,231)</u>	<u>(14,352,424)</u>	<u>1,500,807</u>
Other financing sources (uses):				
Transfers in	-	-	133,863	133,863
Bonds issued	-	58,135,000	58,110,153	(24,847)
Bonds proceeds of refunding bonds	-	-	-	-
Premium on bonds	-	-	-	-
Payment to refunded bond escrow agent	-	(48,447,857)	(48,447,857)	-
Total other financing sources (uses)	<u>-</u>	<u>9,687,143</u>	<u>9,796,159</u>	<u>109,016</u>
Net change in fund balances	(13,127)	(6,166,088)	(4,556,265)	1,609,823
Fund balances, beginning	<u>17,271,978</u>	<u>17,271,978</u>	<u>17,271,978</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,258,851</u>	<u>\$ 11,105,890</u>	<u>\$ 12,715,713</u>	<u>\$ 1,609,823</u>

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008

	Special Revenue Funds							
	Road and Bridge Fund				Law Enforcement Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ 2,785,670	\$ 2,785,670	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,268,500	1,268,500	1,164,985	(103,515)	-	748,983	732,564	(16,419)
Charges for services	355,227	355,227	355,227	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	293,000	293,000	256,128	(36,872)	-	-	-	-
Contributions	-	2,853,480	2,853,480	-	-	55,915	55,915	-
Rental revenue	-	-	-	-	-	-	-	-
Other	51,000	51,000	94,792	43,792	-	-	-	-
Total revenues	<u>1,967,727</u>	<u>4,821,207</u>	<u>7,510,282</u>	<u>2,689,075</u>	<u>-</u>	<u>804,898</u>	<u>788,479</u>	<u>(16,419)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	804,898	788,479	16,419
Transportation	4,029,425	7,252,215	7,108,760	143,455	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,029,425</u>	<u>7,252,215</u>	<u>7,108,760</u>	<u>143,455</u>	<u>-</u>	<u>804,898</u>	<u>788,479</u>	<u>16,419</u>
Excess (deficiency) of revenues over expenditures	<u>(2,061,698)</u>	<u>(2,431,008)</u>	<u>401,522</u>	<u>2,832,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(854,526)	(854,526)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(854,526)</u>	<u>(854,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,061,698)	(2,431,008)	(453,004)	1,978,004	-	-	-	-
Fund balances, beginning	<u>7,017,772</u>	<u>7,017,772</u>	<u>7,017,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,956,074</u>	<u>\$ 4,586,764</u>	<u>\$ 6,564,768</u>	<u>\$ 1,978,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	ADA Paratransit Program				Police Community Service Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	672,465	697,465	936,296	238,831	-	37,570	26,451	(11,119)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>672,465</u>	<u>697,465</u>	<u>936,296</u>	<u>238,831</u>	<u>-</u>	<u>37,570</u>	<u>26,451</u>	<u>(11,119)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	37,570	26,451	11,119
Transportation	395,856	424,812	424,812	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>395,856</u>	<u>424,812</u>	<u>424,812</u>	<u>-</u>	<u>-</u>	<u>37,570</u>	<u>26,451</u>	<u>11,119</u>
Excess (deficiency) of revenues over expenditures	<u>276,609</u>	<u>272,653</u>	<u>511,484</u>	<u>238,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	276,609	272,653	511,484	238,831	-	-	-	-
Fund balances, beginning	<u>182,662</u>	<u>182,662</u>	<u>182,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 459,271</u>	<u>\$ 455,315</u>	<u>\$ 694,146</u>	<u>\$ 238,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	COPS Grants				State Housing Initiative Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,500	2,500	2,500	-	1,364,916	6,117,979	2,292,309	(3,825,670)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	209,000	209,000	-	(209,000)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>1,573,916</u>	<u>6,326,979</u>	<u>2,292,309</u>	<u>(4,034,670)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	71,506	71,506	70,419	1,087	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	1,364,916	6,117,979	2,292,321	3,825,658
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>71,506</u>	<u>71,506</u>	<u>70,419</u>	<u>1,087</u>	<u>1,364,916</u>	<u>6,117,979</u>	<u>2,292,321</u>	<u>3,825,658</u>
Excess (deficiency) of revenues over expenditures	<u>(69,006)</u>	<u>(69,006)</u>	<u>(67,919)</u>	<u>1,087</u>	<u>209,000</u>	<u>209,000</u>	<u>(12)</u>	<u>(209,012)</u>
Other financing sources (uses):								
Transfers in	69,006	69,006	67,919	(1,087)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>69,006</u>	<u>69,006</u>	<u>67,919</u>	<u>(1,087)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	209,000	209,000	(12)	(209,012)
Fund balances, beginning	-	-	-	-	12	12	12	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,012</u>	<u>\$ 209,012</u>	<u>\$ -</u>	<u>\$ (209,012)</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	Elementary Schools Chartered by Broward County *				Middle Schools Chartered by Broward County *			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,714,594	12,918,381	13,574,648	656,267	8,582,671	8,713,700	9,132,097	418,397
Charges for services	791,502	791,502	813,156	21,654	168,930	168,930	193,855	24,925
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	93,000	90,597	84,947	(5,650)	22,000	22,000	30,020	8,020
Contributions	-	8,122	9,491	1,369	-	-	1,064	1,064
Rental revenue	95,904	95,904	112,095	16,191	129,800	131,400	142,201	10,801
Other	325,000	325,267	373,251	47,984	302,000	302,000	321,333	19,333
Total revenues	<u>14,020,000</u>	<u>14,229,773</u>	<u>14,967,588</u>	<u>737,815</u>	<u>9,205,401</u>	<u>9,338,030</u>	<u>9,820,570</u>	<u>482,540</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	14,020,000	14,229,773	13,496,485	733,288	9,991,103	10,123,732	9,639,006	484,726
Total expenditures	<u>14,020,000</u>	<u>14,229,773</u>	<u>13,496,485</u>	<u>733,288</u>	<u>9,991,103</u>	<u>10,123,732</u>	<u>9,639,006</u>	<u>484,726</u>
Excess (deficiency) of revenues over expenditures	-	-	1,471,103	1,471,103	(785,702)	(785,702)	181,564	967,266
Other financing sources (uses):								
Transfers in	-	-	1,076,424	1,076,424	785,702	785,702	875,506	89,804
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,076,424	1,076,424	785,702	785,702	875,506	89,804
Net change in fund balances	-	-	2,547,527	2,547,527	-	-	1,057,070	1,057,070
Fund balances, beginning	912,426	912,426	912,426	-	190,564	190,564	190,564	-
Fund balances, ending	<u>\$ 912,426</u>	<u>\$ 912,426</u>	<u>\$ 3,459,953</u>	<u>\$ 2,547,527</u>	<u>\$ 190,564</u>	<u>\$ 190,564</u>	<u>\$ 1,247,634</u>	<u>\$ 1,057,070</u>

* As of June 30, 2008

(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, 2008
(continued)

	Special Revenue Funds							
	High School Chartered by Broward County *				Elementary School Chartered by Florida State University*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,187,244	13,360,816	13,679,154	318,338	4,977,966	5,104,411	5,109,033	4,622
Charges for services	78,834	78,834	90,934	12,100	278,834	278,834	249,619	(29,215)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	49,140	49,140	59,323	10,183	-	305	5,683	5,378
Contributions	25,100	32,144	30,745	(1,399)	-	-	60,825	60,825
Rental revenue	1,340,619	1,340,619	1,323,685	(16,934)	47,200	47,200	47,964	764
Other	538,300	539,695	536,277	(3,418)	105,750	105,750	115,678	9,928
Total revenues	<u>15,219,237</u>	<u>15,401,248</u>	<u>15,720,118</u>	<u>318,870</u>	<u>5,409,750</u>	<u>5,536,500</u>	<u>5,588,802</u>	<u>52,302</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	14,971,462	15,148,995	13,861,128	1,287,867	5,274,702	5,401,452	5,199,769	201,683
Total expenditures	<u>14,971,462</u>	<u>15,148,995</u>	<u>13,861,128</u>	<u>1,287,867</u>	<u>5,274,702</u>	<u>5,401,452</u>	<u>5,199,769</u>	<u>201,683</u>
Excess (deficiency) of revenues over expenditures	<u>247,775</u>	<u>252,253</u>	<u>1,858,990</u>	<u>1,606,737</u>	<u>135,048</u>	<u>135,048</u>	<u>389,033</u>	<u>253,985</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(247,775)	(1,700,000)	(1,700,000)	-	(135,048)	(135,048)	-	135,048
Total other financing sources (uses)	<u>(247,775)</u>	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>-</u>	<u>(135,048)</u>	<u>(135,048)</u>	<u>-</u>	<u>135,048</u>
Net change in fund balances	-	(1,447,747)	158,990	1,606,737	-	-	389,033	389,033
Fund balances, beginning	-	-	-	-	137,653	137,653	137,653	-
Fund balances, ending	<u>\$ -</u>	<u>\$ (1,447,747)</u>	<u>\$ 158,990</u>	<u>\$ 1,606,737</u>	<u>\$ 137,653</u>	<u>\$ 137,653</u>	<u>\$ 526,686</u>	<u>\$ 389,033</u>

* As of June 30, 2008

(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, 2008
(continued)

