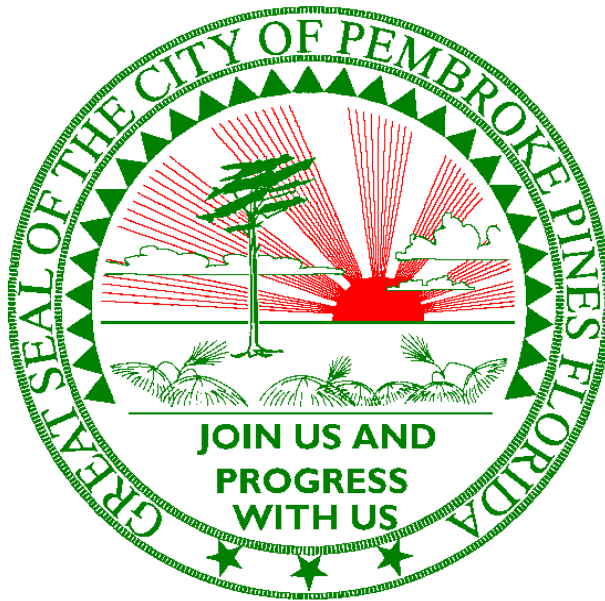


**Comprehensive  
Annual Financial  
Report  
of the  
City of Pembroke Pines, Florida**



**For the  
Fiscal Year Ended  
September 30, 2003**

# City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2003

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Fiscal Year Ended September 30, 2003

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Fiscal Year Ended September 30, 2003

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# I. INTRODUCTORY SECTION

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





# City of Pembroke Pines

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**Alex G. Fekete, Mayor**  
**William B. Armstrong, Vice-Mayor**  
**Charles F. Dodge, City Manager**

**Ben Fiorendino, Commissioner**  
**Susan B. Katz, Commissioner**  
**Frank C. Ortis, Commissioner**

March 8, 2004

To the Citizens of the City of Pembroke Pines:

State law requires that all general purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2003.

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

The City's financial statements have been audited by Rachlin Cohen & Holtz LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2003 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, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Pembroke Pines was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. There were no Single Audit findings during the fiscal year ended September 30, 2003.

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 9<sup>th</sup> largest city in Florida. As of September 30, 2003, the most recent official population estimate was 148,280. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 35 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

In addition to providing residents with public safety, general government, leisure, and public work services, the City provides water, wastewater, sanitation, a recycling program, a multi-purpose Walter C. Young Resource Center, recreation facilities, senior housing residences and services, the Howard C. Forman Human Services Campus, and owns and operates seven Charter Schools and four Early Development Centers.

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an ordinance. The City's budget is approved at the department level. The City Manager and Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. 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 is presented on pages 76-77 as part of the required supplementary information.

### **Factors Affecting Financial Condition**

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

### **Local Economy**

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the forty-three years of its existence. Its geographic location, surrounded by the affluent tri-county market of the recently established Miami-Fort Lauderdale -Miami Beach, FL Metropolitan Statistical Area

(MSA), which according to the latest statistics, is the sixth (6<sup>th</sup>) largest in the country, trailing only Los Angeles, New York, Chicago, Philadelphia and Dallas, opens up an area that has a population of more than 5.2 million people, and retail sales that exceed \$56 billion. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the twelfth (12<sup>th</sup>) busiest container port in the United States.

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

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

	<u>FY2003</u>	<u>FY2002</u>
City of Pembroke Pines	3.7%	3.9%
Broward County	5.7%	5.9%
State of Florida	5.2%	5.3%
United States	6.0%	6.0%

The level of unemployment for the City as well as the County has improved slightly over last year, consistent with the pattern of overall economic recovery for the United States. The current industry mix is such that in an economic boom, the City, the County and the State will experience rapid growth and increased employment, but will be more negatively impacted in an economic decline.

The City of Pembroke Pines is becoming one of the nation's pioneers and leaders in city-owned and operated Charter School education. The City continues to increase its efforts, to encourage and promote educational opportunities and enhancements for its residents, and to those within the surrounding environs, and has proactively helped to eliminate the problem of overcrowding in the existing public education system. During the year, the City opened the Central Campus, which included an Elementary School and a Middle School, each serving 600 students, and an Early Development Center. The student population at the existing Charter High School was also increased by an additional 350 students. In addition to this notable accomplishment, the City has also widened its scope to include a new Pembroke Pines/FSU Charter Elementary School, serving the needs of an additional 600 students, with provision for 20 students in the Exceptional Student Education (ESE) program. This one of a kind initiative undertaken with the Florida State University (FSU) is designed to be a "Developmental Research Charter School Laboratory School" which will be used to train teachers, and promote learning and research through collaboration.

Although childhood education is of paramount importance to the City, we have also taken a holistic approach to education and life-long advancement for residents of all ages. The Academic Village, which is a unique joint-use facility currently consists of the City's Charter High School, the Southwest Regional Branch of the Broward County Library, a branch campus of Broward Community College, a branch of the Florida International University (FIU), and was more recently expanded to also include the River of Grass ArtsPark. The River of Grass ArtsPark opened in fiscal year 2003, with an auditorium providing classes in fine arts, music, drama, and dance. The City also has a continuing program of classes for children and adults at the Fletcher Art and Cultural Center.

Although the City is approximately 95% built out, Pembroke Pines continues to maintain the lowest tax rate of any full-service city in Broward County, and currently has the ninth lowest millage rate among all



the 30 cities in Broward. The City's current millage rate is 4.5990, which was increased slightly from the 4.4597 in the previous fiscal year. This represents a 3 percent increase, and is consistent with the rate of inflation, although it is not specifically tied to this rate. Increases in property values over the last year have helped to mitigate increases in the City's millage rate. The City's gross taxable property values, which includes the value of new construction, increased by 9.5 percent over last year. 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".

### **Long-Term Financial Planning**

During the year, the City has undertaken or is anticipating to undertake a number of projects that may have long-term financial implications, specifically as it would relate to the City's existing borrowing capacity, and existing use of revenues earned for operational and future reserve needs. Yet, with sound financial management practices in place, and innovative planning, the City is certainly prepared to embrace the challenges and changes of the immediate and foreseeable future.

On March 1, 2001, the City entered into a 50-year lease with the State of Florida for a 157-acre property, located on Pembroke Road, just west of University Drive, which is now known as the Howard C. Forman Human Services Campus. The City has renovated a number of existing buildings at this 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.

As part of the City's continued efforts to meet the increasing demand for affordable senior housing residence, the City has approved plans for the development of an 832-apartment complex to be located on the Howard C. Forman Human Services Campus. This enormous project will take place in several phases with the first phase estimated to be completed by late 2004. The first phase of the project is expected to include 394 one and two-bedroom units, built on 28 acres, and would include two five-story residential towers, with outdoor exercise areas, walking paths, parking, covered shuttle pick-up areas and a multi-purpose community building. Tower one is expected to include approximately 208 residential units and tower two would have 186 residential units. The City has also approved a letter of agreement and design-build contract amount with the Haskell Company for the preliminary development, design and construction for the project. On February 18, 2004 the City Commission adopted an Ordinance authorizing the issuance of bonds for the construction of the project. The first phase of the project is estimated to cost approximately \$31.3 million.

Additionally, on November 5, 2003, the City Commission approved a motion to allow the administration to negotiate with the Susan B. Anthony Center, Inc., for the development, design and construction of another facility at the Howard C. Forman Human Services Campus. This facility would provide a transitional housing program for women with children who are recovering from substance abuse. The project is expected to be located on approximately 5 acres and would include a 40-unit residential complex, an administrative and treatment building and an Early Development Center designed to serve up to 150 children. The City is also planning to finance this project through the issuance of bonds, with annual rentals to be received from the new Susan B. Anthony Recovery Center. The estimated design and construction cost of this project is \$7.7 million.

Another major initiative was undertaken during the year, related to the approximate 115 acres of undeveloped land adjacent to City Hall, known as the Ansin Property. 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 intends to oversee the development of this property as a "City Center" that will

include an interesting mix of residential, commercial, professional and governmental services to residents. It includes plans for a 120-suite hotel, a conference center, town houses, apartments, office buildings, restaurants, small shops, and a central plaza with a fountain, all within a pedestrian-friendly setting. It is estimated that the City will spend approximately \$46 million for the purchase and development of this property, which will be recovered by the sale of separate parcels to various businesses. The City's initial investment in the real estate land trust was made in July 2003 for approximately \$22 million. It is projected that this "City Center" will be completed by 2007 and will result in an increase in property tax revenues to the City of approximately \$2 million per year.

Despite the financial crunch being suffered by some of the cities within Broward County, the City of Pembroke Pines has been successful in providing a high quality of life for its residents, by enhancing the level of services being offered. But in addition to the increased efforts to enhance services, the City has also provided increased benefits to its employees, as a recognition of the fact that, in order to continue to provide these valuable services, it must also retain and reward its valuable employees.

In light of the above, the City approved the Firefighter's Union Contract, which provided for enhanced benefits for both current and retired firefighter members of the City's Firefighters and Police Officers Pension Plan. As a result of these increased benefits, the City issued \$39,935,000 in Taxable Communications Services Tax Revenue Bonds Series 2003A (Series 2003A) on October 17, 2003. The purpose of these bonds is to maintain the City's contribution as a percentage of covered payroll at the level prior to the enhancement of these benefits. The decision to issue bonds to fund these increased benefits, as compared to increasing the annual required contribution, will result in an estimated \$7.5 million in net present value savings over 30 years for the City. See also Note 5. Subsequent Events for additional information.

The City also plans to provide increased benefits for the Police Officer members of the Firefighters and Police Officers Pension Plan as well as to all members of the General Employees Pension Plan. The estimated costs of these benefits are approximately \$26.2 million relating to the Police Officers and \$19.4 million for the General Employees, as determined by the actuaries of the respective Plans. These enhancements will be financed through the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004) bond issue in April 2005. The decision to issue bonds for the purpose of funding the enhanced benefits, as compared to increasing the annual required contribution, will save the City an additional \$5 million for the Firefighters and Police Officers Pension Plan and approximately \$3 million for the General Employees Pension Plan. The total net present value saving to the City related to the Series 2003A and Series 2004 pension bond issues is approximately \$15.5 million.

With public safety as one of the main focal points of the City, it is anticipated that a new fire training complex costing nearly \$1.4 million will be built on Southwest 208<sup>th</sup> Avenue just north of Pembroke Road. This facility will be on the north side of the existing police training center, and will include a four-story smoke tower connected to a two-story home with a garage, that will serve as a base to practice fire fighting simulations. The Fire Department currently trains at the Broward County Fire Academy, which is shared with other fire departments throughout Broward County. The new facility will make it convenient for our Fire Department to meet state guidelines that require firefighters to train daily during their work shifts and also attend formal training programs every year. The Haskell Company has been selected to design and build the facility, which is expected to be completed by September 2004.

### **Cash Management Policies and Practices**

The City invests operating funds in an effort to earn a competitive yield on its portfolio, while maintaining adequate liquidity to meet the demands of the City's day-to-day operational activities. This is

consistent with its primary objective of safeguarding public assets by minimizing the level of credit and market risks assumed. The investment priority is safety of capital, liquidity of funds, and investment income, in that order. To that end, the City's investments are guided by a detailed investment policy, adopted by Ordinance and further explained in Note 3.a. of the notes to the basic financial statements. During the year, surplus funds were administered by the State Board of Administration, the Florida League of Cities, managed by external investment managers such as Wachovia Bank N.A, and invested in certificates of deposit of a qualified public depository.

During the year, the City had operating funds administered by the following money managers:

<u>Money Manager</u>	<u>Average Balance</u>	<u>Interest Income</u>	<u>Average Rate of Return (%)</u>
State Board of Administration	\$61,547,342	\$927,562	1.51%
Florida League of Cities	\$27,084,353	\$727,257	2.69%
Wachovia Bank N.A.	\$37,690,991	\$1,374,221	3.65%

In FY 2003, the City earned \$3,383,341 in investment income, as compared with \$6,545,712 earned in fiscal year 2002; this represents a 48% decrease from the previous year. The extremely low interest rate environment significantly impacted the performance of the portfolio during the year. However, the City will continue to closely monitor and evaluate its investment earnings and portfolio holdings as new economic conditions unfold. One of the measures taken thus far has been the purchase of \$5 million in non-negotiable Certificates of Deposits on February 11, 2004, which currently has a higher yield than the State Board of Administration (SBA).

### **Self-Insurance Program**

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

<u>Coverage</u>	<u>Self-Insurance Retention Per Occurrence</u>	<u>Insured</u>
General/Auto Liability	\$150,000	\$ 1,000,000
Fidelity Bond	25,000	75,000
Workers' Compensation	350,000	25,000,000
Property –Real property	25,000	188,533,904
Personal property	25,000	12,483,166
Vehicles	25,000	(depreciated value of vehicle)

### **Pension and Other Postemployment Benefits**

The City maintains two single-employer defined benefit pension plans, which are: the General Employees Pension Plan (GEPP) and the City Pension Fund for Firefighters and Police Officers (CPFFPO). Once a year, an independent actuary is engaged by the pension plans to calculate the annual required contribution the City must make to ensure that the plans will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As of September 30, 2003, the net assets of the GEPP totaled \$54,383,230 and the assets of the CPFFPO totaled \$90,030,804.

During the year, the City approved the Firefighters Union Contract, that provided for additional benefits to current and retired firefighter members, which included, but was not limited to, a cost of living increase of a minimum 2 percent effective in 2005, the benefit multiplier was increased from 3 percent to 4 percent, and up to 1,000 hours of accrued leave was also included in the final two-year average for determining the pension benefits.