	Special Revenue Funds							
	Housing and Urban Development Grant				Community Bus Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,137,313	3,167,673	1,444,596	(1,723,077)	346,785	346,785	345,648	(1,137)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>1,137,313</u>	<u>3,167,673</u>	<u>1,444,596</u>	<u>(1,723,077)</u>	<u>346,785</u>	<u>346,785</u>	<u>345,648</u>	<u>(1,137)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	138,127	168,035	124,427	43,608	1,189,734	1,212,281	1,200,174	12,107
Economic environment	999,186	2,999,638	1,320,169	1,679,469	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>1,137,313</u>	<u>3,167,673</u>	<u>1,444,596</u>	<u>1,723,077</u>	<u>1,189,734</u>	<u>1,212,281</u>	<u>1,200,174</u>	<u>12,107</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(842,949)	(865,496)	(854,526)	10,970
Other financing sources (uses):								
Transfers in	-	-	-	-	842,949	865,496	854,526	(10,970)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	<u>842,949</u>	<u>865,496</u>	<u>854,526</u>	<u>(10,970)</u>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	Older Americans Act				Treasury Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,112,670	1,112,670	1,010,721	(101,949)	-	-	-	-
Charges for services	-	-	31,060	31,060	-	-	-	-
Fines and forfeitures	-	-	-	-	-	73,232	73,232	73,232
Investment income	1,000	1,000	-	(1,000)	8,000	8,000	5,488	(2,512)
Contributions	100,000	100,000	56,643	(43,357)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>1,213,670</u>	<u>1,213,670</u>	<u>1,098,424</u>	<u>(115,246)</u>	<u>8,000</u>	<u>8,000</u>	<u>78,720</u>	<u>70,720</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	20,900	143,566	10,572	132,994
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	<u>1,300,728</u>	<u>1,300,728</u>	<u>1,239,025</u>	<u>61,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,300,728</u>	<u>1,300,728</u>	<u>1,239,025</u>	<u>61,703</u>	<u>20,900</u>	<u>143,566</u>	<u>10,572</u>	<u>132,994</u>
Excess (deficiency) of revenues over expenditures	<u>(87,058)</u>	<u>(87,058)</u>	<u>(140,601)</u>	<u>(53,543)</u>	<u>(12,900)</u>	<u>(135,566)</u>	<u>68,148</u>	<u>203,714</u>
Other financing sources (uses):								
Transfers in	87,058	87,058	140,601	53,543	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>87,058</u>	<u>87,058</u>	<u>140,601</u>	<u>53,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(12,900)	(135,566)	68,148	203,714
Fund balances, beginning	-	-	-	-	<u>149,332</u>	<u>149,332</u>	<u>149,332</u>	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,432</u>	<u>\$ 13,766</u>	<u>\$ 217,480</u>	<u>\$ 203,714</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	Justice Confiscated				\$2 Police Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	9,746	9,746	52,092	52,092	50,248	(1,844)
Investment income	13,000	13,000	7,843	(5,157)	9,000	9,000	5,468	(3,532)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>17,589</u>	<u>4,589</u>	<u>61,092</u>	<u>61,092</u>	<u>55,716</u>	<u>(5,376)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	12,945	221,414	-	221,414	52,092	112,592	45,487	67,105
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>12,945</u>	<u>221,414</u>	<u>-</u>	<u>221,414</u>	<u>52,092</u>	<u>112,592</u>	<u>45,487</u>	<u>67,105</u>
Excess (deficiency) of revenues over expenditures	<u>55</u>	<u>(208,414)</u>	<u>17,589</u>	<u>226,003</u>	<u>9,000</u>	<u>(51,500)</u>	<u>10,229</u>	<u>61,729</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	55	(208,414)	17,589	226,003	9,000	(51,500)	10,229	61,729
Fund balances, beginning	<u>235,881</u>	<u>235,881</u>	<u>235,881</u>	<u>-</u>	<u>167,242</u>	<u>167,242</u>	<u>167,242</u>	<u>-</u>
Fund balances, ending	<u>\$ 235,936</u>	<u>\$ 27,467</u>	<u>\$ 253,470</u>	<u>\$ 226,003</u>	<u>\$ 176,242</u>	<u>\$ 115,742</u>	<u>\$ 177,471</u>	<u>\$ 61,729</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2008
(continued)

	Special Revenue Funds							
	FDLE Confiscated				Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	244,179	244,179	-	-	-	-
Investment income	63,000	63,000	44,356	(18,644)	31,100	31,100	17,768	(13,332)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>288,535</u>	<u>225,535</u>	<u>31,100</u>	<u>31,100</u>	<u>17,768</u>	<u>(13,332)</u>
Expenditures:								
General government	-	-	-	-	27,250	27,250	27,210	40
Public safety	354,703	1,013,498	33,423	980,075	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>354,703</u>	<u>1,013,498</u>	<u>33,423</u>	<u>980,075</u>	<u>27,250</u>	<u>27,250</u>	<u>27,210</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	<u>(291,703)</u>	<u>(950,498)</u>	<u>255,112</u>	<u>1,205,610</u>	<u>3,850</u>	<u>3,850</u>	<u>(9,442)</u>	<u>(13,292)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(291,703)	(950,498)	255,112	1,205,610	3,850	3,850	(9,442)	(13,292)
Fund balances, beginning	<u>1,203,312</u>	<u>1,203,312</u>	<u>1,203,312</u>	<u>-</u>	<u>617,662</u>	<u>617,662</u>	<u>617,662</u>	<u>-</u>
Fund balances, ending	<u>\$ 911,609</u>	<u>\$ 252,814</u>	<u>\$ 1,458,424</u>	<u>\$ 1,205,610</u>	<u>\$ 621,512</u>	<u>\$ 621,512</u>	<u>\$ 608,220</u>	<u>\$ (13,292)</u>

FIDUCIARY FUND TYPES

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

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

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

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

City of Pembroke Pines, Florida
Combining Statement of Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
September 30, 2008

	General Employees Pension	Firefighters and Police Officers Pension	Other Post- Employment Benefits	Totals
Assets				
Cash and short-term investments	\$ -	\$ 19,250,004	\$ 3,561,765	\$ 22,811,769
Receivables				
Accrued interest and dividends	-	1,043,893	-	1,043,893
Other	165,643	1,225,095	-	1,390,738
Total receivables	165,643	2,268,988	-	2,434,631
Investments, at fair value				
U.S. Government securities	-	23,922,346	-	23,922,346
Corporate bonds	-	48,722,747	-	48,722,747
Common stocks	-	90,221,619	-	90,221,619
Foreign bonds	-	2,950,588	-	2,950,588
Domestic equity fund	-	27,272,144	-	27,272,144
International equity fund	-	18,123,967	-	18,123,967
Real estate fund	-	21,613,640	-	21,613,640
Mutual funds	109,980,617	-	-	109,980,617
Total investments	109,980,617	232,827,051	-	342,807,668
Capital Assets:				
Property and equipment, net	-	475,356	-	475,356
Total capital assets	-	475,356	-	475,356
 Total assets	 110,146,260	 254,821,399	 3,561,765	 368,529,424
 Liabilities				
DROP participants payable	-	43,843,227	-	43,843,227
Reserve for health insurance claims	-	-	473,916	473,916
Accounts payable	-	4,063,585	399,329	4,462,914
Total liabilities	-	47,906,812	873,245	48,780,057
 Net Assets				
Net assets held in trust for pension benefits	\$ 110,146,260	\$ 206,914,587	\$ 2,688,520	\$ 319,749,367

City of Pembroke Pines, Florida
Combining Statement of Changes in Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
Fiscal Year Ended September 30, 2008

	<u>General Employees Pension</u>	<u>Firefighters and Police Officers Pension</u>	<u>Other Post- Employment Benefits</u>	<u>Totals</u>
Additions				
Contributions:				
Plan members	\$ 2,215,604	\$ 3,228,420	\$ 184,300	\$ 5,628,324
Employee buybacks	-	119,833	-	119,833
Employer	6,830,795	15,214,031	6,636,677	28,681,503
State	-	2,581,143	-	2,581,143
Total contributions	<u>9,046,399</u>	<u>21,143,427</u>	<u>6,820,977</u>	<u>37,010,803</u>
Investment income:				
Investment earnings and appreciation (depreciation)	(23,553,575)	(39,659,943)	67,709	(63,145,809)
Less investment expenses	40,786	1,463,358	-	1,504,144
Net investment income (loss)	<u>(23,594,361)</u>	<u>(41,123,301)</u>	<u>67,709</u>	<u>(64,649,953)</u>
Other additions:				
Specific stop loss recovery	-	-	500,045	500,045
Medicare Part D subsidy	-	-	79,454	79,454
Total other additions	-	-	579,499	579,499
Total additions	<u>(14,547,962)</u>	<u>(19,979,874)</u>	<u>7,468,185</u>	<u>(27,059,651)</u>
Deductions				
Benefit payments	4,872,010	13,695,158	4,594,481	23,161,649
Refunds of contributions	(21,618)	140,592	-	118,974
Administrative expenses	52,739	418,328	185,184	656,251
Total deductions	<u>4,903,131</u>	<u>14,254,078</u>	<u>4,779,665</u>	<u>23,936,874</u>
Change in net assets	(19,451,093)	(34,233,952)	2,688,520	(50,996,525)
Net assets, beginning	<u>129,597,353</u>	<u>241,148,539</u>	<u>-</u>	<u>370,745,892</u>
Net assets, ending	<u>\$ 110,146,260</u>	<u>\$ 206,914,587</u>	<u>\$ 2,688,520</u>	<u>\$ 319,749,367</u>

AGENCY FUNDS

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

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

City of Pembroke Pines, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2008

	Balance September 30, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2008</u>
General Trust Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,635,729	\$ 104,551,241	\$ 104,482,131	\$ 2,704,839
Total assets	<u>\$ 2,635,729</u>	<u>\$ 104,551,241</u>	<u>\$ 104,482,131</u>	<u>\$ 2,704,839</u>
Liabilities:				
Accrued liabilities	\$ 2,635,729	\$ 99,047,927	\$ 98,978,817	\$ 2,704,839
Due to other funds	-	5,514,476	5,514,476	-
Total liabilities	<u>\$ 2,635,729</u>	<u>\$ 104,562,403</u>	<u>\$ 104,493,293</u>	<u>\$ 2,704,839</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 29,531,950	\$ 29,531,950	\$ -
Customer accounts receivable	1,630,768	19,374,398	19,352,641	1,652,525
Total assets	<u>\$ 1,630,768</u>	<u>\$ 48,906,348</u>	<u>\$ 48,884,591</u>	<u>\$ 1,652,525</u>
Liabilities:				
Accounts payable	1,630,768	20,014,959	19,993,202	1,652,525
Total liabilities	<u>\$ 1,630,768</u>	<u>\$ 20,014,959</u>	<u>\$ 19,993,202</u>	<u>\$ 1,652,525</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,635,729	\$ 134,083,191	\$ 134,014,081	\$ 2,704,839
Customer accounts receivable	1,630,768	19,374,398	19,352,641	1,652,525
Total assets	<u>\$ 4,266,497</u>	<u>\$ 153,457,589</u>	<u>\$ 153,366,722</u>	<u>\$ 4,357,364</u>
Liabilities:				
Accounts payable	\$ 1,630,768	\$ 20,014,959	\$ 19,993,202	\$ 1,652,525
Accrued liabilities	2,635,729	99,047,927	98,978,817	2,704,839
Due to other funds	-	5,514,476	5,514,476	-
Total liabilities	<u>\$ 4,266,497</u>	<u>\$ 124,577,362</u>	<u>\$ 124,486,495</u>	<u>\$ 4,357,364</u>

III. STATISTICAL SECTION

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



STATISTICAL SECTION

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

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

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

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STATISTICAL SECTION

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

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

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

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

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

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

City of Pembroke Pines, Florida

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

Expenses	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities:							
General government	\$ 20,085,237	\$ 19,804,913	\$ 21,245,245	\$ 21,438,009	\$ 23,008,076	\$ 23,303,062	\$ 27,026,054
Public safety (1)	54,363,115	59,919,473	64,769,067	75,037,886	115,482,598	88,982,854	99,176,919
Physical environment	3,184,132	3,740,853	3,788,410	3,612,466	3,997,835	4,123,318	3,654,027
Transportation	5,785,707	5,486,631	5,725,790	12,013,824 (2)	8,243,716	12,845,956	11,950,528
Economic environment	2,154,679	2,754,664	2,774,502	3,064,478	4,715,450	7,559,297	10,717,579
Human services (3)	24,138,249	36,142,870	43,531,313	49,160,396	50,152,084	54,110,736	53,871,577
Culture/Recreation	14,640,884	15,269,764	16,875,139	18,447,037	19,673,548	20,948,154	21,576,740
Interest on long-term debt	6,722,426	7,694,630	11,349,415	13,765,458	15,728,258	16,823,152	17,996,176
Total governmental activities expenses	131,074,429	150,813,798	170,058,881	196,539,554	241,001,565	228,696,529	245,969,600
Business-type activities:							
Public safety	-	-	19,241	48,130	273,616	4,100	-
Water utility services	3,843,161	3,917,274	4,050,643	4,421,132	5,088,235	5,318,837	5,318,791
Sewer/wastewater services	8,590,253	8,974,311	8,873,928	9,600,254	9,970,132	12,271,389	13,080,744
Water-sewer combined services	17,112,758	19,865,795	22,821,895	22,917,382	25,887,741	26,104,176	24,812,790
Total business-type activities expenses	29,546,172	32,757,380	35,765,707	36,986,898	41,219,724	43,698,502	43,212,325
Total primary government expenses	\$160,620,601	\$183,571,178	\$205,824,588	\$ 233,526,452	\$ 282,221,289	\$ 272,395,031	\$ 289,181,925
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 14,881,020	\$ 14,889,651	\$ 15,307,054	\$ 16,210,579	\$ 15,318,437	\$ 15,166,539	\$ 14,295,201
Public safety	17,614,392	15,535,883	14,630,803	16,612,089	19,436,165	19,897,138	28,386,165
Physical environment	1,625	2,413	2,593	560	120	600	1,075
Transportation	3,075,107	1,223,166	1,220,800	235,650	285,684	315,033	355,227
Economic environment	1,288,795	1,321,006	1,328,939	1,996,031	4,316,254	4,642,437	4,974,853
Human services (3)	18,950,247	28,432,894	36,713,012	38,929,127	40,293,116	47,785,824	51,655,776
Culture/Recreation	3,799,282	4,030,889	3,854,108	4,112,009	3,962,945	3,702,140	4,759,467
Interest on long-term debt	3,456,284	6,081,203	8,328,253	8,217,168	8,996,692	10,070,967	9,602,414
Operating grants and contributions	3,630,457	3,222,313	4,866,288	6,803,875	34,437,431 (4)	7,557,767	10,489,392
Capital grants and contributions	4,120,865	2,978,244	512,573	1,109,677	304,636	6,671,291	11,914,221
Total governmental activities program revenues	70,818,074	77,717,662	86,764,423	94,226,765	127,351,480	115,809,736	136,433,791
Business-type activities:							
Charges for services:							
Water utility services	11,286,813	13,010,984	14,033,938	14,188,320	14,775,105	15,372,828	16,310,543
Sewer/wastewater services	11,514,216	13,423,668	18,145,972	14,633,008 (5)	15,277,785	15,338,034	15,422,017
Water-sewer combined services	108,908	87,145	83,197	71,475	67,850	64,141	73,193
Operating grants and contributions	-	114,859	19,241	42,113	151,310	10,066	-
Capital grants and contributions (6)	11,743,301	7,877,097	3,176,882	712,820	1,577,331	2,471,676	7,307,004
Total business-type activities program revenues	34,653,238	34,513,753	35,459,230	29,647,736	31,849,381	33,256,745	39,112,757
Total primary government program revenues	\$105,471,312	\$112,231,415	\$122,223,653	\$ 123,874,501	\$ 159,200,861	\$ 149,066,481	\$ 175,546,548

(1) The increase in FY 06 was due to expenses related to Hurricane Wilma.

(2) The increase from the prior period was caused by expenditures for major roadwork improvements.

(3) The increase in FY 02 - FY 05 was caused by the opening of additional Charter Schools.

(4) The increase from the prior period was due to Federal and State revenues from FEMA for Hurricane Wilma.

(5) The decrease from the prior period was a result of a one-time settlement recorded in the prior period.

(6) Represents capital contributions from developers that were shown in charges for services in prior years. FY 02-05 restated for comparative purposes.

City of Pembroke Pines, Florida
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(continued)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Net (expense)/revenue:							
Governmental activities	\$(60,256,355)	\$(73,096,136)	\$(83,294,458)	\$(102,312,789)	\$(113,650,085)	\$(112,886,793)	\$(109,535,809)
Business-type activities	5,107,066	1,756,373	(306,477)	(7,339,162)	(9,370,343)	(10,441,757)	(4,099,568)
Total primary government net expense	<u>\$(55,149,289)</u>	<u>\$(71,339,763)</u>	<u>\$(83,600,935)</u>	<u>\$(109,651,951)</u>	<u>\$(123,020,428)</u>	<u>\$(123,328,550)</u>	<u>\$(113,635,377)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984	\$ 2,665,536	\$ 5,264,984
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378	47,104,494	47,077,737
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442	9,722,816	9,939,667
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674	7,060,041	7,359,061
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350	2,442,108	2,581,143
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233	2,739,055	2,785,670
Local business tax (8)	2,466,261	2,549,602	2,643,082	2,583,227	2,792,926	3,075,143	3,316,948
Permits, fees, and licenses	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631	15,105,140	15,294,804
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754	13,503,386	12,563,396
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544	766,762	595,174
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389	6,910,527	3,505,189
Gain on sale of capital assets	-	66,534	122,097	-	-	9,972	-
Total governmental activities	<u>68,565,401</u>	<u>76,117,857</u>	<u>79,781,920</u>	<u>88,157,659</u>	<u>101,362,305</u>	<u>111,104,980</u>	<u>110,283,773</u>
Business-type activities:							
Permits, fees, and licenses (9)	77,648	63,439	102,766	70,319	80,097	282,740	63,032
Investment earnings not restricted	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457	4,222,049	2,488,373
Miscellaneous revenues	-	6	-	142	99,618	23,947	10,476
Gain on sale of capital assets	510	5,223	2,000	469	9,447	336	-
Total business-type activities	<u>4,107,357</u>	<u>1,595,035</u>	<u>1,218,019</u>	<u>1,927,154</u>	<u>3,671,619</u>	<u>4,529,072</u>	<u>2,561,881</u>
Total primary government	<u>\$ 72,672,758</u>	<u>\$ 77,712,892</u>	<u>\$ 80,999,939</u>	<u>\$ 90,084,813</u>	<u>\$ 105,033,924</u>	<u>\$ 115,634,052</u>	<u>\$ 112,845,654</u>
Change in Net Assets							
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)	\$ (1,781,813)	\$ 747,964
Business-type activities	9,214,423	3,351,408	911,542	(5,412,008)	(5,698,724)	(5,912,685)	(1,537,687)
Total primary government	<u>\$ 17,523,469</u>	<u>\$ 6,373,129</u>	<u>\$ (2,600,996)</u>	<u>\$ (19,567,138)</u>	<u>\$ (17,986,504)</u>	<u>\$ (7,694,498)</u>	<u>\$ (789,723)</u>

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

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

(9) Building permits reclassified from Water utility services Program revenues to Permits, fees, and licenses in FY 02-06 for purposes of comparability.

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

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

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

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

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

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

	<u>1999</u>	<u>2000</u> (1)	<u>2001</u> (2)	<u>2002</u>	<u>2003</u> (3)	<u>2004</u> (4)	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund										
Reserved	\$ 3,472,893	\$ 2,424,997	\$ 1,135,784	\$ 1,703,458	\$ 962,277	\$ 2,887,984	\$ 1,075,843	\$ 1,531,181	\$ 785,690	\$ 506,530
Unreserved	3,691,256	5,833,761	9,177,918	15,205,451	26,288,290	25,674,246	31,442,994	30,822,051	32,953,040	33,450,893
Total general fund	<u>\$ 7,164,149</u>	<u>\$ 8,258,758</u>	<u>\$ 10,313,702</u>	<u>\$ 16,908,909</u>	<u>\$ 27,250,567</u>	<u>\$ 28,562,230</u>	<u>\$ 32,518,837</u>	<u>\$ 32,353,232</u>	<u>\$ 33,738,730</u>	<u>\$ 33,957,423</u>
All other governmental funds										
Reserved	\$ 27,284,441	\$ 30,340,678	\$ 22,267,164	\$ 17,549,497	\$ 12,975,753	\$ 42,851,529	\$ 61,155,573	\$ 51,769,615	\$ 85,839,141	\$ 59,659,519
Unreserved, reported in:										
Special revenue funds	(142,205)	5,381,442	5,153,381	8,905,554	10,267,333	9,071,583	9,214,679	8,994,528	9,883,192	14,615,622
Capital projects fund	-	(22,109,195)	(23,981,935)	(6,192,792)	(15,144,540)	(19,443,097)	(15,397,753)	(21,100,410)	(21,993,648)	(14,178,201)
Total all other governmental funds	<u>\$ 27,142,236</u>	<u>\$ 13,612,925</u>	<u>\$ 3,438,610</u>	<u>\$ 20,262,259</u>	<u>\$ 8,098,546</u>	<u>\$ 32,480,015</u>	<u>\$ 54,972,499</u>	<u>\$ 39,663,733</u>	<u>\$ 73,728,685</u>	<u>\$ 60,096,940</u>