On February 18, 2004, the City also approved a three-year agreement with the Police Benevolent Association effective October 1, 2003 to September 30, 2006. The new agreement provides additional benefits similar to the Firefighters Contract, and included, but was not limited to, a 1.5% cost of living adjustment effective in 2009, the benefit multiplier was increased from 3 percent to 4 percent and the inclusion of up to 1,000 hours of accrued leave in the calculation of the final two-year average compensation.

The General Employees Pension benefits were also increased to include a cost of living adjustment of 2 percent, with no maximum, which would be retroactive to October 1, 2003.

In addition to the defined benefit plans described above, the City maintains a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The plan provides benefits for the employees of the Charter Schools and Early Development Centers. The City's required contribution to this plan is 5% of the plan members' gross salary.

The City also provides postretirement health care and life insurance benefits for retirees. Spouses are included in this coverage, for a limited number of employees hired before October 1, 1991. As at September 30, 2003 there were 152 retirees receiving this benefit.

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its comprehensive annual financial report for the fiscal year ended September 30, 2002. This was the eighteenth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the City received the Government Finance Officers Association's Award for Distinguished Budget Presentation for the annual appropriated budget for the fiscal year ended September 30, 2003. The City of Pembroke Pines has received this award consecutively for six years since the fiscal year ending September 30, 1998. 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.

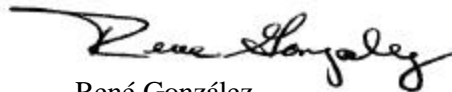
The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions they have made in preparation of this report. Special recognition is given to the firm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

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

Sincerely,



Charles F. Dodge  
City Manager



René González  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2002

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



President

Executive Director

# List of City Officials

## Form of Government:

*Commission-Manager*

## City Commission:

*Alex G. Fekete, Mayor*

*William B. Armstrong, Vice-Mayor*

*Ben Fiorendino, Commissioner*

*Susan B. Katz, Commissioner*

*Frank C. Ortis, Commissioner*

## City Manager:

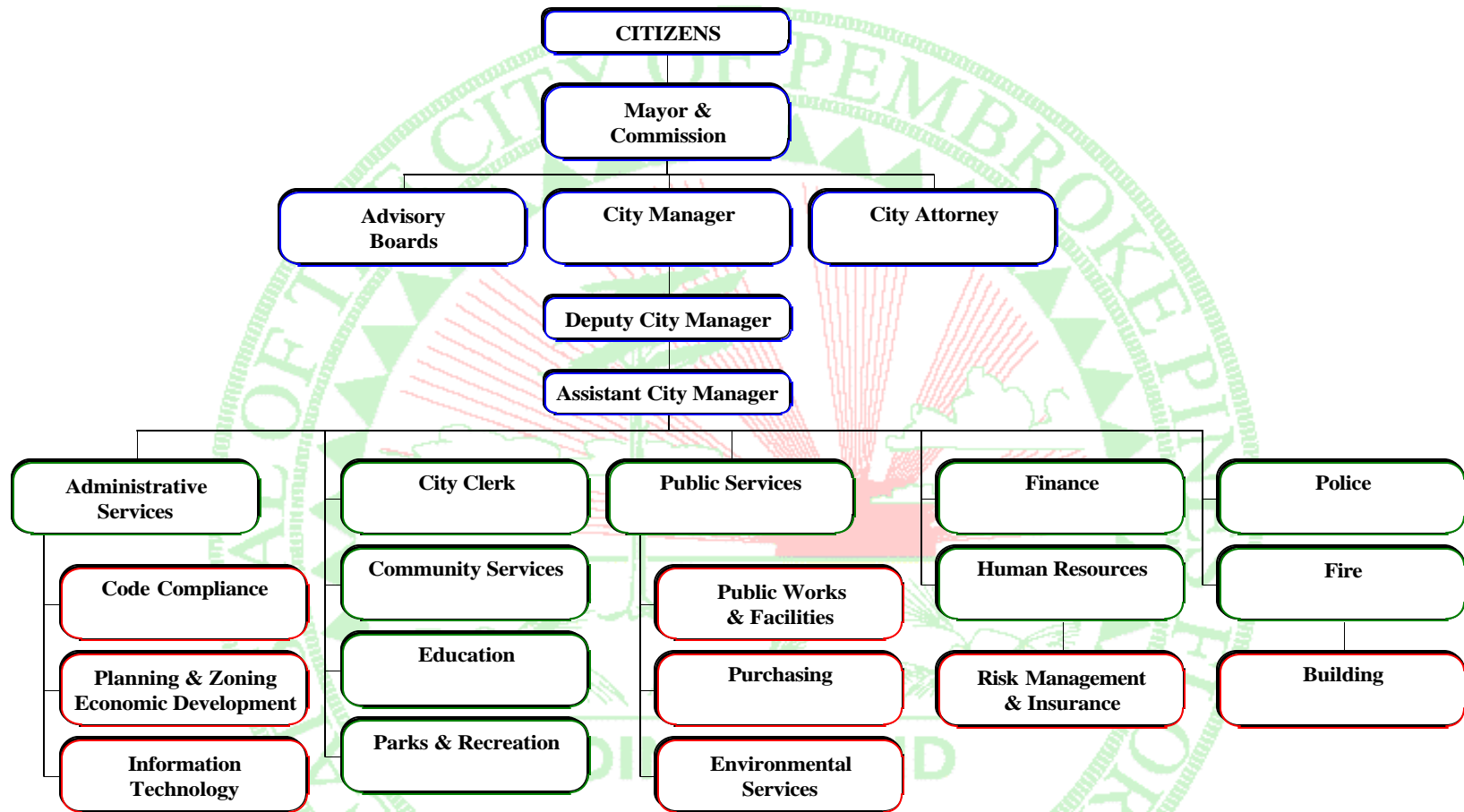
*Charles F. Dodge*

## Director of Finance:

*René D. González*



# City of Pembroke Pines Organizational Chart





## **II. FINANCIAL SECTION**

- **Report of Independent Certified Public Accountants**
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- **Required Supplementary Information**
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- **Capital Assets Used in the Operation of Governmental Funds**



# Report of Independent Certified Public Accountants



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pembroke Pines, Florida (the City) as of and for the fiscal year ended September 30, 2003, which, collectively, comprise the City's basic financial statements as listed in the table of contents. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 64% and 53%, respectively, of the assets and contributions of the fiduciary fund type. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-20 and pages 74-78, respectively, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

*Rachlin Cohen & Holtz LLP*

Fort Lauderdale, Florida  
December 12, 2003

# 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, 2003. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to viii of this report.

This is the second year that the City has reported its financial statements in a government-wide format using the GASB Statement Number 34 reporting model. Thus, comparative information from prior years in the GASB 34 format is now available. Fund-based financial reporting and government-wide financial reporting are not viewed as being in conflict; however, they are not comparable. Since government-wide comparative information is available this year, a more significant portion of the analysis will focus on the changes in the government-wide statements, while still providing information on the City's fund-based comparative information.

It is important to note at this point, that the City also made a reclassification adjustment which affected the government-wide financial statements and a prior period adjustment that affected both the government-wide and fund-based financial statements, both which are currently reflected in the comparative information presented. These adjustments were as follows:

- The reclassification of licenses and permits and other charges for services from general revenues to program revenues; specifically charges for services under the function general government services.
- The beginning fund balances of the governmental funds were restated for a prior period adjustment relating to compensated absences that were previously being reported as current expenditures. See also Note 2.d. - Prior Period Adjustment for additional information.

### Financial Highlights

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$383.1 million (*net assets*), as compared with \$376.7 million for the previous fiscal year. Of this amount, \$44.8 million (*unrestricted net assets*) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$6.4 million (or 1.7 percent) during the current fiscal year. Included in the total net assets are governmental net assets which increased by \$3.0 million (or 2.1 percent), and the business-type net assets which increased by \$3.4 million (or 1.4 percent).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$146.1 million, an increase of \$3.0 million in comparison with the prior year. Approximately 10 percent of this total amount is available for spending at the City's discretion (*unrestricted fund balance*).
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities were \$14.6 million, or 9.7 percent of total governmental activities expenses.
- The City's total debt decreased by \$3.6 million (2.4 percent) during the current fiscal year, as a result of annual debt service payments. No new debt was issued during the year.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

### Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 21-22 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*.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

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 79-82 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 76-78. The basic governmental fund financial statements can be found on pages 23-26 of this report.

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

The basic proprietary fund financial statements can be found on pages 27-31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32-33 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 34-73 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 the budgetary comparison schedule of the General Fund and information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on pages 74-78 of this report.

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

Combining and individual fund statements and schedules can be found on pages 79-82 of this report.



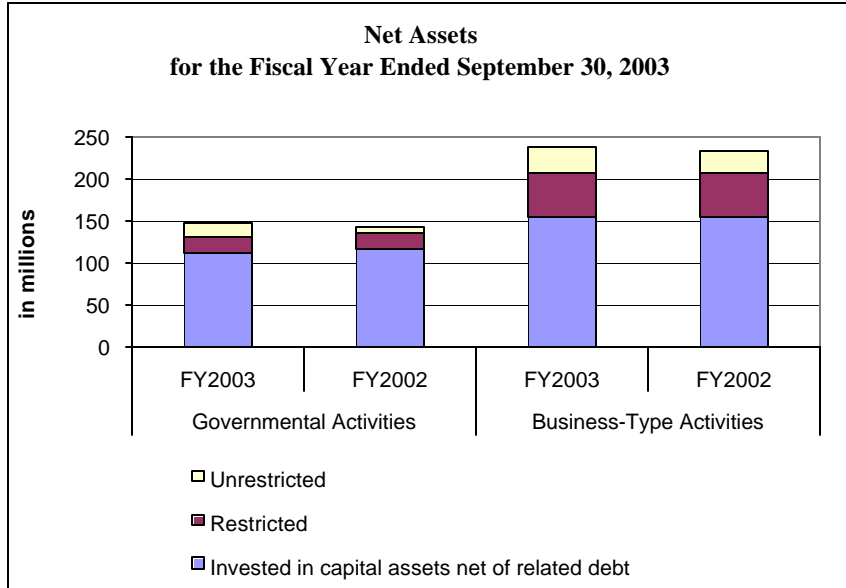
# City of Pembroke Pines, Florida

## 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, total net assets exceeded liabilities by \$383.1 million at the close of the most recent fiscal year, which represents a 1.7 percent increase, compared to last year's net assets of \$376.7 million. By far the largest portion of the City's net assets (70 percent) represents investment in capital assets (e.g., land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not*

available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt 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, \$70.7 million (18 percent), represent resources that are subject to external restrictions on how they may be used. This was only slightly lower than the \$70.9 million (19 percent) for last year. The remaining balance is unrestricted net assets of \$44.8 million (12 percent), which increased by \$9.6 million over last year, primarily due to the degree of which ongoing revenues exceeded similar increases in ongoing expenses, and may be used to meet the City's ongoing obligations to creditors.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

Net Assets (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 56.7	\$ 49.7	\$ 11.6	\$ 9.1	\$ 68.3	\$ 58.8
Restricted assets	16.8	34.9	54.9	55.0	71.7	89.9
Capital assets, not being depreciated	136.6	138.9	4.9	38.1	141.5	177.0
Capital assets, being depreciated, net	132.4	120.7	150.1	115.7	282.5	236.4
Total assets	<u>342.5</u>	<u>344.2</u>	<u>221.5</u>	<u>217.9</u>	<u>564.0</u>	<u>562.1</u>
Long-term liabilities	163.0	163.7	1.0	1.0	164.0	164.7
Other liabilities	33.4	37.4	(16.5)	(16.7)	16.9	20.7
Total liabilities	<u>196.4</u>	<u>201.1</u>	<u>(15.5)</u>	<u>(15.7)</u>	<u>180.9</u>	<u>185.4</u>
Invested in capital assets, net of related debt	112.6	116.8	155.0	153.8	267.6	270.6
Restricted	18.9	18.9	51.8	52.0	70.7	70.9
Unrestricted	14.6	7.4	30.2	27.8	44.8	35.2
<b>Total net assets</b>	<b><u>\$ 146.1</u></b>	<b><u>\$ 143.1</u></b>	<b><u>\$ 237.0</u></b>	<b><u>\$ 233.6</u></b>	<b><u>\$ 383.1</u></b>	<b><u>\$ 376.7</u></b>

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

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

### Changes in Net Assets (in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues:						
Charges for Services	\$74.1	\$65.5	\$34.5	\$34.7	\$108.6	\$100.2
Operating Grants & Contributions	3.2	3.6	0.1	-	3.3	3.6
Capital Grants & Contributions	3.0	4.1	-	-	3.0	4.1
General Revenues:						
Property taxes	28.5	25.2	-	-	28.5	25.2
Franchise fees on gross receipts	10.7	8.3	-	-	10.7	8.3
Utility taxes	9.0	8.5	-	-	9.0	8.5
Communications services tax	7.6	7.1	-	-	7.6	7.1
Other taxes	4.1	3.8	-	-	4.1	3.8
Intergovernmental	11.3	10.6	-	-	11.3	10.6
Investment earnings, not restricted	1.9	2.5	1.6	4.0	3.5	6.5
Other miscellaneous	0.4	0.2	-	-	0.4	0.2
Total Revenues	153.8	139.4	36.2	38.7	190.0	178.1
Expenses:						
General government services	19.8	20.1	-	-	19.8	20.1
Public safety	59.9	54.4	-	-	59.9	54.4
Physical environment	3.7	3.2	-	-	3.7	3.2
Transportation	5.5	5.8	-	-	5.5	5.8
Economic environment	2.8	2.2	-	-	2.8	2.2
Human services	36.1	24.1	-	-	36.1	24.1
Culture/Recreation	15.3	14.6	-	-	15.3	14.6
Interest on long-term debt	7.7	6.7	-	-	7.7	6.7
Water utility services	-	-	3.9	3.8	3.9	3.8
Sewer/wastewater services	-	-	9.0	8.6	9.0	8.6
Water-sewer combined service	-	-	19.9	17.1	19.9	17.1
Total Expenses	150.8	131.1	32.8	29.5	183.6	160.6
Change in net assets	3.0	8.3	3.4	9.2	6.4	17.5
Net assets- beginning	143.1	134.8	233.6	224.4	376.7	359.2
<b>Net assets- ending</b>	<b>\$146.1</b>	<b>\$143.1</b>	<b>\$237.0</b>	<b>\$233.6</b>	<b>\$383.1</b>	<b>\$376.7</b>

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

**Governmental activities.** Net assets of the City's governmental activities increased slightly by 2.1 percent (\$3.0 million) from \$143.1 million in last fiscal year compared to \$146.1 million in the current fiscal year.