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

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

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

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

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Taxes	\$ 33,166,767	\$ 36,850,188	\$ 38,763,751	\$ 47,154,365	\$ 51,764,934	\$ 55,144,852	\$ 59,081,464	\$ 66,927,985	\$ 74,809,193	\$ 78,325,210
Special assessments	10,481,907	7,636,295	8,953,985	8,465,016	8,099,749	7,998,798	8,194,372	8,299,540	8,468,562	17,602,253
Permits, fees and licenses	16,133,457	12,539,808	16,100,999	14,947,419	15,011,340	14,719,053	17,592,755	21,021,458	22,185,099	20,801,798
Intergovernmental	14,479,561	25,241,878	27,232,171	32,960,088	40,117,149	46,663,998	50,899,822	81,112,119	59,130,835	64,894,563
Charges for services	12,083,151	14,124,656	17,993,638	20,485,835	22,584,114	23,259,471	24,989,138	24,836,751	26,284,799	27,467,164
Fines and forfeitures	1,545,253	1,901,675	1,618,439	1,280,456	1,248,016	882,780	958,626	1,364,608	1,426,849	1,475,291
Investment income	2,529,833	3,406,942	3,197,232	2,207,098	1,719,456	1,018,094	2,223,782	4,764,002	6,840,257	3,015,860
Contributions	-	-	-	1,186,811	241,082	236,906	1,773,367	487,008	6,696,257	11,366,688
Rental revenue	-	-	-	7,589,890	10,736,905	14,183,345	15,345,787	18,498,842	19,888,637	19,799,580
Other	3,203,497	9,849,328	7,404,364	195,282	1,556,028	1,473,464	1,338,585	1,426,743	1,734,635	1,920,227
Total revenues	<u>93,623,426</u>	<u>111,550,770</u>	<u>121,264,579</u>	<u>136,472,260</u>	<u>153,078,773</u>	<u>165,580,761</u>	<u>182,397,698</u>	<u>228,739,056</u>	<u>227,465,123</u>	<u>246,668,634</u>
Expenditures										
General government	13,148,804	14,131,594	15,397,402	18,590,168	19,455,762	25,858,854	26,862,617	23,624,343	22,515,991	21,511,476
Public safety	39,897,590	48,740,902	54,980,563	57,402,925	59,672,849	133,594,581	69,464,940	110,276,174	86,971,602	94,765,020
Physical environment	2,223,786	2,473,812	2,870,259	3,185,017	3,918,738	4,373,793	3,531,434	3,917,975	4,025,954	3,584,401
Transportation	3,538,304	4,646,378	5,618,774	4,105,968	3,736,102	4,608,285	10,365,168	8,689,081	26,343,989	29,135,640
Economic environment	1,435,300	2,741,414	2,520,043	2,304,252	2,740,721	20,264,192	18,235,896	6,406,373	26,728,564	10,869,712
Human services	35,925,837	26,445,834	24,395,141	51,041,052	45,622,226	42,221,480	45,094,806	46,032,389	50,611,995	60,872,921
Culture and recreation	13,222,126	17,562,429	17,394,292	16,674,222	15,826,371	19,228,390	18,611,509	18,454,015	39,322,524	24,075,681
Debt service:										
Principal	10,409,723	3,754,863	11,814,485	4,325,353	3,958,424	3,971,425	3,855,000	5,035,000	5,255,000	5,830,000
Interest	4,267,665	6,304,678	5,871,174	5,360,537	7,066,243	8,012,377	13,581,146	15,770,383	16,021,994	18,754,792
Other debt service costs	-	-	-	1,477,904	239,789	2,716,813	897,238	22,694	2,422,368	1,853,595
Total expenditures	<u>124,069,135</u>	<u>126,801,904</u>	<u>140,862,133</u>	<u>164,467,398</u>	<u>162,237,225</u>	<u>264,850,190</u>	<u>210,499,754</u>	<u>238,228,427</u>	<u>280,219,981</u>	<u>271,253,238</u>
Deficiency of revenues over expenditures	(30,445,709)	(15,251,134)	(19,597,554)	(27,995,138)	(9,158,452)	(99,269,429)	(28,102,056)	(9,489,371)	(52,754,858)	(24,584,604)
Other financing sources (uses)										
Transfers in	2,340,610	369,919	3,389,592	1,576,893	542,117	4,469,516	1,536,782	1,413,924	1,695,484	3,148,839
Transfers out	(2,340,610)	(369,919)	(3,363,347)	(1,576,893)	(542,117)	(4,469,516)	(1,536,782)	(1,413,924)	(1,695,484)	(3,148,839)
Bonds issued	34,644,900	-	10,000,000	71,570,000	-	124,736,467	54,910,000	-	144,574,999	72,135,000
Premium (discount) on bonds	-	-	-	(363,592)	-	-	(358,853)	-	3,067,996	-
Current bond refunding	-	-	-	-	-	-	-	-	-	(7,910,000)
Payment to refunded bond escrow agent	-	-	-	(19,792,421)	-	-	-	(5,985,000)	(59,437,687)	(53,053,448)
Proceeds for sale of land	1,804,322	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>36,449,222</u>	<u>-</u>	<u>10,026,245</u>	<u>51,413,987</u>	<u>-</u>	<u>124,736,467</u>	<u>54,551,147</u>	<u>(5,985,000)</u>	<u>88,205,308</u>	<u>11,171,552</u>
Net change in fund balances	<u>\$ 6,003,513</u>	<u>\$ (15,251,134)</u>	<u>\$ (9,571,309)</u>	<u>\$ 23,418,849</u>	<u>\$ (9,158,452)</u>	<u>\$ 25,467,038</u>	<u>\$ 26,449,091</u>	<u>\$ (15,474,371)</u>	<u>\$ 35,450,450</u>	<u>\$ (13,413,052)</u>
Debt service as a percentage of noncapital expenditures	17.3%	11.6%	15.1%	9.0%	7.8%	6.1%	10.1%	9.3%	11.0%	11.5%

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
1999	\$ 16,587,816	\$ 11,002,386	\$ -	\$ 988,367	\$ 1,995,352	\$ 2,348,972	\$ 32,922,893
2000	18,744,031	11,628,084	-	970,129	2,135,241	2,412,674	35,890,159
2001	20,319,515	12,549,292	-	1,013,126	2,418,596	2,463,222	38,763,751
2002	25,230,301	8,530,503	7,094,762	1,233,840	2,598,699	2,466,261	47,154,366
2003	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933
2004	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852
2005	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464
2006	42,535,362	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	49,770,030	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	52,342,721	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210

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

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

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

Fiscal Year Ended September 30	Assessment Value		Less:				Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
	Real Property	Personal Property	Tax-Exempt Properties(1)	Personal Exemptions(2)	Capped Differential(3)	V.A.B. Adjustments (4)				
1999	\$ 5,470,069,790	\$ 256,398,819	\$ 279,179,649	\$ 867,240,210	\$ 124,980,180	\$ 24,821,302	\$ 4,430,247,268	3.9034	\$ 5,726,468,609	100.00%
2000	6,007,465,480	282,503,273	281,580,840	918,649,190	108,756,020	23,004,493	4,957,978,210	3.9034	6,289,968,753	100.00%
2001	6,541,449,910	313,997,576	308,744,700	1,013,417,350	99,567,590	31,420,987	5,402,296,859	3.9034	6,855,447,486	100.00%
2002	7,259,698,260	319,983,517	353,757,395	1,046,873,320	228,088,840	66,883,039	5,884,079,183	4.4597	7,579,681,777	100.00%
2003	8,353,286,540	325,524,641	385,820,960	1,093,126,650	660,162,890	99,433,357	6,440,267,324	4.5990	8,678,811,181	100.00%
2004	9,893,613,820	326,666,763	467,318,917	1,137,266,930	1,273,239,600	91,310,573	7,251,144,563	4.5990	10,220,280,583	100.00%
2005	11,264,982,620	341,697,566	556,966,799	1,152,257,400	1,831,872,990	53,852,583	8,011,730,414	4.5990	11,606,680,186	100.00%
2006	13,270,318,770	335,740,322	632,642,006	1,170,867,380	2,773,394,220	52,508,365	8,976,647,121	4.9265	13,606,059,092	100.00%
2007	16,778,736,280	366,721,537	781,881,297	1,170,127,780	4,554,450,930	46,195,039	10,592,802,771	4.8596	17,145,457,817	100.00%
2008	18,897,931,150	354,767,117	1,088,601,100	1,251,591,080	5,197,289,590	-	11,715,216,497	4.6397	19,252,698,267	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 age 65 and older, homestead assessment reduction for parents or grandparents and disabled veterans' homestead discount.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA. Final VAB adjustments for 2008 not available.
- (5) Total direct tax rate for FY 2006 includes debt service millage of 0.3275, FY 2007 of 0.2606 and FY 2008 of 0.4672.
- (6) Includes tax-exempt property.

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

Fiscal Year	City of Pembroke Pines			Broward County				School Board				Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Capital Projects Millage	Debt Service Millage	Total County Millage	General Fund Millage	Capital Outlay Millage	Debt Service Millage	Total School Millage		
1999	3.9034	-	3.9034	6.7013	0.2132	0.6565	7.5710	7.2390	2.0000	0.4866	9.7256	2.8572	24.0572
2000	3.9034	-	3.9034	6.6794	0.2153	0.6763	7.5710	6.6740	2.0000	0.4543	9.1283	2.8241	23.4268
2001	3.9034	-	3.9034	6.6449	0.2454	0.6347	7.5250	6.5410	2.0000	0.4143	8.9553	2.7319	23.1156
2002	4.4597	-	4.4597	6.4443	0.2234	0.7328	7.4005	6.3590	2.0000	0.3951	8.7541	2.9104	23.5247
2003	4.5990	-	4.5990	6.2752	0.3933	0.6965	7.3650	6.5410	2.0000	0.3415	8.8825	2.8007	23.6472
2004	4.5990	-	4.5990	6.3146	0.2919	0.5815	7.1880	6.1240	2.0000	0.2936	8.4176	2.8611	23.0657
2005	4.5990	-	4.5990	6.1905	0.2926	0.5399	7.0230	6.0140	2.0000	0.2555	8.2695	2.7347	22.6262
2006	4.5990	0.3275	4.9265	5.9838	0.3104	0.4888	6.7830	5.8410	2.0000	0.2213	8.0623	2.6086	22.3804
2007	4.5990	0.2606	4.8596	5.4054	0.2379	0.4228	6.0661	5.6790	2.0000	0.1897	7.8687	2.4728	21.2672
2008	4.1725	0.4672	4.6397	4.7471	0.1418	0.3979	5.2868	5.4770	2.0000	0.1714	7.6484	2.1800	19.7549

Source: Broward County Property Appraiser.

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

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

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

<u>Taxpayer</u>	<u>2008 Collection Year</u>			<u>1999 Collection Year</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed</u>		<u>Total Taxable</u>	<u>Assessed</u>		<u>Total Taxable</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
Pembroke Lakes Mall LTD	\$ 137,011,570	1	1.20%	\$ 52,963,860	2	1.20%
Pasadena Place Associates PH I, II & III	113,597,860	2	0.99%	56,946,820	1	1.28%
Fairfield Pembroke Limited	58,605,240	3	0.51%	-	-	-
Pembroke Cove LLC	58,238,010	4	0.51%	-	-	-
Westfork Tower LLC	53,399,440	5	0.47%	-	-	-
Prudential Insurance Co. of America	52,696,960	6	0.46%	15,740,110	9	0.36%
Windsor @ Pembroke Cay	51,295,730	7	0.45%	-	-	-
Taplin Falls Ltd.	50,948,710	8	0.45%	-	-	-
WRI/Pembroke LTD	42,251,010	9	0.37%	-	-	-
WRI Flamingo Pines LLC	41,346,880	10	0.36%	-	-	-
Merry Land Investment Co., Inc.	-	-	-	23,030,000	3	0.52%
DIM - Pembroke Ltd.	-	-	-	21,370,600	4	0.48%
Mc Vay W Cassidy P Pratt C Trs.	-	-	-	19,034,200	5	0.43%
Dim- Pines Power Center Ltd.	-	-	-	17,606,790	6	0.40%
Eagle Homes Pembroke Inc.	-	-	-	17,277,990	7	0.39%
Zell Samuel Trust	-	-	-	15,921,160	8	0.36%
Pennsylvania Real Estate Investment	-	-	-	15,557,690	10	0.35%
Totals	<u>\$ 659,391,410</u>		<u>5.77%</u>	<u>\$ 255,449,220</u>		<u>5.77%</u>

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

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

<u>Fiscal Year Ended September 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	\$33,348,014	\$32,255,971	96.7%	\$64,505	\$32,320,476	96.9%
2005	36,845,948	35,493,585	96.3%	17,497	35,511,082	96.4%
2006	41,283,600	39,684,572	96.1%	66,701	39,751,273	96.3%
2007	48,716,300	46,954,319	96.4%	31,559	46,985,878	96.4%
2008	49,054,977	47,021,192	95.9%	-	47,021,192	95.9%

Source: Broward County Property Appraiser

(1) For operating purposes only - excludes taxes levied for voted debt service.

(2) Prior to FY 2004, information detailing the levy year of delinquent payments received is not available from the Broward County Property Appraiser.

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Certificates of Indebtedness			
1999	\$ -	\$ 88,840,000	\$ 7,838,906	\$ 9,687,070	\$ 106,365,976	3.04%	\$ 886
2000	-	85,665,000	7,586,607	9,359,507	102,611,114	2.43%	747
2001	-	81,780,000	-	19,016,628	100,796,628	2.26%	712
2002	-	148,722,040	-	-	148,722,040	3.20%	1,027
2003	-	145,197,940	-	-	145,197,940	3.01%	979
2004	-	266,387,937	-	-	266,387,937	5.16%	1,771
2005	46,641,200	270,527,999	-	-	317,169,199	5.74%	2,100
2006	45,625,776	260,693,946	-	-	306,319,722	*	2,018
2007	87,417,966	300,894,270	-	-	388,312,236	*	2,533
2008	85,968,632	306,910,737	-	-	392,879,369	*	2,589

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

(1) See Schedule of Demographic and Economic Statistics on page 160 for personal income and population data.

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

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

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

* Information not available.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Amounts Available in Debt Service Fund for Payment of</u>			<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value(1) of Property</u>	<u>Per Capita(2)</u>
		<u>Principal</u>	<u>Interest</u>				
1999	\$ -	\$ -	\$ -	\$ -	-%	\$ -	
2000	-	-	-	-	-%	-	
2001	-	-	-	-	-%	-	
2002	-	-	-	-	-%	-	
2003	-	-	-	-	-%	-	
2004	-	-	-	-	-%	-	
2005	46,641,200	-	-	46,641,200	0.40%	309	
2006	45,625,776	-	112,347	45,625,776	0.34%	301	
2007	87,417,966	-	68,568	87,417,966	0.51%	570	
2008	85,968,632	-	569	85,968,632	0.45%	567	

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 151 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 160.

City of Pembroke Pines, Florida

Direct and Overlapping Governmental Activities Debt As of September 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Broward County	\$ 489,659,216	6.68%	\$ 32,709,236
School Board of Broward County	-	6.68%	-
South Florida Water Management District	546,621,651	6.68%	36,514,326
Other debt			
Broward County	231,547,618	6.68%	15,467,381
School Board of Broward County	2,029,468,000	6.68%	135,568,462
South Florida Water Management District	87,235,434	6.68%	5,827,327
South Broward Hospital District	421,400,693	6.68%	<u>28,149,566</u>
Subtotal, overlapping debt			254,236,298
City of Pembroke Pines, direct debt			392,879,369
Total direct and overlapping debt (2)			<u><u>\$ 647,115,667</u></u>

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

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

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

(2) Includes all governmental activities debt.

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Electric Franchise Fees (2)				
1999	\$ 4,850,760	\$ 545,000	\$ 1,072,023	3.00
2000	4,883,095	575,000	2,823,689	1.44
2001	6,127,824	1,170,000	2,580,588	1.63
2002	5,902,581	1,085,000	2,531,539	1.63
2003	6,509,589	1,135,000	2,480,394	1.80
2004	7,001,743	1,185,000	2,431,283	1.94
2005	7,448,243	1,235,000	2,497,603	2.00
2006	8,958,121	1,280,000	2,428,471	2.42
2007	9,184,098	1,125,000	2,969,187	2.24
2008	9,176,429	1,635,000	4,014,338	1.62
Revenue Bonds Secured by Electric Public Service Tax (3)				
1999	6,760,447	2,485,000	1,141,116	1.86
2000	6,703,083	2,600,000	1,573,319	1.61
2001	6,871,802	2,715,000	1,453,659	1.65
2002	7,334,212	2,840,000	1,745,793	1.60
2003	7,647,870	2,365,000	2,096,800	1.71
2004	7,612,895	1,425,000	2,011,198	2.22
2005	7,931,137	1,475,000	3,336,527	1.65
2006	8,084,904	1,530,000	3,586,996	1.58
2007	8,093,581	1,590,000	3,236,221	1.68
2008	8,220,016	1,665,000	3,337,808	1.64
Revenue Bonds Secured by Rentals & Fees (4)				
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	6,294,213	-	1,083,207	5.81
2003	9,157,753	175,000	2,489,047	3.44
2004	11,667,579	1,115,000	2,483,796	3.24
2005	12,075,622	1,145,000	2,452,147	3.36
2006	11,588,227	1,190,000	2,415,592	3.21
2007	10,769,573	1,225,000	2,374,022	2.99
2008	9,958,038	-	2,187,849	4.55

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (5)				
1999	\$ -	\$ -	\$ -	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	7,787,772	-	1,086,099	7.17
2005	8,040,474	-	4,832,776	1.66
2006	8,431,668	-	4,832,776	1.74
2007	8,469,829	405,000	4,828,220	1.62
2008	8,854,262	1,045,000	4,799,152	1.52

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

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

City of Pembroke Pines, Florida

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income(2)</u>	<u>Median Age(3)</u>	<u>Percent with a bachelor's degree or higher(3)</u>	<u>School Enrollment(4)</u>	<u>Unemployment Rate(5)</u>
1999	120,091	3,501,613	29,158	37.9	28.6%	21,814	2.8%
2000	137,427	4,221,208	30,716	36.5	28.7%	23,489	2.7%
2001	141,659	4,463,958	31,512	39.4	28.8%	25,084	2.8%
2002	144,792	4,666,936	32,232	35.8	29.8%	24,523	4.3%
2003	148,280	4,841,342	32,650	38.1	32.2%	23,212	4.1%
2004	150,435	5,199,034	34,560	37.8	32.2%	24,270	3.5%
2005	151,045	5,649,536	37,403	37.8	32.3%	24,744	3.3%
2006	151,786	6,032,431	39,743	37.5	30.4%	23,487	2.9%
2007	152,888	*	*	39.3	29.8%	23,219	3.0%
2008	151,747	*	*	*	*	22,971	4.1%

Data sources:

- (1) Years 1999 - 2006 are estimates from the University of Florida's Statistical Abstract. Years 2007 & 2008 are estimates from the City's Planning Department.
- (2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) US Census Bureau, American Community Survey Profile - Pembroke Pines.
- (4) Grades 1 -12, Broward County School Board.
- (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY 1999-2008 represent the average for 12 months ending September 30th.
- * Information not available.

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

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>
Memorial Health Systems	3,290	1	4.12%	612	2	0.90%
Pembroke Lakes Mall (3)	2,250	2	2.81%	N/A	-	-
City of Pembroke Pines	1,893	3	2.37%	1,128	1	1.65%
Wal Mart, Pembroke Pines	600	4	0.75%	N/A	-	-
Target	206	5	0.26%	N/A	-	-
Winn Dixie	197	7	0.25%	N/A	-	-
World Ford	190	6	0.24%	N/A	-	-
Cintas Corporation	190	8	0.24%	N/A	-	-
Claire's Corporation	180	9	0.23%	N/A	-	-
Lowe's	150	10	0.19%	N/A	-	-

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

Includes full-time and part-time employees.

(2) Source - 2005 American Community Survey, Data Profile, percent in labor force (population 16 years and over).

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

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function										
General government services	126.00	126.50	139.00	145.50	143.50	141.50	141.50	141.00	140.00	114.50
Public safety:										
Police										
Sworn	197.00	202.00	213.00	216.00	233.00	230.00	236.00	242.00	250.00	247.00
Non-sworn and grant positions	103.00	62.50	67.50	77.00	83.00	93.00	93.00	91.00	84.50	77.00
Fire and rescue	208.00	226.00	247.00	249.00	250.00	250.00	250.00	259.00	259.00	266.50
Building	80.50	78.50	84.00	80.00	80.00	68.50	65.50	59.50	57.50	52.50
Code enforcement	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00	11.00
Physical environment	32.00	32.00	34.00	30.00	29.00	28.50	28.00	27.00	27.00	13.00
Transportation	15.00	16.50	16.50	31.00	30.00	32.00	32.50	32.11	31.30	26.90
Economic environment	2.00	2.00	2.00	2.00	2.00	2.00	4.00	2.00	4.00	4.00
Human services:										
Early development centers	3.00	2.00	105.50	128.00	121.00	123.00	117.50	117.50	118.50	115.50
Community services	26.00	26.00	27.50	27.25	29.75	30.75	30.75	29.25	31.25	26.75
SW multipurpose center	-	-	-	23.75	23.75	22.75	21.75	22.64	23.45	26.35
Charter schools	*	*	200.50	240.50	262.24	449.00	446.99	461.50	473.00	477.00
Culture and recreation	127.50	177.50	224.50	236.50	235.50	229.50	231.50	236.50	239.50	195.00
Water-sewer combined service	133.50	133.50	135.50	136.00	124.00	124.50	125.00	125.00	125.00	85.50
Total	<u>1,064.50</u>	<u>1,096.00</u>	<u>1,508.50</u>	<u>1,634.50</u>	<u>1,658.74</u>	<u>1,837.00</u>	<u>1,835.99</u>	<u>1,858.00</u>	<u>1,875.00</u>	<u>1,738.50</u>

* The City utilized contracted employees.

Source: City of Pembroke Pines Annual Budget .

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

Function	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public safety										
Police										
Number of calls answered	n/a	97,651	102,592	103,242	97,297	106,772	78,376	97,790	100,480	100,040
Felony arrests	n/a	n/a	n/a	2,875	4,171	2,064	1,564	1,068	n/a	1,295
Traffic accidents	n/a	n/a	n/a	4,222	4,803	4,980	5,192	5,125	5,152	5,058
Traffic/parking citations	n/a	24,397	31,275	31,269	26,692	28,346	38,268	42,575	46,797	51,847
Fire/ambulance rescue										
Number of EMS calls answered	13,824	14,281	15,796	15,896	17,159	17,528	18,204	18,638	18,726	18,146
Number of fire calls answered	297	288	307	314	288	318	288	274	224	230
Building permits issued	10,533	9,957	10,368	10,140	9,171	9,457	10,991	16,996	10,837	7,110
Physical environment										
Maintained rights of ways (miles)	433	449	478	510	520	550	575	575	576	466.22
Landscaping and irrigation (miles)	92	98	104	112	120	140	155	165	165	148
Transportation										
Traffic guardrails installed (linear feet)	n/a	n/a	n/a	4,000	200	200	-	500	-	-
Sidewalks replaced (linear feet)	n/a	n/a	n/a	14,440	4,000	4,500	2,000	11,700	2,200	17,758
Curbing installed (linear feet)	n/a	n/a	n/a	5,000	5,000	1,000	500	600	-	143
Number of trips - Community Bus program	n/a	n/a	n/a	26,945	41,299	131,205	182,518	195,610	201,292	197,223
Human services										
Charter schools										
Average student class size	25	25	25	25	25	25	25	25	25	25
Number of students enrolled	1,000	2,242	2,804	4,189	4,600	5,172	5,194	5,289	5,295	5,426
Culture/recreation										
Number of sports leagues	10	33	36	38	43	49	42	51	55	39
Number of tennis memberships	260	283	330	213	215	217	233	217	137	169
Water-sewer combined service										
Number of water accounts	38,821	40,260	41,832	43,977	44,785	44,036	44,161	44,644	44,997	45,586
Sewer mains rehabilitated (linear feet)	n/a	n/a	n/a	12,000	27,300	11,500	9,802	2,200	18,048	12,000
Average daily consumption (millions of gallons)	11.63	11.81	11.79	11.92	12.93	13.02	12.39	12.54	12.61	11.66