### ***Revenues:***

Revenues from Governmental activities increased by \$14.4 million (10 percent) over last year. This increase was mainly driven by Charges for Services, which increased by \$8.6 million (13 percent), Property taxes which increased by \$3.3 million (13 percent) and Franchise fees on gross receipts, which increased by \$2.4 million (29 percent) over last year.

Charges for services are intended to fully recover the costs of providing those services. The growing educational needs of the City, coupled with the resounding success of the City's Charter School system lead to the opening of the Central Campus. The increase of \$8.6 million was attributable to the additional revenues the City earned as a result of opening the City's Central Campus that included an Elementary and Middle School, serving 600 students in each school, an Early Development Center serving 250 students, and expanding the capacity by 350 students in the Charter High School.

The City of Pembroke Pines has managed to maintain one of the lowest millage rates in Broward County. The increased revenues in property taxes were based on a 9.5 percent increase in gross taxable values over last year, including taxable values of new construction. The City maintained its millage at 4.599 for the fiscal year ending September 30, 2004.

The increase in Franchise fees on gross receipts of \$2.4 million (29 percent) is primarily attributable to the \$1.6 million earned as a Privilege Fee, which the City Commission approved on September 17, 2003. Per Ordinance 1458, a Privilege Fee of 12 percent has been imposed on the wastewater service provider for use of publicly owned property. Other increases were a result of additional revenues earned on electricity and sanitation franchise revenues.

### ***Expenses:***

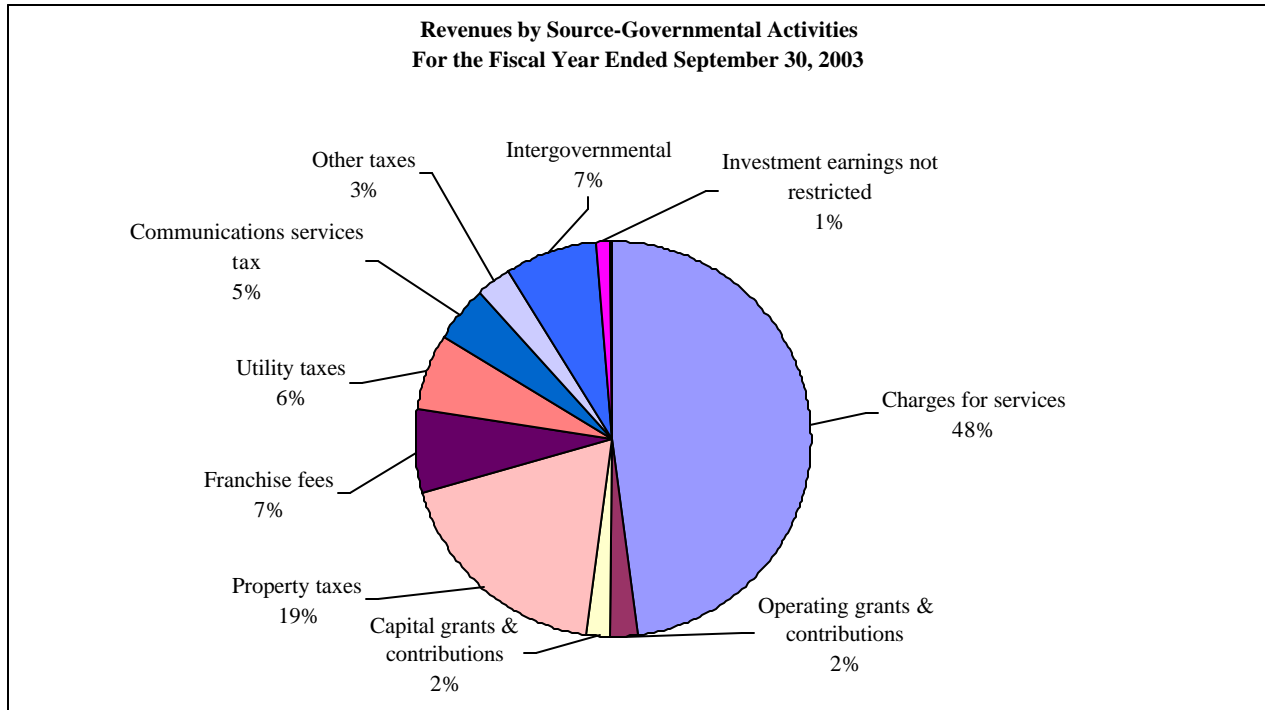
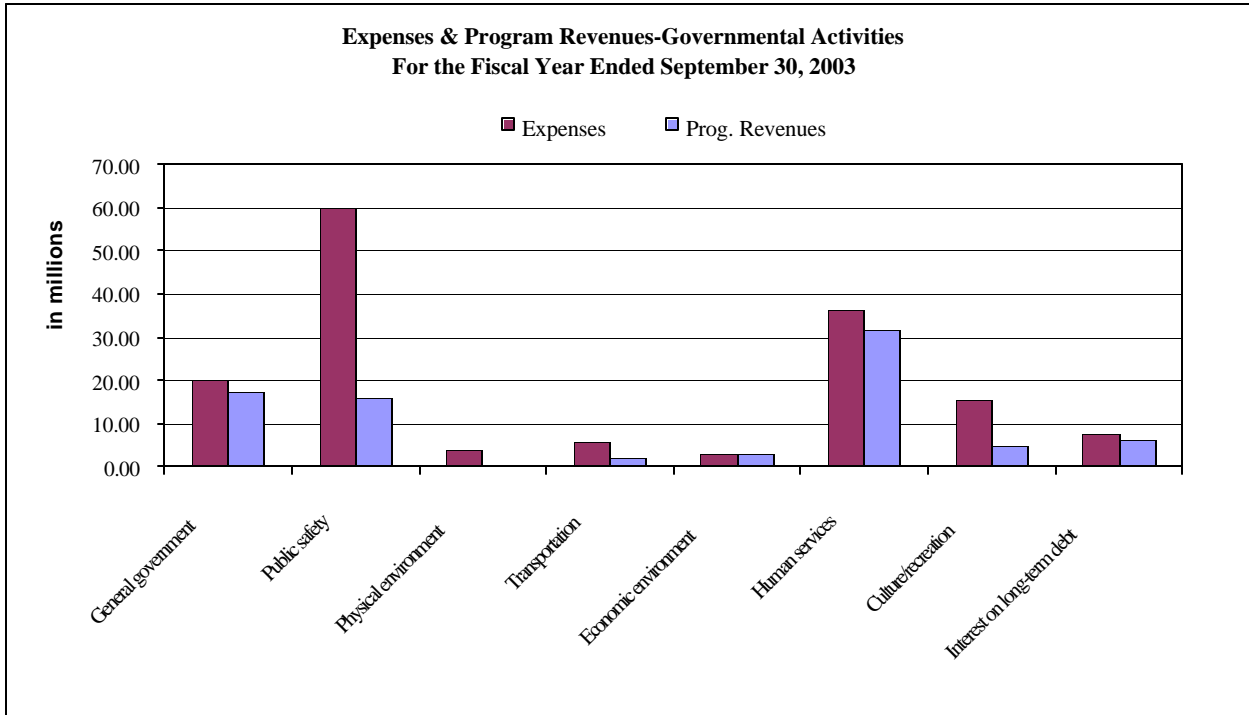
Expenses increased by \$19.7 million (15 percent) over last year. The increase in governmental expenses were mainly centered around Human Services and Public Safety

Human services expenses, increased by \$12 million (50 percent) over last year primarily as a result of staffing the additional Charter Elementary and Middle Schools, the Early Development Center, as well as additional staff needed for the increased student population at the City's Charter High School.

Public Safety expenses increased by \$5.5 million (10 percent) as a result of the City's growing need to provide a safe environment for its residents. New personnel positions were added in both the Police and Fire Departments. Additionally, the City's Firefighters union contract was approved, which provided for additional benefits for both current and retired members. As a consequence of this new contract, members with 20 years or more of service to the City were provided with an incentive to retire, which further resulted in significant pay-outs of accumulated sick and vacation time.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

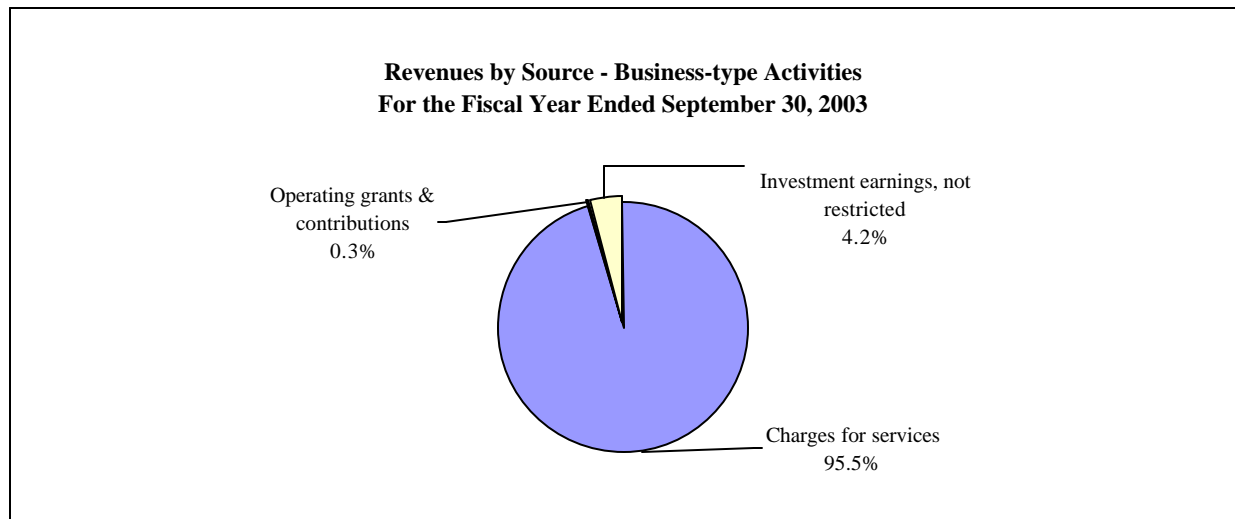
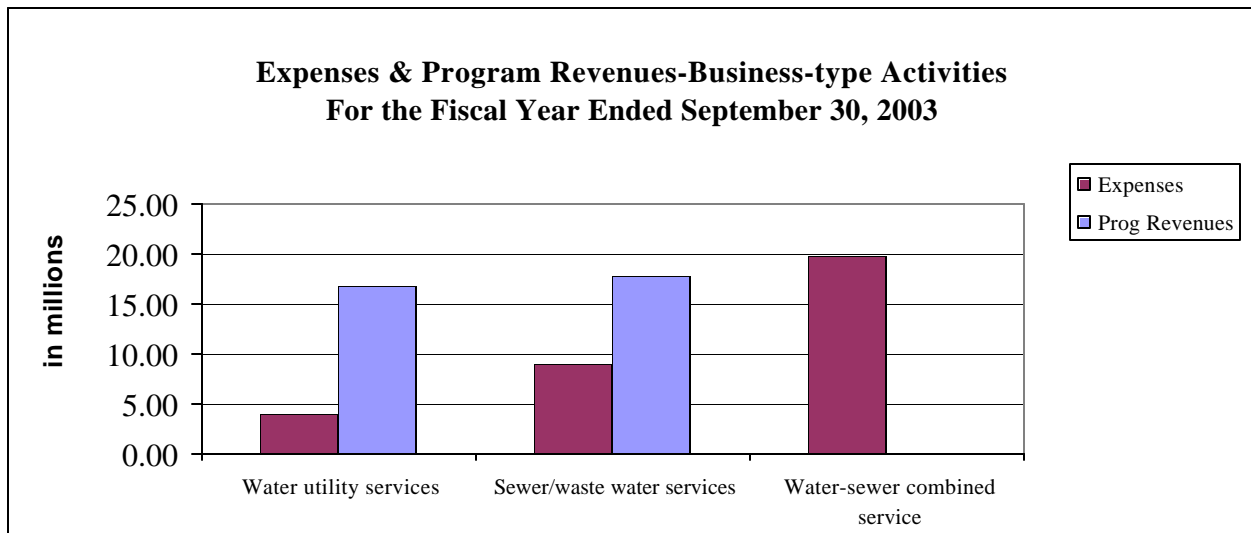
**Business-type activities.** The net assets of the City's business-type activities increased by \$3.4 million (1.5 percent) from \$233.6 million last fiscal year compared to \$237.0 million in the current fiscal year.

**Revenues:**

Revenues were slightly lower than last year, by \$2.5 million (6 percent). The main factor contributing to this was the decline in investment earnings, not restricted, which decreased by \$2.4 million. The low interest rate environment negatively impacted the performance of the City's investment portfolio during the current year.

**Expenses:**

Expenses of the business-type activities were only slightly higher over last year by \$3.3 million (11 percent). The most significant contributor to this increase related to the 12% Privilege Fee being charged to the provider of wastewater services for use of the City's publicly-owned property, including easements and right-of-ways. This \$1.6 million charged to the sewer department, was not charged in prior years.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

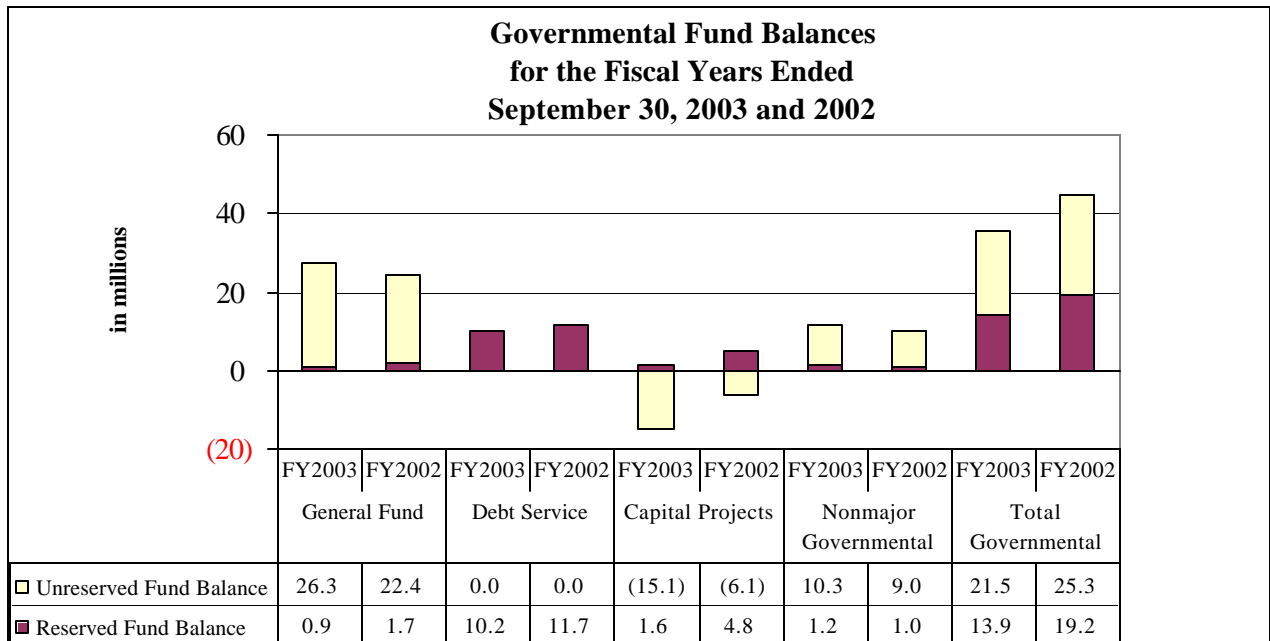
### Financial Analysis of the City's Funds

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 \$35.3 million, a decline of \$9.2 million in comparison with the \$44.5 million prior year balance, as restated for a prior period adjustment (see Note 2.d. for additional information). This decrease was mainly due to the expenditure during the current year in the Capital Project Fund from bond proceeds received during the prior fiscal year.

Approximately \$21.5 million of this total amount (61 percent) represents unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed for a variety of restricted purposes, such as construction projects, grant expenditures and encumbrances.



# 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 fund balance of the General Fund was \$26.3 million, as compared with \$22.4 million in prior year. Reserved fund balance only slightly changed from \$1.7 million last year to \$0.9 million this year, for a total fund balance of \$27.2 million.

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:

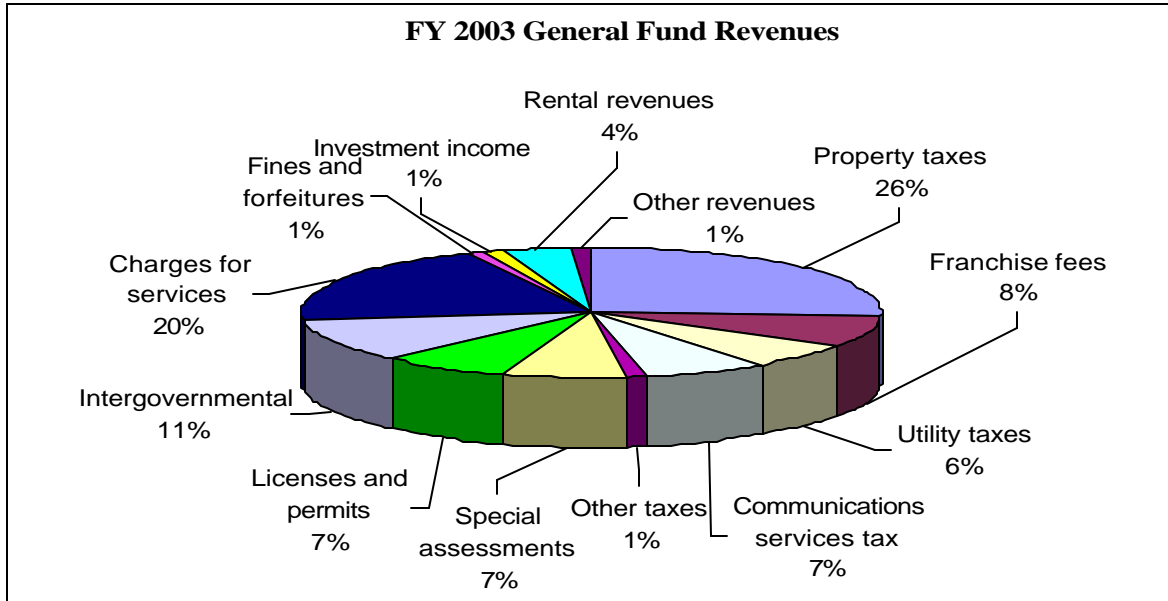
<u>Revenue Sources</u>	<b>General Fund Revenues (in millions)</b>					
	<b>Percent</b>		<b>Percent</b>		<b>Increase</b>	<b>Percentage</b>
	<b>2003</b>	<b>of</b>	<b>2002</b>	<b>of</b>	<b>(Decrease)</b>	<b>Increase</b>
	<b><u>Amount</u></b>	<b><u>Total</u></b>	<b><u>Amount</u></b>	<b><u>Total</u></b>	<b><u>From 2002</u></b>	<b><u>(Decrease)</u></b>
Property taxes	\$27.8	26%	\$24.2	24%	\$3.6	15%
Franchise fees	8.4	8%	7.6	8%	0.8	11%
Utility taxes	6.5	6%	6.4	7%	0.1	2%
Communications services tax	7.6	7%	7.1	7%	0.5	7%
Other taxes	1.4	1%	1.2	1%	0.2	17%
Special assessments	7.6	7%	7.4	8%	0.2	3%
Licenses and permits	6.9	7%	9.1	9%	(2.2)	(24)%
Intergovernmental	11.1	11%	9.8	10%	1.3	13%
Charges for services	21.6	20%	20.0	20%	1.6	8%
Fines and forfeitures	0.8	1%	0.9	1%	(0.1)	(11)%
Investment income	1.3	1%	1.1	1%	0.2	18%
Rental revenues	4.3	4%	4.0	4%	0.3	8%
Other revenues	0.5	1%	0.1	0%	0.4	400%
<b>Total revenues</b>	<b>\$105.8</b>	<b>100%</b>	<b>\$98.9</b>	<b>100%</b>	<b>\$6.9</b>	<b>7%</b>

Compared to the prior fiscal year, total General Fund revenues increased by \$6.9 million or 7 percent in fiscal year 2003. Property taxes accounted for the bulk of the increase. The \$3.6 million or 15 percent increase in property tax revenue was due to new construction and increases in taxable values, as previously described.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



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

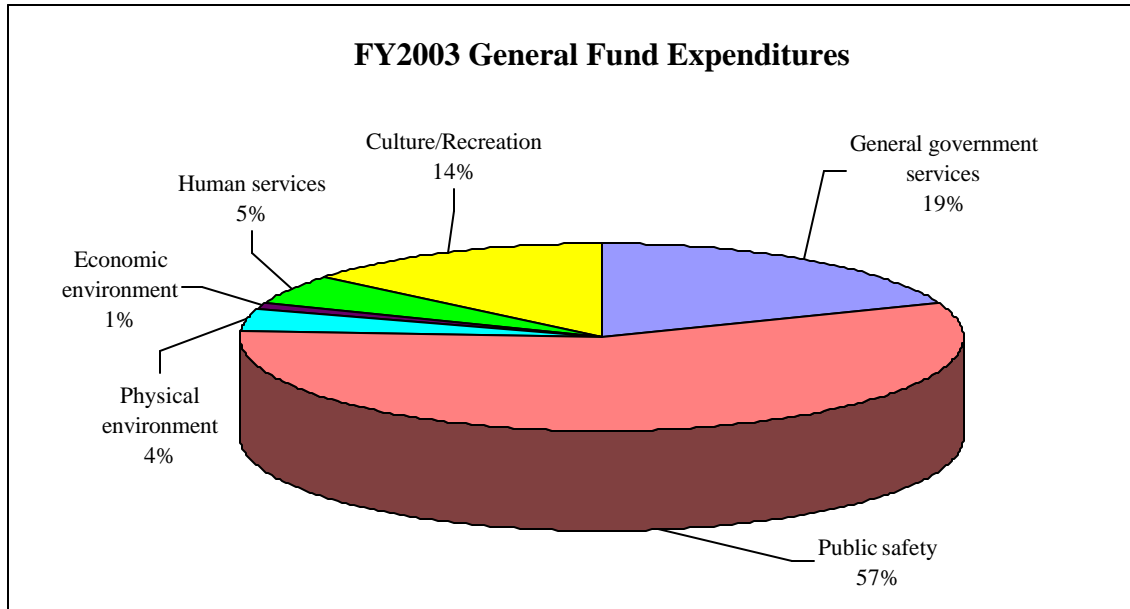
### General Fund Expenditures (in millions)

	<u>2003</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>2002</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2002</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
<b>Expenditures:</b>						
General government services	\$19.3	19%	\$18.6	20%	\$0.7	4%
Public safety	58.4	57%	52.1	57%	6.3	12%
Physical environment	3.9	4%	3.2	3%	0.7	22%
Economic environment	1.2	1%	0.7	1%	0.5	71%
Human services	5.3	5%	4.5	5%	0.8	18%
Culture/Recreation	14.5	14%	12.9	14%	1.6	12%
<b>Total expenditures</b>	<b>\$102.6</b>	<b>100%</b>	<b>\$92.0</b>	<b>100%</b>	<b>\$10.6</b>	<b>12%</b>

In fiscal year 2003, total General Fund expenditures increased by \$10.6 million or 12 percent compared to the prior year. The bulk of the increase was due to union negotiated cost-of-living wage increases of 2 percent on October 1, 2003, and 2 percent on April 1, 2003. The rising cost of health insurance was another factor for the overall increase in expenses.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



### **Other Major Governmental Funds:**

#### **Debt Service Fund**

The net assets in the Debt Service Fund had little change during fiscal year 2003, as compared with 2002. This is due to the fact that no additional debt was issued, and no existing debt was refunded. The only change in net assets related to annual debt service payments.

#### **Capital Projects Fund**

The change in unrestricted net assets of the Capital Projects Fund from -\$1.3 million in fiscal year 2002 to -\$13.5 million in fiscal year 2003, is due to the fact that in 2002 the City received approximately \$48 million in bond proceeds for the construction of the schools that were not fully expended. During fiscal year 2003, these bonds proceeds were spent, as projects were completed, without any corresponding increase in revenues. The restricted net assets declined by \$3.2 million over last year, to \$1.6 million and represented encumbrances that were expended in the current fiscal year.

**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 \$30.2 million compared to \$27.8 million in 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

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

- carryover, from the previous fiscal year, unspent funds appropriated for capital expenditure.
- carryover funds from the Broward Safe Parks Program Grant for Walnut Creek Park.

Subsequently, the budget was amended to decrease the Sinking Fund requirement based on the updated Sinking Fund balances, and to increase the budget for the Community Emergency Response Team (CERT) grant.

The foregoing adjustments increased the budget by \$0.9 million; notwithstanding actual charges were \$10.4 million (9.2 percent) below the final budget due to savings in:

- **personnel services** of \$4.3 million (\$3.4 million in salaries and social security matching for vacancies and partially filled positions during the fiscal year; \$1 million in health insurance claims; and \$1.1 million in contributions to the general and police and fire employees pension plans. These savings were partially offset by a \$1.3 million budget overrun for workers compensation).
- **operating expenses** of \$4.7 million (entire contingency budget of \$1.5 million, \$0.7 million in contractual services, \$0.2 million in maintenance contracts and \$0.2 million in repairs and maintenance land building and improvement).
- **capital expenditures** of \$0.9 million of which \$0.2 million was encumbered and as such would be paid for with funds from next fiscal year.

Resources available for appropriation were \$2.9 million (2.6 percent) below the final budgeted amount due mainly to:

- the under performance of building permit revenues associated with the near build-out of the City amounting to \$3.1 million.
- the Early Development Centers operating below capacity resulting in a \$0.5 million loss in fees.