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Police:										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol units	225	225	225	365	365	365	365	365	365	365
Fire/ambulance rescue:										
Stations	5	5	5	5	6	6	6	6	6	6
Fire trucks / engines	10	10	10	10	13	13	13	13	13	9
Fire rescue ambulances	9	9	9	9	11	11	11	11	11	12
Physical environment										
Water:										
Water mains (miles)	410	452	452	478	478	489	489	489	489	489
Fire hydrants	3213	3626	3649	3952	3952	4121	4121	4121	4121	4121
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sewer:										
Sanitary sewers (miles)	375.66	375.66	381.5	392	397	397	399	400	401.9	402
Storm sewers (miles)	205	209	212	215	215	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	7.69	7.69	7.69	7.69	7.69	7.69	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	*	285	390	444	450	460	462	460	460	460
Economic environment										
Senior housing units	190	190	190	190	190	190	584	584	584	804
Transitional living units	0	0	0	0	0	0	0	0	24	19
Human services										
City operated charter schools										
Elementary School	1	1	1	1	1	2	5	4	4	4
Middle School	1	1	1	1	1	2	3	2	2	2
High School	0	1	1	1	1	1	2	1	1	1
Culture/recreation										
Parks acreage	*	283	294	294	294	302	302	302	357	361
Parks	23	24	26	26	26	29	29	29	29	30
Swimming pools	5	5	6	7	7	8	8	8	8	7
Tennis courts	46	48	50	50	50	50	50	50	50	50
Recreation centers	5	5	5	5	5	5	5	6	6	6
Football/Soccer fields	12	11	14.5	12.5	12.5	12.5	12.5	15	15	19
Basketball courts	24.5	22	21	17	17	17	17	20.5	20.5	21.5
Playgrounds	17	18	21	20	20	20	20	21	19	20

* Information Unkown

City of Pembroke Pines, Florida

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

September 30, 2008

Property Assessed Value:

Estimated Actual Taxable Value	\$ 19,252,698,267
Less: Tax Exempt Properties	(1,088,601,100)
Personal Exemptions	(1,251,591,080)
Capped Differential ⁽¹⁾	(5,197,289,590)
Value Adjustment Board & Broward County Property Appraiser Adjustments ⁽²⁾	-
Total Taxable Assessed Value	<u><u>\$ 11,715,216,497</u></u>

Outstanding Debt:

City's direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)	\$ 175,728,247
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Revenue Bonds:

Public Improvement Revenue Bonds, Series 1998	\$ 940,000	
Capital Improvement Revenue Bonds, Series 1999	10,220,000	
Public Improvement Revenue Bonds, Series 2001	5,125,000	
Taxable Communications Services Tax Revenue Bonds, Series 2003A	39,305,000	
Taxable Communications Services Tax Revenue Bonds, Series 2004	49,090,000	
Public Improvement Revenue Bonds, Series 2004A	20,140,000	
Public Improvement Revenue Bonds, Series 2004B	15,975,000	
Public Improvement Revenue Refunding Bonds, Series 2006	29,705,000	
Capital Improvement Revenue Refunding Bonds, Series 2006	44,585,000	
Capital Improvement Revenue Bonds, Series 2007	26,805,000	
Charter School Revenue Bonds, Series 2008	64,095,000	
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	8,040,000	
Total outstanding revenue bonds	<u>314,025,000</u>	
<u>General Obligation Bonds:</u>		
General Obligation Bonds, Series 2005	44,120,000	
General Obligation Bonds, Series 2007	42,450,000	
Total General Obligation Bonds subject to debt limitation	<u>86,570,000</u>	
Total outstanding debt	400,595,000	
Less: Reserve for debt service	(7,441,663)	
Net total outstanding debt	<u><u>\$ 393,153,337</u></u>	
Legal debt margin		<u><u>\$ 89,158,247</u></u>

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

(2) Information not available.

City of Pembroke Pines, Florida

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

September 30, 2008
(continued)

Legal Debt Limit:

The State of Florida Constitution or Statutes do not limit the amount of debt that the City can issue.

Debt Management Policies:

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

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

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2008
(continued)

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

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

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2008

(continued)

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

Covenants:

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

Public Improvement Revenue Bonds, Series 1998

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 preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Bonds, Series 1999

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

Public Improvement Revenue Bonds, Series 2001

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2008

(continued)

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

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

Public Improvement Revenue Refunding Bonds, Series 2006

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

Capital Improvement Revenue Refunding Bonds, Series 2006

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

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

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

Charter School Revenue Bonds, Series 2008

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

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008

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

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Public Service Tax

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

Debt Service Requirements (1)										
Fiscal Year	Pledged Revenues	% Change	1993 Public Improvement Revenue Bonds	1998 Public Improvement Revenue Bonds	2001 Public Improvement Revenue Bonds	2004A Public Improvement Revenue Bonds	2004B Public Improvement Revenue Bonds	2006 Public Improvement Revenue Refunding Bonds	Total	Coverage
	(2)		(3) (4)	(5)	(5)	(5)	(5)	(5) (6)		
1999	\$ 6,760,447	3.3%	\$ 3,033,825	\$ 592,291	\$ -	\$ -	\$ -	\$ -	\$ 3,626,116	1.86
2000	6,703,083	-0.8%	3,039,144	1,134,175	-	-	-	-	4,173,319	1.61
2001	6,871,802	2.5%	3,034,484	1,134,175	-	-	-	-	4,168,659	1.65
2002	7,334,212	6.7%	3,027,475	1,134,175	424,143	-	-	-	4,585,793	1.60
2003	7,647,870	4.3%	2,424,125	1,134,175	903,500	-	-	-	4,461,800	1.71
2004	7,612,895	-0.5%	-	1,889,160	1,547,038	-	-	-	3,436,198	2.22
2005	7,931,137	4.2%	-	1,893,045	1,538,850	838,565	541,067	-	4,811,527	1.65
2006	8,084,904	1.9%	-	1,890,245	1,539,963	928,873	757,915	-	5,116,996	1.58
2007	8,093,581	0.1%	-	1,428,608	1,254,775	928,873	757,915	456,050	4,826,221	1.68
2008	8,220,016	1.6%	-	959,545	973,625	928,873	757,915	1,382,850	5,002,808	1.64

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$8,220,016
Combined Maximum Annual Debt Service (7)	5,825,024
Coverage	1.41

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

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Franchise Fees

Public Improvement Refunding Revenue Bonds, Series 1992; Capital Improvement Revenue Bonds, Series 1993;
 Capital Improvement Revenue Bonds, Series 1995; Capital Improvement Revenue Bonds, Series 1999;
 Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center);
 Capital Improvement Revenue Refunding Bonds, Series 2006;
 Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007; and
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008

		Debt Service Requirements (1)											
		1992	1993	1995	1999	2005	2006	2007	2008			Total	Coverage
Fiscal Year	Pledged Revenues	%	Public Improvement Refunding Revenue Bonds	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds	Variable Rate Capital Imp. Revenue Bonds	Capital Improvement Revenue Refunding Bonds	Capital Improvement Revenue Bonds	Variable Rate Capital Imp. Revenue Refunding Bonds			
Year	(2)	Change	(3)	(4)			(5)	(5) (6)	(5) (7)	(5)	(5) (8)		
1999	\$4,850,760	7.1%	\$ 508,133	\$ 525,335	\$ 583,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,617,023	3.00
2000	4,883,095	0.7%	511,115	524,310	-	2,363,264	-	-	-	-	-	3,398,689	1.44
2001	6,127,824	25.5%	507,245	522,850	-	2,720,493	-	-	-	-	-	3,750,588	1.63
2002	5,902,581	-3.7%	506,673	520,943	-	2,588,923	-	-	-	-	-	3,616,539	1.63
2003	6,509,589	10.3%	504,210	523,457	-	2,587,727	-	-	-	-	-	3,615,394	1.80
2004	7,001,743	7.6%	-	520,357	-	3,095,926	-	-	-	-	-	3,616,283	1.94
2005	7,448,243	6.4%	-	521,683	-	3,098,253	112,667	-	-	-	-	3,732,603	2.00
2006	8,958,121	20.3%	-	363,585	-	3,093,400	251,486	-	-	-	-	3,708,471	2.42
2007	9,184,098	2.5%	-	-	-	2,394,515	287,439	984,856	427,377	-	-	4,094,187	2.24
2008	9,176,429	-0.1%	-	-	-	1,692,750	303,076	2,425,412	1,211,462	16,638	-	5,649,338	1.62

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$9,176,429
Combined Maximum Annual Debt Service (9)	6,610,549
Coverage	1.39

- (1) Exclude bank paying agent fees and variable rate bond fees (Remarketing fee, liquidity provider fee, letter of credit fee, and rating agency monitoring fee and extension fee).
- (2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
such release. As of 9/30/2008, Communications Services Tax revenues have been less than 1.30.
- (4) The 1995 Capital Improvement Revenue Bonds were defeased by the 1999 Capital Improvement Revenue Bonds
- (5) No statistics are available prior to the year of bond issuance.
- (6) The entire issue was refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008.
- (7) A portion of his bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Series 1999.
- (8) 2008 debt service payment is actual.
Debt service for years 2009 through maturity is based on the Weekly Rate of 7.90% which is in effect at the financial statement date per "GASB No. 38, paragraph 10".
- (9) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
For the 2008 Variable Rate Capital Improvement Revenue Refunding Bonds, the maximum annual debt service is based on the Weekly Rate in effect at the financial statement date (September 30, 2008) which is 7.90% (per GASB Statement No. 38, paragraph 10).
The average Weekly Rate from 7/25/2008 (the date the Variable Rate Capital Improvement Revenue Refunding Bonds were issued) through 9/30/2008 was 2.88%.

City of Pembroke Pines, Florida

Debt Service Coverage - Rentals

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

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

Coverage of Estimated Combined Maximum Annual Debt Service:

Rentals from the Charter Schools, the Early Development Centers, and the Academic Village Campus Shared-Use Facility - Most Recent Fiscal Year	\$9,958,038
Combined Maximum Annual Debt Service (4)	8,427,960
Coverage	1.18

(1) Exclude bank paying agent fees.

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

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

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

For the 2008 Charter School Revenue Bonds, the maximum annual debt service is based on the Weekly Rate in effect at the financial statement date (September 30, 2008) which is 8.15% (per GASB Statement No. 38, paragraph 10).

The average Weekly Rate from 3/25/2008 (the date the 2008 Charter School Revenue Bonds were issued) through 9/30/2008 was 2.31%.

City of Pembroke Pines, Florida

Debt Service Coverage - Communications Services Tax and Water Public Service Tax

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

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

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$8,854,262
Combined Maximum Annual Debt Service (4)	6,428,133
Coverage	1.38

(1) Exclude bank paying agent fees.

(2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues have not been less than 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2008, Communications Services Tax revenues have been less than 1.30.