These shortfalls were partially offset by \$0.8 million increase in Communications Services Tax revenue.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

### Capital Assets and Debt Administration

**Capital assets.** The City's capital assets for its governmental and business-type activities as of September 30, 2003, amount to \$423.9 million (net of accumulated depreciation), compared with \$413.4 million over last year. These assets include land, 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 only 2.5 percent.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<u>Activities</u>		<u>Activities</u>			
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Capital assets, not being depreciated:						
Land	\$48.3	\$48.3	\$3.0	\$3.0	\$51.3	\$51.3
Construction in progress	88.3	90.6	1.9	35.1	90.2	125.7
Total capital assets, not being depreciated	136.6	138.9	4.9	38.1	141.5	177.0
Capital assets, being depreciated, net						
Buildings	78.4	68.1	17.1	4.7	95.5	72.8
Improvements other than buildings	31.3	32.0	131.7	110.2	163.0	142.2
Machinery and equipment	16.3	13.8	1.2	0.8	17.5	14.6
Infrastructure	6.4	6.8	0.0	0.0	6.4	6.8
Total capital assets, being depreciated, net	132.4	120.7	150.0	115.7	282.4	236.4
	<u>\$269.0</u>	<u>\$259.6</u>	<u>\$154.9</u>	<u>\$153.8</u>	<u>\$423.9</u>	<u>\$413.4</u>

The net addition to capital assets before depreciation for governmental activities equaled \$17.4 million and included the following items:

- Completed construction of the City of Pembroke Pines/Florida State University (FSU) Charter Elementary School, in an 8-month period, ensuring that the facility would be open for the fall of 2003 academic year. The cost for this project was approximately \$7.9 million.
- Completed the joint-use facility building at the Academic Village, which is shared with Florida International University.
- Completed the construction of the Walnut Creek Park, located on Taft Street just east of University Drive. The City received grant assistance in the amount of \$500,000 from Broward County and \$200,000 from the Florida Department of Environmental Protection for the completion of this park.
- Completed the construction of the Wetlands Passive Park.
- Began construction of a new Police Training Facility.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

- Purchased a Ladder Service Vehicle for the Fire Department.

Of the \$5.2 million increase in capital assets before depreciation for business-type activities, the majority of these purchases included:

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

Additional information on the City's capital assets can be found in Note 3.d. starting on page 48 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$145.8 million. All of the City's outstanding debt is secured by specified revenue sources.

### **Outstanding Debt (in millions)**

	Governmental Activities	
	2003	2002
Revenue Bonds	\$ 145.8	\$ 149.4

- During the current fiscal year, the City's net outstanding debt decreased by 2.4 percent, as a result of annual debt service payments. The City has continued to maintain its excellent credit rating.

Additional information on the City's long-term debt can be found in Note 3.g. starting on page 52 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 is 94 percent. Only 5 percent of the City remains undeveloped. Build out is expected by the year 2007.

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

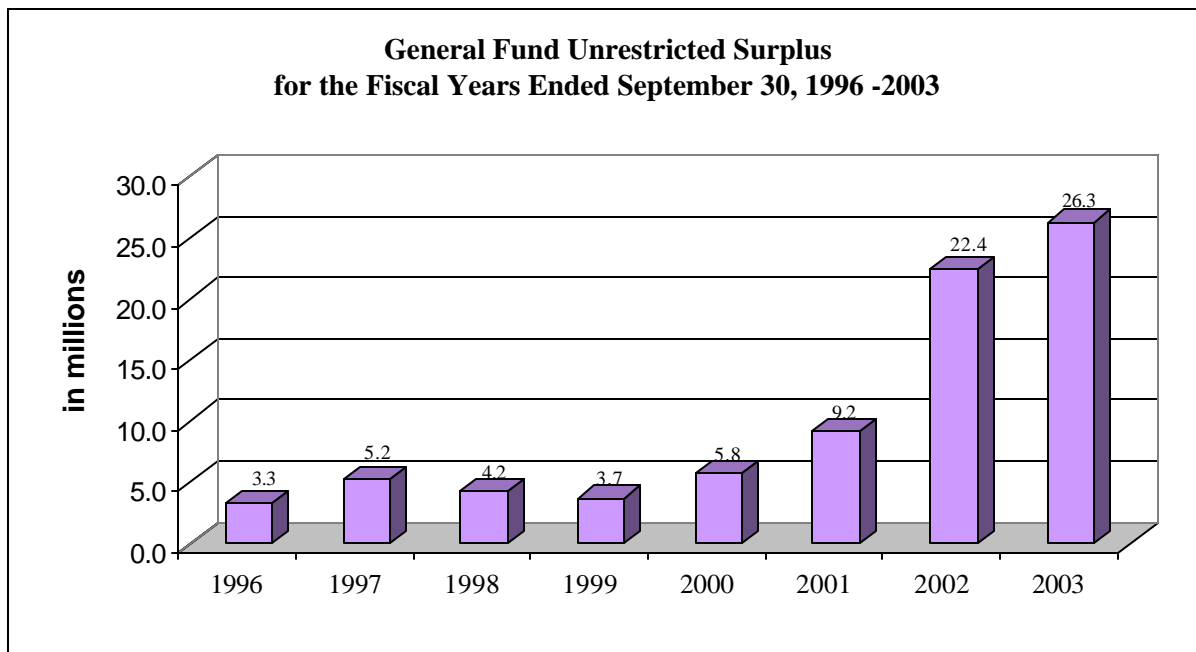
- Partnered with Florida State University (FSU) for the establishment of a new 600-student Charter Elementary School, which opened its doors in the fall of 2003.
- Successfully negotiated and approved the City's Firefighters union contract, which provided for enhanced pension benefits to both current and retired firefighter members of the City Pension Fund for Firefighters and Police Officers (CPFFPO). In order to maintain the City's contribution as a

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

percentage of covered payroll at the level prior to the enhancement of benefits, the City issued \$39,935,000 in Taxable Communications Services Tax Revenue Bonds on October 17, 2003. See Note 5 "Subsequent Events" for additional information.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$26.3 million, compared to \$22.4 million from last year, which was restated to reflect the prior period adjustment of \$7.2 million for compensated absences. See also note 2.d. –Prior Period Adjustment for more details. This \$26.3 million is approximately equal to three months of the General Fund operating expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph. A portion of unreserved fund balance will be used to preclude or moderate future tax and user fee increases.

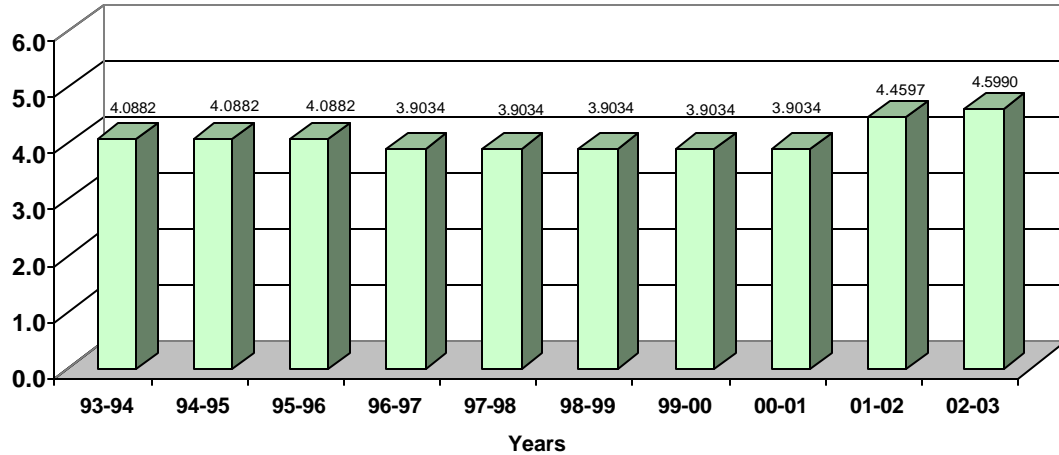


In 1995, the State of Florida limited all local governments' ability to increase property taxable values in any given year to 3 percent or cost of living, whichever is lower. With the exception of the current year, the following graph indicates that property tax rates have been reduced or have remained steady over the last ten years. For many years, the City, just like many cities across the country, had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

Millage Rate History



The water and sewer revenue projections were increased for the 2004 budget year. The water and sewer rates were increased by 2.2 percent effective October 1, 2003 for all residential and commercial customers based on the change in the Consumer Price Index, in accordance with Section 50.34 of the City's Code of Ordinances.

All these factors were considered in preparing the City's budget for fiscal year 2004.

### **Requests for Information**

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

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

# Basic Financial Statements





# Government-wide Financial Statements



**City of Pembroke Pines, Florida**

**Statement of Net Assets**

**September 30, 2003**

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b>Assets</b>			
Pooled cash and cash equivalents	\$18,373,133	\$2,033,966	\$20,407,099
Investments	29,536,052	6,631,223	36,167,275
Receivables, net	6,220,652	2,989,780	9,210,432
Inventories	151,398	-	151,398
Restricted assets:			
Pooled cash and cash equivalents	16,798,836	3,373,896	20,172,732
Investments	-	51,516,283	51,516,283
Prepaid costs	62,421	-	62,421
Unamortized bond issue costs	2,400,130	-	2,400,130
Capital assets, not being depreciated	136,583,094	4,868,589	141,451,683
Capital assets, being depreciated, net	<u>132,361,592</u>	<u>150,072,464</u>	<u>282,434,056</u>
Total assets	<u>342,487,308</u>	<u>221,486,201</u>	<u>563,973,509</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	8,914,396	50,710	8,965,106
Deposits	1,516,665	-	1,516,665
Deferred revenue	3,274,735	-	3,274,735
Internal balances	19,571,650	(19,571,650)	-
Payable from restricted assets:			
Deposits	-	3,062,637	3,062,637
Due to police & fire pension fund	104,875	-	104,875
Noncurrent liabilities:			
Due within one year	13,041,540	536,707	13,578,247
Due in more than one year	<u>149,924,520</u>	<u>449,670</u>	<u>150,374,190</u>
Total liabilities	<u>196,348,381</u>	<u>(15,471,926)</u>	<u>180,876,455</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	112,598,736	154,941,053	267,539,789
Restricted for:			
\$2 Police Education	135,985	-	135,985
ADA/Paratransit Program	32,468	-	32,468
Charter schools	4,420,330	-	4,420,330
Community Bus Program	89,405	-	89,405
Debt Service	7,695,772	-	7,695,772
FDLE - Confiscated	1,700,267	-	1,700,267
Justice - Confiscated	337,715	-	337,715
Older Americans Act	217,518	-	217,518
Road & Bridge Fund	3,565,240	-	3,565,240
Treasury - Confiscated	118,932	-	118,932
Expansion	-	51,827,542	51,827,542
Wetlands Mitigation Trust:			
Nonexpendable	446,115	-	446,115
Expendable	130,859	-	130,859
Unrestricted	<u>14,649,585</u>	<u>30,189,532</u>	<u>44,839,117</u>
Total net assets	<u>\$146,138,927</u>	<u>\$236,958,127</u>	<u>\$383,097,054</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**

**Statement of Activities**

**Fiscal Year Ended September 30, 2003**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Governmental activities:							
General government services	\$19,804,913	\$17,439,253	\$ -	\$ -	\$(2,365,660)	\$ -	\$(2,365,660)
Public safety	59,919,473	15,535,883	261,621	-	(44,121,969)	-	(44,121,969)
Physical environment	3,740,853	2,413	-	-	(3,738,440)	-	(3,738,440)
Transportation	5,486,631	1,223,166	653,575	-	(3,609,890)	-	(3,609,890)
Economic environment	2,754,664	1,321,006	1,572,067	-	138,409	-	138,409
Human services	36,142,870	28,432,894	724,449	2,278,244	(4,707,283)	-	(4,707,283)
Culture/Recreation	15,269,764	4,030,889	10,601	700,000	(10,528,274)	-	(10,528,274)
Interest on long-term debt	7,694,630	6,081,203	-	-	(1,613,427)	-	(1,613,427)
Total governmental activities	<u>150,813,798</u>	<u>74,066,707</u>	<u>3,222,313</u>	<u>2,978,244</u>	<u>(70,546,534)</u>	<u>-</u>	<u>(70,546,534)</u>
Business-type activities:							
Water utility services	3,917,274	16,652,440	114,859	-	-	12,850,025	12,850,025
Sewer/wastewater services	8,974,311	17,722,748	-	-	-	8,748,437	8,748,437
Water-sewer combined service	19,865,795	87,145	-	-	-	(19,778,650)	(19,778,650)
Total business-type activities	<u>32,757,380</u>	<u>34,462,333</u>	<u>114,859</u>	<u>-</u>	<u>-</u>	<u>1,819,812</u>	<u>1,819,812</u>
Total	<u>\$183,571,178</u>	<u>\$108,529,040</u>	<u>\$3,337,172</u>	<u>\$2,978,244</u>	<u>(70,546,534)</u>	<u>1,819,812</u>	<u>(68,726,722)</u>
General revenues:							
Property taxes					28,460,430	-	28,460,430
Franchise fees on gross receipts					10,681,172	-	10,681,172
Utility taxes					9,044,100	-	9,044,100
Communication service tax					7,574,837	-	7,574,837
Other taxes					4,135,964	-	4,135,964
Intergovernmental revenue					11,347,886	-	11,347,886
Miscellaneous revenues					400,358	6	400,364
Investment earnings not restricted					1,856,974	1,526,367	3,383,341
Gain on sale of capital assets					66,534	5,223	71,757
Total general revenues					<u>73,568,255</u>	<u>1,531,596</u>	<u>75,099,851</u>
Change in net assets					3,021,721	3,351,408	6,373,129
Net assets - beginning					<u>143,117,206</u>	<u>233,606,719</u>	<u>376,723,925</u>
Net assets - ending					<u>\$146,138,927</u>	<u>\$236,958,127</u>	<u>\$383,097,054</u>

See notes to basic financial statements.