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

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

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2008

	Charter Mid School & Academic Village	Charter High School & Other Capital Proj	Police Annex, Park & Other Improv	Firefighters Pension	Police Officers & Gen Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Various Capital Projects & Refunding	Refunding	Various Capital Projects & Refunding	Senior Housing Project Tower 3	Various Capital Projects	Refunding & New Charter School Projects	Refunding Susan B. Anthony Center 2005 Bonds	
Type of Bonds	\$24,055,000	\$45,240,000	\$19,600,000	\$39,935,000	\$49,910,000	\$20,140,000	\$15,975,000	\$47,000,000	\$29,720,000	\$45,050,000	\$26,805,000	\$43,000,000	\$64,095,000	\$8,040,000	
Revenue	Public Improv.	Capital Improv.	Public Improv.	Taxable Comm. Services Tax	Taxable Comm. Services Tax	Public Improv.	Public Improv.		Public Improv. Refunding	Capital Improv. Refunding	Capital Improv.		Charter School	variable rate Capital Improv. Refunding	
General Obligation								General Obligation				General Obligation	*8.15%	*7.90%	
Fiscal Y/E	Series 1998	Series 1999	Series 2001	Series 2003A	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2006	Series 2006	Series 2007	Series 2007	Series 2008	Series 2008	Total Debt Service/Principal
Sep 30	960,210	1,694,340	970,000	2,991,658	3,436,475	928,873	757,915	2,796,848	1,382,250	2,416,613	1,211,463	2,680,937	5,505,157	632,688	28,365,427
2009	-	752,820	963,500	2,990,764	3,436,269	928,873	757,915	2,797,897	2,351,850	3,372,712	1,716,162	2,682,438	5,495,218	633,420	28,879,838
2010	-	749,310	965,800	2,992,332	3,432,188	1,396,747	1,116,527	2,797,053	2,345,950	3,372,713	1,715,163	2,680,837	5,470,768	645,601	29,680,989
2011	-	749,772	966,265	2,991,214	3,428,956	1,391,741	1,113,343	2,794,252	2,348,450	3,370,312	1,713,362	2,680,988	5,489,102	632,388	29,670,145
2012	-	754,248	964,425	2,987,409	3,426,181	1,390,110	1,114,136	2,794,438	2,349,150	3,365,513	1,715,663	2,681,787	5,210,300	632,688	29,386,048
2013	-	752,704	960,210	2,985,768	3,423,431	1,391,610	1,113,879	2,797,377	2,348,050	3,373,012	1,716,962	2,680,075	5,202,195	633,420	29,378,693
2014	-	750,100	-	2,985,994	3,426,731	1,391,397	1,112,423	2,797,828	3,294,550	3,370,675	1,717,263	2,678,075	5,194,091	772,511	29,491,638
2015	-	751,332	-	2,982,935	3,420,763	1,389,735	1,109,678	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	5,200,134	776,291	29,480,575
2016	-	751,306	-	2,981,445	3,420,331	1,391,835	1,110,760	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	5,192,029	766,367	29,468,106
2017	-	754,975	-	2,981,222	3,416,813	1,387,732	1,110,587	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	5,226,166	762,907	29,489,697
2018	-	752,200	-	2,977,119	3,415,088	1,386,942	1,109,059	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	5,161,536	757,999	29,405,807
2019	-	753,075	-	2,978,838	3,414,919	1,389,365	1,110,701	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	5,139,374	751,434	29,379,800
2020	-	752,050	-	2,976,078	3,412,881	1,384,763	1,105,656	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	5,159,384	740,871	29,373,654
2021	-	753,962	-	2,973,692	3,408,578	1,383,263	1,109,294	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	5,151,234	753,865	29,378,420
2022	-	754,300	-	2,971,381	3,404,791	1,384,831	1,106,253	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	6,263,226	739,760	30,465,225
2023	-	753,063	-	2,963,995	3,406,134	1,383,844	1,106,125	2,796,707	-	3,366,363	1,713,100	2,678,875	6,469,921	729,371	27,367,498
2024	-	871,969	-	2,966,088	3,397,481	1,380,725	1,104,125	2,795,945	-	3,250,153	1,716,300	2,680,650	6,197,050	723,805	27,084,291
2025	-	870,756	-	2,962,210	3,397,212	1,379,750	1,105,500	2,797,208	-	3,249,963	1,717,287	2,679,500	6,132,094	717,370	27,008,850
2026	-	872,313	-	2,957,212	3,389,875	1,380,625	1,105,125	2,795,282	-	3,245,028	1,716,038	2,680,425	7,535,391	705,023	28,382,337
2027	-	-	-	2,955,648	3,386,500	1,379,250	1,103,000	2,795,170	-	1,148,687	1,713,375	2,683,200	8,427,960	712,225	26,305,015
2028	-	-	-	2,952,069	3,386,563	1,375,625	1,099,125	2,796,745	-	1,142,569	1,713,750	2,683,400	8,287,789	698,223	26,135,858
2029	-	-	-	2,946,177	3,384,669	1,374,625	1,098,375	2,799,270	-	1,144,750	1,716,250	2,679,800	8,055,684	686,163	25,885,763
2030	-	-	-	2,942,524	3,380,556	1,376,000	1,100,500	2,797,520	-	1,140,125	1,715,750	2,682,400	7,850,789	681,771	25,667,935
2031	-	-	-	2,935,662	3,378,831	1,374,625	1,095,500	2,796,495	-	1,138,694	1,717,125	2,680,725	7,351,833	670,342	25,139,832
2032	-	-	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-	1,715,250	2,679,775	7,160,045	663,169	23,791,908
2033	-	-	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-	1,715,000	2,684,313	6,968,249	648,686	23,569,971
2034	-	-	-	-	-	1,368,375	1,091,625	2,795,375	-	-	1,716,125	2,683,863	6,793,627	637,203	17,086,193
2035	-	-	-	-	-	-	-	-	-	-	1,713,500	5,478,425	6,570,166	628,181	14,390,272
2036	-	-	-	-	-	-	-	-	-	-	1,716,875	-	6,361,380	617,095	8,695,350
2037	-	-	-	-	-	-	-	-	-	-	-	-	6,145,860	599,861	6,745,721
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	583,766	583,766
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total debt service	\$ 960,210	\$ 15,594,595	\$ 5,790,200	\$ 77,194,351	\$ 88,572,416	\$ 36,430,261	\$ 29,159,001	\$ 75,502,745	\$ 42,718,875	\$ 68,400,595	\$ 49,237,807	\$ 77,871,350	\$ 186,367,752	\$ 21,334,464	\$ 775,134,622
Principal outstanding FY 2008	\$ 940,000	\$ 10,220,000	\$ 5,125,000	\$ 39,305,000	\$ 49,090,000	\$ 20,140,000	\$ 15,975,000	\$ 44,120,000	\$ 29,705,000	\$ 44,585,000	\$ 26,805,000	\$ 42,450,000	\$ 64,095,000	\$ 8,040,000	\$ 400,595,000

* This is the Weekly Rate in effect at the financial statement date (September 30, 2008) per GASB Statement No. 38, paragraph 10.

City of Pembroke Pines, Florida

SCHEDULE OF INSURANCE IN FORCE - FISCAL YEAR ENDED SEPTEMBER 30, 2008

<u>Company</u>	<u>Policy Number</u>	<u>Effective Dates</u>	<u>Description of Coverages or Service</u>	<u>Limits</u>	<u>Annual Premiums/Fees</u>
Hartford Life and Accident Ins. Co	21ETB-012917	10/1/06-9/30/09	Police & Firefighters Accidental Death & Dismemberment 3-year Policy	\$55,835 in the line of duty or fresh pursuit \$167,505 unlawful and intentional death	\$17,815
Travelers Property Casualty Ins. Co	6054C509	10/1/07-9/30/08	Equipment Breakdown	\$50,000,000 limit; \$1,000 deductible	19,551
Travelers Property Casualty Ins. Co	6054C510	10/1/07-9/30/08	Equipment Breakdown-covers only the W.C. Young Human Resource Center	\$50,000,000 limit; \$1,000 deductible	1,572
Illinois Union Insurance	PEPG23859178	10/1/07-9/30/08	Comprehensive General Liability 3rd Party Liab.; Auto Liab.; Work. Comp.; Empl. Benefits Liab.-Claims Made Crime - Money & Securities, Deposit Forgery and Employee Dishonesty	Limit \$850,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work. Comp. & Employer Liab \$150,000 Excess \$350,000 SIR per occurrence; Police & Fire \$250,000 Excess \$350,000 per occur; \$1,850,000 annual aggregate excess the SIF	590,400*
Florida Division of Workers' Comp	-	10/1/07-9/30/08	Workers' Compensation	State Self-Insurer Annual Assessment	144,064
Florida Municipal Insurance Trust	FMIT # 0470	10/1/07-9/30/08	Buildings and Personal Property Automobiles - 807 vehicles covered	\$25,000 deduct. \$254.3MM bldg; \$16.5MM pers. Stop loss \$1,031,991 on property & \$75,000 autos	1,480,708
Arthur J. Gallagher & Co. & Affiliates	-	10/1/07-9/30/08	Service and Consulting Fee	Service fees- \$117,168; Consulting fees- \$25,000 Prior years actual claims filed over est. - \$14,877.	157,045
Western World Insurance Company	NPP1074453	10/1/07-9/30/08	Ambulance/EMT malpractice liability	\$1MM per occurrence and annual aggregate	24,690
Safety National Casualty	SP-1E63-FL	10/1/07-9/30/08	Excess Workers' Compensation and Employers Liability Indemnity	\$1,000,000 each accident; \$1,000,000 employee liab. & \$500K-\$600K retention each occurrence \$1,000,000 annual maximum limit of indemnity Premium includes \$18,929 prior year assessment	358,909
Travelers Casualty & Surety Company	104317755	10/1/07-9/30/08	Public Employees Dishonesty including Faithful Performance	\$2,400,000 Limit per Loss, Excess \$100,000 Ded. \$75,000 Excess, \$25,000 Self Insured Retention	6,190
Travelers Casualty & Surety Company	104038463	3/1/08-2/28/09	Crime policy for Charles F. Dodge, LLC	Covers City Manager and Asst. City Manager	839
The Hartford Insurance Co. of the SE	21BSBCK4619	12/10/07-12/9/08	Public Officials Bond	\$100,000 Limit - Covers Finance Director	404
American Bankers Insurance Co	Various	Various	Flood - 82 different City locations	Limits/premiums vary for each location Deductibles on each-\$500 bldg. & \$500 content	54,550
National Fire & Marine Insurance Co	72LPS003107	10/1/07-9/30/08	Liability - Seven Special Use Facilities	\$1MM/occurrence; \$2MM/aggregate-\$1,000 ded	14,035
United Medical Resources (UMR)	Group No. 100001	10/1/07-9/30/08	Administrative fees / stop loss broker	-	638,901
United Medical Resources (UMR)	Group No. 100001	10/1/07-9/30/08	EPO/ PPO - Reinsurance carrier is Combined Insurance Co. of America	Individual max. \$250,000; Max. City exposure for annual loss per employee is \$12,030	408,722
Sun Life Assurance Co. of Canada	7649	10/1/07-9/30/08	Employees life insurance and AD&I	1 x base annual salary-maximum \$100,00	323,908
Commerce and Industry Insurance Company	FPL8084644#4	11/26/07-11/25/08	40 Fuel Storage Tanks- 3rd-Party Liability	\$2MM each / \$4MM aggregate; \$25,000 ded	22,134
Mt. Hawley Insurance Company	MGL0155078	6/25/08-6/24/09	General Liability-Walter C. Young Resource Center and Southwest Regional Library at Academic Village	\$2,000,000 General Aggregate Per Location \$1,000,000 each occurrence; \$1,000 ded. ea. claim (net of \$4,875 paid by County & School Board)	4,973
National Union Fire Ins. of Pittsburgh	AIS006998	9/2/08-9/1/09	Youth Soccer Accidental Death & Disr	\$500,000 per injury, \$25 ded.; \$10,000 death	9,688
Lloyd's of London	JO77346	10/1/07-9/30/08	Terrorism - Property	\$5,000,000 Limit / Excess / ded. \$100,000	22,577
Lloyd's of London	JO77347	10/1/07-9/30/08	Terrorism - General Liability	\$5MM / \$10MM Limit / Excess / ded. \$25,000	12,922
Florida Dept. of Children & Families	Agreement with State of Florida	7/1/07-6/30/09	Fire Insurance for State-owned buildings at Howard Forman Campus	Buildings' actual cash value as determined by the State - replacement cost less depreciation	52,466
Brown & Brown Public Risk Insurance Agency	LHQ353505	7/2/07-7/2/09	Builder's Risk Insurance for Water Wastewater Plant improvement	\$16,000,000 per occurrence / \$10,000 deductible per occurrence at Johnson Street Water Plant	223,249
Special Purpose Policies & Services	Various	Various	Cobra adm. fees; Professional Liability Police Horse Mortality & Surgical; Mandatory Insurance Appraisals; Rain	Premiums: Cobra Fees-\$1,156; Nurse-\$128 Dive Team Instructor-\$588; Horses-\$760 Insurance Appraisals-\$48,800; Rain-\$1,920	53,361