# Fund Financial Statements



**City of Pembroke Pines, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2003**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 4,420,343	\$ -	\$ -	\$ 12,404,312	\$ 16,824,655
Investments	26,604,374	-	-	-	26,604,374
Receivables:					
Special Assessments	-	-	336,994	-	336,994
Franchise fees and taxes	5,116,881	-	-	445,401	5,562,282
Other	99,547	-	-	201,414	300,961
Inventories	151,398	-	-	-	151,398
Prepaid costs	-	19,000	2,071	41,350	62,421
Due from other funds	176,105	-	-	-	176,105
Due from other governments	48,647	-	103,966	197,892	350,505
Restricted Assets:					
Pooled cash and cash equivalents	-	10,175,468	6,046,394	576,974	16,798,836
Total assets	<u>\$ 36,617,295</u>	<u>\$ 10,194,468</u>	<u>\$ 6,489,425</u>	<u>\$ 13,867,343</u>	<u>\$ 67,168,531</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	5,943,251	2,950	-	92,417	6,038,618
Accrued liabilities	239,666	-	-	438,094	677,760
Retainage payable	-	-	123,495	-	123,495
Due to other funds	104,875	19,010	-	157,095	280,980
Interfund payables	-	-	1,800,000	-	1,800,000
Due to other governments	5,425	-	-	-	5,425
Deposits	1,176,936	-	-	339,729	1,516,665
Deferred revenue	1,896,575	-	330,090	1,378,160	3,604,825
Advances from other funds	-	-	17,771,650	-	17,771,650
Total liabilities	<u>9,366,728</u>	<u>21,960</u>	<u>20,025,235</u>	<u>2,405,495</u>	<u>31,819,418</u>
Fund balances:					
Reserved for:					
Subsequent years' expenditures	-	-	-	189,843	189,843
Wetland mitigation	-	-	-	446,115	446,115
Prepaid costs	-	19,000	2,071	41,350	62,421
Encumbrances	837,277	-	1,606,659	517,207	2,961,143
Debt service	-	10,153,508	-	-	10,153,508
Disaster assistance	125,000	-	-	-	125,000
Unreserved, reported in:					
General fund	26,288,290	-	-	-	26,288,290
Special revenue funds:					
Designated	-	-	-	4,471,110	4,471,110
Undesignated	-	-	-	5,796,223	5,796,223
Capital projects funds	-	-	(15,144,540)	-	(15,144,540)
Total fund balances	<u>27,250,567</u>	<u>10,172,508</u>	<u>(13,535,810)</u>	<u>11,461,848</u>	<u>35,349,113</u>
Total liabilities and fund balances	<u>\$ 36,617,295</u>	<u>\$ 10,194,468</u>	<u>\$ 6,489,425</u>	<u>\$ 13,867,343</u>	

(Continued)

**City of Pembroke Pines, Florida**  
**Balance Sheet**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**September 30, 2003**

Fund Balances - Total governmental funds (pg 23)	\$ 35,349,113
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 (excludes capital assets of internal service fund).	268,943,610
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	2,400,130
Interest payable, included in accrued liabilities, is not due & payable in the current period and, therefore, not reported in the funds.	(2,457,736)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(145,750,000)
Deferred amounts for issuance discounts/premiums & on refunding, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	552,060
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(12,898,250)
Net assets of governmental activities (page 21)	\$ 146,138,927

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, 2003**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 27,768,430	\$ -	\$ 692,000	\$ -	\$ 28,460,430
Franchise fees	8,378,205	707,780	1,595,187	-	10,681,172
Utility taxes	6,542,908	2,501,192	-	-	9,044,100
Communications services tax	7,574,837	-	-	-	7,574,837
Other taxes	1,426,440	-	-	2,709,525	4,135,965
Special assessments	7,595,918	-	418,063	85,768	8,099,749
Licenses and permits	6,879,770	-	-	-	6,879,770
Intergovernmental	11,105,230	-	-	29,011,919	40,117,149
Charges for services	21,560,703	-	-	1,023,411	22,584,114
Fines and forfeitures	897,311	-	-	350,705	1,248,016
Investment Income	1,288,771	131,242	171,359	128,084	1,719,456
Contributions	-	-	165,000	76,082	241,082
Rental revenue	4,288,340	6,081,203	-	367,362	10,736,905
Other	522,881	-	183,614	849,533	1,556,028
Total revenues	<u>105,829,744</u>	<u>9,421,417</u>	<u>3,225,223</u>	<u>34,602,389</u>	<u>153,078,773</u>
<b>Expenditures</b>					
Current:					
General government	19,269,179	-	185,124	1,459	19,455,762
Public safety	58,361,534	-	700,315	611,000	59,672,849
Physical environment	3,918,738	-	-	-	3,918,738
Transportation	-	-	-	3,736,102	3,736,102
Economic environment	1,168,653	-	-	1,572,068	2,740,721
Human services	5,345,363	-	12,932,310	27,344,553	45,622,226
Culture and recreation	14,540,134	-	1,286,237	-	15,826,371
Debt service:					
Principal	-	3,675,000	283,424	-	3,958,424
Interest	-	7,066,243	-	-	7,066,243
Other debt service costs	-	239,789	-	-	239,789
Total expenditures	<u>102,603,601</u>	<u>10,981,032</u>	<u>15,387,410</u>	<u>33,265,182</u>	<u>162,237,225</u>
Excess (deficiency) of revenues over expenditures	<u>3,226,143</u>	<u>(1,559,615)</u>	<u>(12,162,187)</u>	<u>1,337,207</u>	<u>(9,158,452)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	542,117	542,117
Transfers out	(104,743)	-	-	(437,374)	(542,117)
Total other financing sources (uses)	<u>(104,743)</u>	<u>-</u>	<u>-</u>	<u>104,743</u>	<u>-</u>
Net change in fund balances	3,121,400	(1,559,615)	(12,162,187)	1,441,950	(9,158,452)
Fund balances, beginning, as previously reported	16,908,909	11,732,123	(1,373,623)	9,903,759	37,171,168
Prior period adjustment	7,220,258	-	-	116,139	7,336,397
Fund balances, beginning, as restated	<u>24,129,167</u>	<u>11,732,123</u>	<u>(1,373,623)</u>	<u>10,019,898</u>	<u>44,507,565</u>
Fund balances, ending	<u>\$ 27,250,567</u>	<u>\$ 10,172,508</u>	<u>\$(13,535,810)</u>	<u>\$ 11,461,848</u>	<u>\$ 35,349,113</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, 2003**

Amounts reported for governmental activities in the statement of activities  
(Page 22) are different because:

Net change in fund balances - total governmental funds (Page 25) \$ (9,158,452)

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

The details of the difference are as follows:

Capital outlay	17,605,562	
Depreciation expense (excluding depreciation on internal service fund)	(9,049,067)	
Net adjustment		8,556,495

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations)		752,554
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net assets.

The details of the difference are as follows:

Principal payments:		
Public Improvement Revenue Bonds	2,855,000	
Charter School Revenue Bonds	175,000	
Capital Improvement Revenue Bonds	645,000	
	3,675,000	
Bond Issue Costs, Bond Discount/Premium & Bond Refunding	(466,755)	
Net adjustment		3,208,245

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

The details of the difference are as follows:

Compensated absences		(415,277)
Accrued interest		78,156

Change in net assets of governmental activities (Page 22)		\$ 3,021,721
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**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2003**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Assets</b>		
Current:		
Pooled cash and cash equivalents	\$ 2,033,966	\$ 1,548,478
Investments	6,631,223	2,931,678
Accounts receivable:		
Customer accounts, net	2,611,679	-
Special Assessments	310,185	-
Other	42,810	-
Due from other governments	25,106	-
Interfund receivables	1,800,000	-
Total current assets	<u>13,454,969</u>	<u>4,480,156</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	3,373,896	-
Investments	51,516,283	-
Total restricted assets	<u>54,890,179</u>	<u>-</u>
Advances to other funds	<u>17,771,650</u>	<u>-</u>
Capital assets:		
Land	3,006,562	-
Buildings and utility plant	184,617,346	-
Construction-in-progress	1,862,026	-
Machinery and equipment	5,145,357	13,294
Less accumulated depreciation	<u>(39,690,238)</u>	<u>(12,218)</u>
Total capital assets (net of accumulated depreciation)	<u>154,941,053</u>	<u>1,076</u>
Total noncurrent assets	<u>227,602,882</u>	<u>1,076</u>
Total assets	<u>\$ 241,057,851</u>	<u>\$ 4,481,232</u>

(Continued)

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**(Continued)**  
**September 30, 2003**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts Payable	\$ 50,710	\$ 43,125
Claims payable	-	4,426,939
Total current liabilities	<u>50,710</u>	<u>4,470,064</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	<u>3,062,637</u>	<u>-</u>
Noncurrent liabilities:		
Compensated absences	<u>986,377</u>	<u>11,168</u>
Total noncurrent liabilities	<u>986,377</u>	<u>11,168</u>
Total liabilities	<u>4,099,724</u>	<u>4,481,232</u>
Net assets:		
Invested in capital assets, net of related debt	154,941,053	1,076
Restricted for expansion	51,827,542	-
Unrestricted	<u>30,189,532</u>	<u>(1,076)</u>
Total net assets	<u>236,958,127</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 241,057,851</u>	<u>\$ 4,481,232</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, 2003**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Operating revenues:</b>		
Charges for services	\$ 26,444,474	\$ 15,210,088
Special assessments	64,731	-
Other	76,037	1,026,836
Total operating revenues	<u>26,585,242</u>	<u>16,236,924</u>
<b>Operating expenses:</b>		
Operating, administrative and maintenance	28,496,540	16,373,643
Depreciation	4,260,840	800
Total operating expenses	<u>32,757,380</u>	<u>16,374,443</u>
Operating loss	<u>(6,172,138)</u>	<u>(137,519)</u>
<b>Nonoperating revenues:</b>		
Interest income	1,526,367	137,519
Other income	120,082	-
Total nonoperating revenues	<u>1,646,449</u>	<u>137,519</u>
Loss before contributions	(4,525,689)	-
Capital contributions	<u>7,877,097</u>	<u>-</u>
Change in net assets	3,351,408	-
Net assets, beginning	<u>233,606,719</u>	<u>-</u>
Net assets, ending	<u>\$ 236,958,127</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, 2003**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from operating activities</b>		
Cash received from customers:		
For services	\$ 26,034,438	\$ 15,210,088
For deposits	134,628	-
Cash payments to suppliers for goods and services	(10,718,976)	(14,576,640)
Cash payments to employees for services	(6,192,077)	(106,230)
Quasi-external operating payments	(11,757,851)	(15,597)
Other operating revenues	<u>261,501</u>	<u>1,026,836</u>
Net cash provided (used) by operating activities	<u>(2,238,337)</u>	<u>1,538,457</u>
<b>Cash flows from noncapital financing activities</b>		
Decrease in due from other funds	488,695	-
Interest earned from other funds	283,424	-
Operating grants received	<u>89,753</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>861,872</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(1,501,479)	-
Proceeds from sale of equipment	5,223	-
Capital contributions provided by developers	3,988,014	-
Increase in advances to other funds	<u>(153,094)</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>2,338,664</u>	<u>-</u>

(Continued)

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	\$ (21,913,519)	\$ -
Proceeds from sale and maturities of investment securities	3,834,380	-
Interest on cash and cash equivalents	<u>489,910</u>	<u>7,998</u>
Net cash provided (used) by investing activities	<u>(17,589,229)</u>	<u>7,998</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(16,627,030)	1,546,455
Pooled cash and cash equivalents at beginning of year	<u>22,034,892</u>	<u>2,023</u>
Pooled cash and cash equivalents at end of year	<u>\$ 5,407,862</u>	<u>\$ 1,548,478</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities</b>		
Operating loss	\$ (6,172,138)	\$ (137,519)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	4,260,840	800
Change in assets and liabilities:		
Receivables:		
Decrease (increase) in customer accounts, net	(318,778)	-
Decrease (increase) in other, net	120,734	-
Increase (decrease) in accounts payable	(162,616)	1,673,804
Increase in deferred revenue	(91,259)	-
Increase (decrease) in other liabilities	(9,748)	1,372
Increase in customer deposits	<u>134,628</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (2,238,337)</u>	<u>\$ 1,538,457</u>
<b>Noncash investing, capital, and financing activities</b>		
Property contributed by developers	\$ 3,889,083	\$ -
Increase in fair value of investments	753,033	129,521

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2003**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>Assets</b>		
Pooled cash and cash equivalents	\$ -	\$ 3,057,524
Investments	154,999,334	-
Due from other funds	104,875	-
Receivables:		
Accrued interest and dividends	405,138	-
Other	<u>773,567</u>	<u>919,658</u>
Total assets	<u>156,282,914</u>	<u>3,977,182</u>
 <b>Liabilities</b>		
DROP participants payable	11,687,304	-
Accounts payable	181,576	919,658
Accrued liabilities	<u>-</u>	<u>3,057,524</u>
Total liabilities	<u>11,868,880</u>	<u>3,977,182</u>
 <b>Net Assets</b>		
Held in trust for pension benefits and other purposes	<u>\$ 144,414,034</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, 2003**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Plan members	\$ 4,755,887
Employee buyback	1,089,539
Employer	7,745,470
State/County	<u>1,426,440</u>
Total contributions	<u>15,017,336</u>
Investment earnings:	
Investment earnings	19,348,128
Less investment expenses	<u>416,619</u>
Net investment earnings	<u>18,931,509</u>
Total additions	<u>33,948,845</u>
<b>Deductions</b>	
Pension benefits	13,878,824
Refunds of contributions	15,146
Administrative expenses	<u>394,118</u>
Total deductions	14,288,088
Change in net assets	19,660,757
Net assets- beginning	<u>124,753,277</u>
Net assets- ending	<u><u>\$ 144,414,034</u></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, 2003

### 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 through Charter Schools, in addition to those facilities provided by the School Board of Broward County.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City follows the accounting and financial reporting requirements of GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments". The more significant of the City's accounting policies are described below.

#### a. Financial Reporting Entity

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

1. 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.

#### b. Government-wide and Fund Financial Statements

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

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

The *capital projects fund* is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition and construction of capital assets from bond proceeds.

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *pension trust funds* account for the activities of the General Employees Pension Plan (GEPP) and the City's Pension Fund for the Firefighters and Police Officers (CPFFPO), which accumulate resources for pension benefits.

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utility 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, 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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 1. Deposits and Investments (Continued)

equivalents” include all demand and savings accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

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

##### 2. Interfund Receivables and Payables

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

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

##### 3. Receivables

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

##### 4. Capital Assets

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 4. Capital Assets (Continued)

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 assets lives are not capitalized.

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

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

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

##### 5. Inventories and Prepaid Items

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

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

##### 6. Restricted Assets

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 7. Compensated Absences

The City's policy regarding vacation time is to encourage employees to use it within one year of having earned the leave. With regard to sick leave, employees are paid each September for the hours that they have accumulated in excess of 480 for General Employees. Police Officers are compensated for the excess of 480 hours in September of each fiscal year, or have the option to continue accumulating up to 720 hours. Firefighters working shifts are paid for accumulated hours in excess of 576. Upon separation from service, employees receive full payment for unused vacation and sick leave.

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

##### 8. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### 9. Property Taxes

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 10. Fund Equity

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

##### 11. 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.

### 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:



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### b. Revenue Restrictions (Continued)

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

For the year ended September 30, 2003, the City complied, in all material respects, with these revenue restrictions.

#### c. Deficit Fund Equity

As of September 30, 2003 the capital projects fund had a deficit fund balance of \$13,535,810 as compared to \$1,373,623 from the previous year. The increase of \$12,162,187 is primarily a result of expenditures relating to construction projects that were financed through bonds issued in fiscal year 2002.

The 2003 deficit fund balance is attributable to expenditures for ongoing municipal park construction projects. In 2000, the utility fund made advances to the municipal construction fund in the amount of \$20,906,029, to provide funding for these park projects. The utility fund's total advances to the municipal construction fund of \$19,571,650 at September 30, 2003 are expected to be repaid in future years based upon privilege fee revenues charged to the utility fund in the amount of 12% of sewer services. The City anticipates that the utility fund will be fully paid by 2015.

#### d. Prior Period Adjustment

##### *Compensated Absences of Governmental Funds as a Long-Term Liability*

In past years, the City recorded a current liability for compensated absences based on an estimated amount expected to be paid in the following year. However, GASB Interpretation No. 6 states that the accumulation of financial resources in a governmental fund for the eventual payment of unmatured liabilities does not constitute an outflow of current financial resources. Therefore, the reclassification of the previously reported expense of \$7,336,397 for compensated absences in the governmental funds has been recorded as a prior period adjustment, restating the beginning fund balance of the General Fund and the Other Governmental Funds.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

#### a. Deposits and Investments

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

##### *Deposits*

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

##### *Investments*

In accordance with City Ordinance 1446, 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.

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

The Florida Municipal Investment Trust (the Fund) was created under the laws of the State of Florida to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Local Government Surplus Funds Trust Fund and the Florida Municipal Investment Trust are not registrants with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### a. Deposits and Investments (Continued)

##### *Investments (Continued)*

During the year, the City purchased an investment in real estate in the amount of \$21,913,519 as authorized by the City's investment policy. The City plans to oversee the development of the 115 acres located behind the existing City Hall, at the southwest corner of Pines Boulevard and Palm Avenue, as a city center, complete with a hotel, conference center, small shops, offices and condominiums, and a two-acre central plaza with a fountain. A Land Trust, and not the City of Pembroke Pines, holds title for this property.

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

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

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

<u>Types of Investment</u>	<u>Category 1</u>	<u>Carrying Value</u>
U.S. government securities and agencies	\$24,239,780	\$24,239,780
Money market funds and commercial paper	6,669,699	6,669,699
Corporate bonds	40,327,057	40,327,057
Foreign bonds	494,900	494,900
Common stocks	48,892,935	48,892,935
Mortgage-backed securities	<u>1,946,984</u>	1,946,984
	<u>\$122,571,355</u>	
Investments not subject to risk categorization:		
Investment pools		67,178,050
Mutual funds		71,145,081
Investment in real estate land trust		<u>21,913,519</u>
Total investments		<u>\$282,808,005</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### a. Deposits and Investments (Continued)

##### *Investments (Continued)*

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

By Category:

Deposits	\$3,878,145
Investments	<u>282,808,005</u>
	<u>\$286,686,150</u>
Statement of Net Assets:	
Pooled cash and cash equivalents	\$20,407,099
Investments	36,167,275
Restricted Assets:	
Pooled cash and cash equivalents	20,172,732
Investments	51,516,283
Statement of Fiduciary Net Assets:	
Pooled cash and cash equivalents, Agency Funds	3,057,524
Investments, Fiduciary Funds	<u>155,365,237</u>
	<u>\$286,686,150</u>

##### *Risks and Uncertainties*

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2003 are as follows:

<u>Receivables</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Customer accounts	\$ -	\$2,688,872	\$2,688,872
Special assessments	6,904	310,185	317,089
Franchise fees and taxes	5,562,282	-	5,562,282
Other	296,841	42,810	339,651
Due from other governments	<u>354,625</u>	<u>25,106</u>	<u>379,731</u>
Gross receivables	6,220,652	3,066,973	9,287,625
Less: allowance for uncollectible accounts	<u>-</u>	<u>(77,193)</u>	<u>(77,193)</u>
Net total receivables	<u>\$6,220,652</u>	<u>\$2,989,780</u>	<u>\$9,210,432</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

**c. Restricted Assets**

The City is required to segregate and restrict certain amounts in connection with the ordinances governing the issuance of Revenue Bonds. Amounts segregated and restricted related to these ordinances and related reserves at September 30, 2003 are as follows:

	Public Improvement Revenue Bonds Series 1993	Capital Improvement Revenue Bonds Series 1993	Capital Improvement Revenue Bonds Series 1995	Public Improvement Revenue Bonds Series 1998	Capital Improvement Revenue Bonds Series 1999	Public Improvement Revenue Bonds Series 2001	Charter School Revenue Bonds Series 2001A	Charter School Revenue Bonds Series 2001B	Totals
Investments held for:									
Sinking fund for payment of principal and interest	\$ 484	\$ 264,840	\$ -	\$ 1,337,087	\$ 1,540,589	\$ 1,106,750	\$ 533,645	\$ 366,054	\$ 5,149,449
Reserve fund for payment of principal and interest	-	528,553	735,900	-	155,975	-	2,135,000	1,470,591	5,026,019
Total restricted assets related to debt	<u>\$ 484</u>	<u>\$ 793,393</u>	<u>\$ 735,900</u>	<u>\$ 1,337,087</u>	<u>\$ 1,696,564</u>	<u>\$ 1,106,750</u>	<u>\$ 2,668,645</u>	<u>\$ 1,836,645</u>	<u>10,175,468</u>
Total restricted assets - capital projects - construction funds									6,046,394
Utility-supported Equivalent Residential Connections (ERC's)									871,720
Customer deposits									2,454,014
Water and sewer connections									51,564,445
Total restricted assets - enterprise funds									<u>54,890,179</u>
Total restricted assets - other governmental funds -Wetland Mitigation Trust									576,974
Total restricted assets									\$ 71,689,015

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### d. Capital Assets

A summary of changes in capital assets for the year ended September 30, 2003 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 48,334,580	\$ -	\$ (45,000)	\$ 48,289,580
Construction in progress	<u>90,588,174</u>	<u>12,698,216</u>	<u>(14,992,876)</u>	<u>88,293,514</u>
Total capital assets, not being depreciated	<u>138,922,754</u>	<u>12,698,216</u>	<u>(15,037,876)</u>	<u>136,583,094</u>
Capital assets, being depreciated:				
Buildings	81,249,226	12,049,171	(105,870)	93,192,527
Improvements, other than buildings	40,724,043	1,435,511	-	42,159,554
Machinery and equipment	39,443,479	7,992,714	(1,997,011)	45,439,182
Infrastructure	<u>31,336,568</u>	<u>410,741</u>	<u>-</u>	<u>31,747,309</u>
Total capital assets, being depreciated	<u>192,753,316</u>	<u>21,888,137</u>	<u>(2,102,881)</u>	<u>212,538,572</u>
Less accumulated depreciation for:				
Buildings	(13,123,331)	(1,650,545)	9,003	(14,764,873)
Improvements, other than buildings	(8,741,605)	(2,102,180)	-	(10,843,785)
Machinery and equipment	(25,592,327)	(4,501,262)	903,515	(29,190,074)
Infrastructure	<u>(24,582,368)</u>	<u>(795,880)</u>	<u>-</u>	<u>(25,378,248)</u>
Total accumulated depreciation	<u>(72,039,631)</u>	<u>(9,049,867)</u>	<u>912,518</u>	<u>(80,176,980)</u>
 Total capital assets, being depreciated, net	 120,713,685	 12,838,270	 (1,190,363)	 132,361,592
 Governmental activities capital assets, net	 <u>\$ 259,636,439</u>	 <u>\$ 25,536,486</u>	 <u>\$ (16,228,239)</u>	 <u>\$ 268,944,686</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### d. Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Business-type activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction in progress	35,131,281	1,364,986	(34,634,240)	1,862,027
Total capital assets, not being depreciated	<u>38,137,843</u>	<u>1,364,986</u>	<u>(34,634,240)</u>	<u>4,868,589</u>
Capital assets, being depreciated:				
Buildings	6,851,879	12,529,275	-	19,381,154
Improvements, other than buildings	139,888,812	25,347,379	-	165,236,191
Machinery and equipment	4,534,531	783,162	(172,336)	5,145,357
Total capital assets, being depreciated	<u>151,275,222</u>	<u>38,659,816</u>	<u>(172,336)</u>	<u>189,762,702</u>
Less accumulated depreciation for:				
Buildings	(2,163,746)	(166,982)	-	(2,330,728)
Improvements, other than buildings	(29,734,722)	(3,755,214)	-	(33,489,936)
Machinery and equipment	(3,703,266)	(338,644)	172,336	(3,869,574)
Total accumulated depreciation	<u>(35,601,734)</u>	<u>(4,260,840)</u>	<u>172,336</u>	<u>(39,690,238)</u>
Total capital assets, being depreciated, net	115,673,488	34,398,976	-	150,072,464
Business-type activities capital assets, net	<u>\$ 153,811,331</u>	<u>\$ 35,763,962</u>	<u>\$ (34,634,240)</u>	<u>\$ 154,941,053</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 630,158
Public safety	2,319,133
Physical environment	89,765
Transportation	1,851,421
Economic environment	5,580
Human services	2,592,451
Culture/recreation	1,561,359
Total depreciation expense - governmental activities	<u>\$ 9,049,867</u>
Business-type activities:	
Water-sewer combined service	\$ 4,260,840
Total depreciation expense - business-type activities	<u>\$ 4,260,840</u>



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### e. Interfund Receivables, Payables and Transfers

The composition of interfund balances and transfers as of September 30, 2003 is follows:

##### Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Community Development Block Grant	\$ 107,374	Provide temporary resources
General	Law Enforcement Grant	49,721	Provide temporary resources
General	Debt Service	19,010	Provide temporary resources
Pension-Fire & Police	General Fund	104,875	Fund pension plan
Total		<u>\$ 280,980</u>	

##### Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility	Capital Projects	<u>\$ 1,800,000</u>	Capital projects expenditures
Total		<u>\$ 1,800,000</u>	

##### Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	Capital Projects	<u>\$17,771,650</u>	Capital projects expenditures
Total		<u>\$17,771,650</u>	

\*This amount is not expected to be paid within one year from September 30, 2003.

##### Interfund Transfers:

	Transfer in:			Total	Purpose
	Law Enforcement Grant	Charter Middle School	Charter High School		
Transfer out:					
General fund	\$ 104,743	\$ -	\$ -	\$ 104,743	Required contribution for grant match
Charter Elementary School		315,283	122,091	437,374	Supplement other funds
Total	<u>\$ 104,743</u>	<u>\$ 315,283</u>	<u>\$ 122,091</u>	<u>\$ 542,117</u>	

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### f. Operating Leases

The City leases to a private business, 800 square feet located on the site of the previous City Hall, and 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce at the City Hall Building. In the Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist, 270 square feet to a provider of physical, occupational and speech therapies, and 525 square feet to Nova Southeastern University which provides medical services to the Center's residents. The restaurant at the City's Golf & Racquet Club is also leased out to an operator. The City's assets, which are leased as of September 30, 2003, consist of \$72,700 in land and \$212,077 in buildings for a total of \$284,777. The accumulated depreciation and the net book value of the buildings as of September 30, 2003 are \$78,013 and \$206,764, respectively.

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 4.c. "Commitments"). As of September 30, 2003 the City had sub-leased portions of the site, now known as the "Howard C. Forman Human Services Campus", to Citrus Health Network, the Department of Juvenile Justice, Jose Maria Vargas University, and several other lessees at various rentals and terms.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between \$3,278 and \$44,362 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location regarding the construction or use of telecommunication towers.

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.

On March 13, 2002 the City signed an agreement with the 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 172<sup>nd</sup> Avenue, and includes the City's Charter High School, a regional library and the Southwest Broward County Campus for Broward Community College (BCC). 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 50% of the increase or decrease in the Consumer Price Index (CPI) for Miami, Florida. The lease is for 10 years with one ten-year

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### f. Operating Leases (Continued)

renewal period. An additional option may be negotiated if requested in writing to the City. The rental income is recorded in the City's Charter High School and included in the table below for the twelve months ending June 30, which corresponds to the Charter School's year-end.