*Includes \$319,184 net premiums paid for former policy from Lloyd's of London

City of Pembroke Pines, Florida

School Enrollment

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Community College: (1)										
Broward Community College										
Pines Center -Academic Village	-	666	801	1,188	1,288	1,350	1,701	2,610	2,591	1,451
South Campus (1)	<u>7,427</u>	<u>7,701</u>	<u>7,806</u>	<u>8,290</u>	<u>8,913</u>	<u>8,854</u>	<u>9,068</u>	<u>9,938</u>	<u>9,489</u>	<u>12,259</u>
Total BCC Enrollment	<u>7,427</u>	<u>8,367</u>	<u>8,607</u>	<u>9,478</u>	<u>10,201</u>	<u>10,204</u>	<u>10,769</u>	<u>12,548</u>	<u>12,080</u>	<u>13,710</u>
High Schools: (2)										
Pembroke Pines Charter High School	-	570	1,032	1,214	1,608	1,578	1,591	1,691	1,703	1,716
Flanagan	4,857	4,925	5,480	5,401	3,701	3,267	3,146	3,063	3,172	3,100
Somerset Academy Charter High School	-	-	-	-	-	305	477	542	593	552
West Broward High School (4)	-	-	-	-	-	-	-	-	-	<u>1,926</u>
Total High School Enrollment	<u>4,857</u>	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>	<u>5,309</u>	<u>5,150</u>	<u>5,214</u>	<u>5,296</u>	<u>5,468</u>	<u>5,368</u>
Middle Schools: (2)										
Pines Middle School	1,606	1,658	1,837	1,423	1,452	1,487	1,463	1,343	1,461	1,542
Silver Trail Middle	1,873	1,926	2,354	2,329	2,423	1,555	1,695	1,785	1,745	1,756
Walter C. Young	2,554	2,044	2,072	1,487	1,841	1,885	1,899	1,874	1,945	1,853
Somerset Academy Charter Middle School	-	-	-	-	-	620	661	654	604	608
Pembroke Pines Charter Middle School (West/ Central)	-	<u>672</u>	<u>672</u>	<u>1,189</u>	<u>1,192</u>	<u>1,099</u>	<u>1,204</u>	<u>1,198</u>	<u>1,199</u>	<u>1,203</u>
Total Middle School Enrollment	<u>6,033</u>	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>	<u>6,908</u>	<u>6,646</u>	<u>6,922</u>	<u>6,854</u>	<u>6,954</u>	<u>6,962</u>
Elementary Schools: (2)										
Pembroke Pines	843	896	873	844	850	816	803	664	690	653
Pembroke Lakes	899	942	896	858	841	861	854	772	730	720
Pines Lakes	843	1,011	1,111	965	1,020	1,058	965	837	853	823
Pasadena Lakes	924	899	948	914	881	843	837	818	725	722
Palm Cove	1,149	1,215	1,223	1,087	1,124	1,136	1,154	1,031	961	908
Chapel Trail	1,365	1,436	1,436	1,410	1,309	1,270	1,231	1,153	1,043	1,026
Silver Palms	1,379	1,422	1,506	1,434	1,169	1,081	1,067	1,014	912	915
Panther Run	1,335	1,360	1,432	986	952	982	940	791	780	726
Lakeside	1,187	1,513	1,112	1,196	1,049	1,057	1,024	958	885	875
Somerset Academy Charter Elementary	-	-	-	-	-	875	932	899	825	801
Pembroke Pines Charter Elem (East/West/Central)	1,000	1,000	1,100	1,786	1,800	1,895	1,799	1,800	1,793	1,872
Pembroke Pines/FSU Charter Elementary	-	-	-	-	-	600	600	600	600	600
Dolphin Bay Elementary (3)	-	-	-	-	-	-	<u>402</u>	-	-	-
Total Elementary School Enrollment	<u>10,924</u>	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>	<u>10,995</u>	<u>12,474</u>	<u>12,608</u>	<u>11,337</u>	<u>10,797</u>	<u>10,641</u>

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

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

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

(4) West Broward is a new high school in Pembroke Pines.

City of Pembroke Pines, Florida

Property Value and Construction (1) Last Ten Fiscal Years

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>		
1999	10,171	8,764	\$ 40,339,436	1,828	\$ 177,081,893	51	\$ 25,844,899	\$ 243,266,228	\$ 5,726,468,609
2000	9,957	8,881	44,536,688	1,040	124,146,207	36	44,803,999	213,486,894	6,289,968,753
2001	10,368	8,899	65,639,331	1,446	186,519,453	23	12,987,592	265,146,376	6,855,447,486
2002	10,140	9,117	45,421,312	1,005	152,912,991	18	9,069,036	207,403,339	7,579,681,777
2003	9,170	8,792	54,660,725	361	40,571,126	17	14,659,667	109,891,518	8,678,811,181
2004	9,457	8,939	52,063,598	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583
2005	10,991	10,761	73,078,888	214	17,326,438	16	26,553,469	116,958,795	11,606,680,186
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817
2008	7,411	7,365	95,057,849	27	1,939,720	19	42,172,649	139,170,218	19,252,698,267

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

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

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

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 7th largest in the country with an estimated population of 5.5 million. A projected 7.5 million people will reside in the MSA by 2030. The population of Pembroke Pines is currently estimated at 151,747. During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25 square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area. South of the City is the rapidly growing City of Miramar with its thriving 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 housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The North Perry Airport, which is located in Pembroke Pines, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of 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. 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.

Parks & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the six 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.

City of Pembroke Pines, Florida

General Information

Located throughout the City are 29 neighborhood and community parks totaling 927.7 acres. In addition, four golf courses are located within the City including the City-owned 18-hole newly renovated 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 60 acres in western Pembroke Pines to be developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. This facility opened to public in April 2008. Cultural arts programs are available at the City's River of Grass ArtsPark and the Fletcher Art and Cultural Center. A number of the residential developments in the community are 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 City also owns the 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

Health care services for the City of Pembroke Pines residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street), the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road), and Memorial Hospital Miramar (located on 172 Avenue in adjacent Miramar) which serves the western portion of Pembroke Pines. These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics.

Fifteen minutes north of the City off Interstate 75 is an upscale facility of the world-famous Cleveland Clinic Hospital.

Memorial Manor is Broward County's first public, skilled nursing facility. The 120-bed nursing home, located adjacent to the Memorial Urgent Care Center on Douglas Road, provides long-term nursing home care and short-term rehabilitative care.

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter elementary school operated in collaboration with Florida State University, two charter middle schools and one charter high school that serve approximately 5,386 students. Of this total, the FSU charter school students include 600 in elementary school and 10 in the Exceptional Student Program; the elementary schools have 1,876 students; the middle schools 1,200 students; and the high school 1,700 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the City's charter schools, within the City are ten elementary schools, four middle schools, and two other high schools. This also includes Somerset Academy, a charter school system operated by Academica Corp. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

In addition to this, the City also offers post-secondary as well as post-graduate education. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines

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Boulevard and the Pines Center/Academic Village Campus. The Academic Village is a unique multi-building facility located on Sheridan Street west of Interstate 75, and also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs. The campus of the Venezuelan-administered Jose Maria Vargas University is located in the Senator Howard C. Forman Human Services Campus. Keiser College also operates its Pembroke Pines branch campus with a 30,000 square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City.

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 Community 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. The City also provides space for theatrical performances at two of its facilities 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 includes annual events such as *Kids Konnection*; the *Art Festival in the Pines* which is conducted in the River of Grass ArtsPark; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year.

National and State Recognition

The City of Pembroke Pines received the All-America City Award for 2004 by the National Civic League. The National Civic League is one of the leading advocates of citizen democracy in the United States. It is the nation's longest running and most prestigious civic recognition program, and cities receiving the award typically receive a variety of benefits, including national recognition, enhanced community pride, and in many cases, tangible economic benefits that range from new grants to improved bond ratings, increased tourism, and greater economic activity. Five other Florida cities were invited to compete, but only Pembroke Pines was selected for the award that year.

On November 17, 2006, the City won four awards for "municipal excellence" from the Florida League of Cities, a private organization that advocates for the State's municipalities and trains officials. Pembroke Pines won in the categories of: Florida City of Excellence, City Spirit, Mayor of the Year, and Financial Official of the Year. Pembroke Pines was named City of Excellence for its efficient administration, resident outreach, and innovation. The League noted projects such as the Academic Village for students of all ages, the city-run charter school system, City Center, and the Senator Howard C. Forman Human Services Campus. The City Spirit award is presented for a citywide effort to successfully address a need. Pembroke Pines has given special attention to seniors.

On November 9, 2007, the Florida League of Cities honored the City again with another Florida Cities of Excellence Award – this time the City's Controller/Internal Auditor was named the City Employee of the Year.

On November 16, 2007, the National League of Cities awarded the Silver Award for Municipal Excellence to the City of Pembroke Pines because of its utilization of the Senator Howard C. Forman Human Services Campus for human services collaborations and redevelopment. This award identifies

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and showcases outstanding municipal programs that improve the quality of life for the residents. The winners of this award exemplify excellence in city governance, best practices in municipal policy, and models to follow to improve the lives of their citizens.

The 14th annual Morgan-Quitno Press City Crime Survey conducted in 2006 and released in November 2007 by CQ Press ranked the City of Pembroke Pines the 48th safest city out of 378 cities reviewed. They ranked the City second safest out of the 29 cities reviewed in the State of Florida.

Communications

All principal television networks are received within the City with broadcast stations in Boynton Beach, Fort Lauderdale, Hollywood, Miami, Miramar, Palm Beach Gardens, and West Palm Beach. Cable television is provided to the entire City by Comcast and BellSouth Entertainment, Inc. The City has its own informational cable channel that televises all Commission meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, www.ppines.com. On the web site, information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual 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. 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 79 upscale stores and restaurants and is centrally located to serve the residents of the City and neighboring municipalities.