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, 2003 are:

Fiscal year ending September 30:

2004	\$1,906,424
2005	1,740,612
2006	1,629,635
2007	1,362,573
2008	1,322,291
Thereafter	<u>4,261,823</u>
Total minimum future rentals	<u>\$12,223,358</u>

#### g. Long-Term Debt

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

**Capital Improvement Revenue Bonds, Series 1993** - On November 17, 1993, the City issued \$7,780,000 for the purpose of funding the acquisition, construction and equipping the Southwest Focal Point Senior Center. These bonds have an outstanding balance of \$6,555,000 and are due in varying installments through December 1, 2023 and bear interest at rates from 3.10% to 5.375%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon (i) net revenues of the Senior Center and (ii) the City's electric franchise fee revenues which have previously been pledged by the City to secure the Series 1992 Bonds. Those bonds maturing on or prior to December 1, 2003 are not subject to redemption prior to maturity. The bonds maturing on or after December 1, 2004 are subject to redemption at the option of the City, on or after December 1, 2003, in such order of maturity as the City selects, plus accrued interest to the redemption date:

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Revenue Bonds (Continued)*

##### **Capital Improvement Revenue Bonds, Series 1993 (Continued)**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2004	\$ 180,000	\$ 340,357	\$ 520,357
2005	190,000	331,683	521,683
2006	200,000	322,295	522,295
2007	210,000	312,170	522,170
2008	220,000	301,420	521,420
2009-2013	1,270,000	1,322,287	2,592,287
2014-2018	1,645,000	939,769	2,584,769
2019-2023	2,140,000	434,031	2,574,031
2024	<u>500,000</u>	<u>13,438</u>	<u>513,438</u>
	<u>\$6,555,000</u>	<u>\$4,317,450</u>	<u>\$10,872,450</u>

**Public Improvement Revenue Bonds, Series 1998** - On September 23, 1998, the City issued \$24,055,000 for the purpose of acquiring land for a Charter High School, construction and equipping of a Charter Middle School, site development for the Academic Village, a communication system for the Fire Department and improvements to the City's fire stations and police annex. The Academic Village is the site for the Charter High School, Florida International University (FIU), a county regional library, and a branch of Broward Community College. These bonds have an outstanding balance of \$24,055,000 and are due in varying installments through October 1, 2022, and bear interest at rates which range from 3.90% to 5.0%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the Charter Middle School and the Charter High School. Those bonds maturing on or prior to October 1, 2008 are not subject to redemption prior to maturity. The bonds maturing on or after October 1, 2009 are subject to redemption at the option of the City, on or after October 1, 2008, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2004	\$ 770,000	\$ 1,119,160	\$ 1,889,160
2005	805,000	1,088,045	1,893,045
2006	835,000	1,055,245	1,890,245
2007	870,000	1,020,710	1,890,710
2008	900,000	983,750	1,883,750
2009-2013	5,140,000	4,278,332	9,418,332
2014-2018	6,480,000	2,904,075	9,384,075
2019-2023	<u>8,255,000</u>	<u>1,071,875</u>	<u>9,326,875</u>
	<u>\$24,055,000</u>	<u>\$13,521,192</u>	<u>\$37,576,192</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Revenue Bonds (Continued)*

**Capital Improvement Revenue Bonds, Series 1999** – On April 27, 1999, the City issued \$45,240,000 for the purpose of providing funds to finance the construction and equipping of the Charter High School and certain other City projects. In addition, the City used \$10,985,000 of these bonds to refund the City’s outstanding Capital Improvement Revenue Bonds, Series 1995. These bonds have an outstanding balance of \$43,745,000 and are due in varying installments through December 1, 2026 and bear interest at rates from 3.10% to 5.25%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise fee revenues, and rentals from the City’s Charter Schools, Early Development Centers, and senior housing facility. These bonds were issued on parity with both of the Capital Improvement Revenue Bonds, Series 1992 and Series 1993. Those bonds maturing on or prior to December 1, 2008 are not subject to redemption prior to maturity. The bonds maturing on or after December 1, 2009 are subject to redemption at the option of the City, 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:			
2004	\$ 1,005,000	\$ 2,090,926	\$ 3,095,926
2005	1,045,000	2,053,253	3,098,253
2006	1,080,000	2,013,400	3,093,400
2007	1,125,000	1,970,942	3,095,942
2008	1,170,000	1,925,605	3,095,605
2009-2013	6,665,000	8,827,026	15,492,026
2014-2018	8,390,000	7,110,160	15,500,160
2019-2023	10,780,000	4,740,650	15,520,650
2024-2027	<u>12,485,000</u>	<u>1,392,956</u>	<u>13,877,956</u>
	<u>\$43,745,000</u>	<u>\$32,124,918</u>	<u>\$75,869,918</u>

**Public Improvement Revenue Bonds, Series 2001** – On October 12, 2001, the City issued \$19,600,000 for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000 plus \$364,624 accrued interest. These bonds have an outstanding balance of \$19,600,000 and are due in varying installments through October 1, 2022 and bear interest at rates from 3.5% to 5.5%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues and rentals from the FSU Charter Elementary School. These bonds were issued on parity with both of the Public Improvement Revenue Bonds, Series 1993 and 1998. Those bonds maturing prior to October 1, 2012 are not subject to redemption prior to maturity. The bonds maturing on or after October 1, 2012 are subject to redemption at the option of the City, on or after October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Revenue Bonds (Continued)*

##### **Public Improvement Revenue Bonds, Series 2001 (Continued)**

Fiscal year ending September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 655,000	\$ 892,038	\$ 1,547,038
2005	670,000	868,850	1,538,850
2006	695,000	844,962	1,539,962
2007	720,000	820,200	1,540,200
2008	750,000	794,475	1,544,475
2009-2013	4,185,000	3,499,240	7,684,240
2014-2018	5,200,000	2,424,135	7,624,135
2019-2023	6,725,000	877,150	7,602,150
	<u>\$19,600,000</u>	<u>\$11,021,050</u>	<u>\$30,621,050</u>

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

Fiscal year ending September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 600,000	\$ 1,534,579	\$ 2,134,579
2005	615,000	1,518,379	2,133,379
2006	635,000	1,499,314	2,134,314
2007	655,000	1,477,724	2,132,724
2008	680,000	1,454,143	2,134,143
2009-2013	3,830,000	6,833,069	10,663,069
2014-2018	4,865,000	5,793,843	10,658,843
2019-2023	6,250,000	4,413,000	10,663,000
2024-2028	7,975,000	2,686,250	10,661,250
2029-2031	5,805,000	590,000	6,395,000
	<u>\$31,910,000</u>	<u>\$27,800,301</u>	<u>\$59,710,301</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Revenue Bonds (Continued)*

**Charter School Revenue Bonds, Series 2001B** – On April 4, 2002, the City issued \$20,060,000 for the purpose of purchasing 30 new school buses, and for providing funds for the construction of an 88,000 square foot shared educational facility with a capacity of 400 high school students to be located on the City’s existing Academic Village Charter High School campus. These bonds have an outstanding balance of \$19,885,000 and are due in varying installments through July 1, 2031 and bear interest at rates from 3% to 5.25%, with interest paid semi-annually on January 1st and July 1st. The principal and interest on these bonds are payable from a pledge of and lien upon rental payments to be received from the Charter Schools. The City entered into an Interlocal Agreement with Florida International University (FIU) on March 13, 2002 allowing FIU specified usage of the shared educational facility for 10 years, for increasing annual rentals starting at \$400,000 per year, payable to the Charter High School in quarterly advance payments beginning January 1, 2003. Such rental payments are also pledged to pay the debt service on this bond issue. The Series 2001B Bonds were issued on a parity with Charter School Revenue Bonds, Series 2001A. Those bonds maturing on and prior to July 1, 2012 are not subject to redemption prior to maturity.

#### **Charter School Revenue Bonds, Series 2001B**

The bonds maturing on and after July 1, 2013 are subject to redemption at the option of the City, on or after July 1, 2012, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2004	515,000	949,217	1,464,217
2005	530,000	933,768	1,463,768
2006	555,000	916,277	1,471,277
2007	570,000	896,298	1,466,298
2008	595,000	874,067	1,469,067
2009-2013	3,105,000	3,968,160	7,073,160
2014-2018	2,755,000	3,303,487	6,058,487
2019-2023	3,505,000	2,546,563	6,051,563
2024-2028	4,470,000	1,576,225	6,046,225
2029-2031	3,285,000	350,700	3,635,700
	<u>\$19,885,000</u>	<u>\$16,314,762</u>	<u>\$36,199,762</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Revenue Bonds (Continued)*

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

*Water and Sewer Revenue Bonds, Series 1972* - The outstanding balance is \$255,000. These bonds were defeased by the Water and Sewer Refunding Revenue Bonds, Series 1983 and subsequently these bonds were refunded by the Consolidated Utility Systems Revenue Bonds, Series 1992. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. The Water and Sewer Refunding Bonds, Series 1983 were called on September 1, 1993.

*Consolidated Utility Systems Revenue Bonds, Series 1992* - The outstanding balance is \$21,380,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

*Capital Improvement Revenue Bonds, Series 1995* – The outstanding balance is \$9,640,000. These bonds were defeased on April 27, 1999. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. This advance refunding resulted in an economic gain of approximately \$400,000.



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

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

#### g. Long-Term Debt (Continued)

##### *Changes in Long-Term Liabilities*

Long-term liability activity for the year ended September 30, 2003 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds and loans payable:					
Revenue bonds:					
Public Improvement Refunding Revenue Bonds, Series 1992	\$ 490,000	\$ -	\$ (490,000)	\$ -	\$ -
Public Improvement Revenue Bonds, Series 1993	2,365,000	-	(2,365,000)	-	-
Capital improvement Revenue Bonds, Series 1993	6,730,000	-	(175,000)	6,555,000	180,000
Public Improvement Revenue Bonds, Series 1998	24,055,000	-	-	24,055,000	770,000
Capital improvement Revenue Bonds, Series 1999	44,215,000	-	(470,000)	43,745,000	1,005,000
Public Improvement Revenue Bonds, Series 2001	19,600,000	-	-	19,600,000	655,000
Charter School Revenue Bonds, Series 2001A	31,910,000	-	-	31,910,000	600,000
Charter School Revenue Bonds, Series 2001B	<u>20,060,000</u>	<u>-</u>	<u>(175,000)</u>	<u>19,885,000</u>	<u>515,000</u>
Total revenue bonds	149,425,000	-	(3,675,000)	145,750,000	3,725,000
Less deferred amounts:					
For issuance discounts/premiums	(448,795)	-	23,818	(424,977)	(23,442)
On refunding	<u>(254,165)</u>	<u>-</u>	<u>127,082</u>	<u>(127,083)</u>	<u>(127,083)</u>
Total bonds payable	148,722,040	-	(3,524,100)	145,197,940	3,574,475
Estimated self-insurance claims	2,438,777	17,884,210	(15,896,048)	4,426,939	1,429,282
Compensated absences	<u>12,568,774</u>	<u>8,416,302</u>	<u>(7,643,894)</u>	<u>13,341,182</u>	<u>8,037,783</u>
Governmental activity Long-term liabilities	<u>\$ 163,729,591</u>	<u>\$ 26,300,512</u>	<u>\$ (27,064,042)</u>	<u>\$ 162,966,061</u>	<u>\$ 13,041,540</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Compensated absences	<u>\$ 996,125</u>	<u>\$ 526,778</u>	<u>\$ (536,526)</u>	<u>\$ 986,377</u>	<u>\$ 536,707</u>
Business-type activity Long-term liabilities	<u>\$ 996,125</u>	<u>\$ 526,778</u>	<u>\$ (536,526)</u>	<u>\$ 986,377</u>	<u>\$ 536,707</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### 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 \$350,000 for each workers' compensation claim, \$150,000 per occurrence for each general liability claim, and \$25,000 for each occurrence of damage to City-owned property. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$4,426,938 reported in the fund at September 30, 2003 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30, which requires that claims liabilities, including IBNR (incurred but not reported claims), be based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

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

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>
2001-2002	\$2,731,279	\$14,338,923	\$(14,631,425)	\$2,438,777
2002-2003	2,438,777	17,884,210	(15,896,048)	4,426,939

#### b. Contingent Liabilities

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

Amounts received or receivable from 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.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### b. Contingent Liabilities (Continued)

The City is involved in various lawsuits incidental to its operation. 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, (Hollywood). The agreement provides for the connection of the City's eastern sewage collection system to the City of Hollywood's treatment and disposal facility. The City is being charged based on average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expense. The charges to operations of the utility fund under this agreement were \$4,024,412 during the year ended September 30, 2003. On December 3, 2003 the Hollywood City Commission agreed to settle for approximately \$4,000,000, a lawsuit outstanding since 2001, in which the City alleged that Hollywood was overcharging the City for sewage treatment. (See Note 5. "Subsequent Events").

In 1986, the City entered into a lease with the Broward County School Board and Walter C. Young Resource Center for fifty (50) years at \$1.00 per year. The City holds title to the Resource Center. The City also entered into an Interlocal Agreement in 1989 with the Broward County School Board to operate the Walter C. Young Resource Center. The City is responsible for a prorated share of the operating costs based on its usage as defined in the agreement. The Center includes a Middle School for 6th, 7th and 8th graders, with a current enrollment of 1,842 students.

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 comprised of approximately 450 acres located in the Chapel Trail Preserve. This agreement, which was extended on October 2, 2002 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. As of September 30, 2003 all available acres have been sold. FW paid a \$1,000 maintenance fee per acre contracted to the Wetland Mitigation Trust Fund until the time that the acreage was sold. In addition, FW paid a \$7,000 license fee per acre for the first 75 acres, then \$8,500 per acre to the municipal construction fund until the time that the acreage was sold. FW will maintain each project for 5 years, at which time the City will assume responsibility and maintenance of the site, along with a Trust Fund to maintain the preserve in perpetuity.

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### c. Commitments (Continued)

management of the site. The City has renamed the site “Howard C. Forman Human Services Campus”, and is currently subleasing the site’s facilities to various lessees. (See Note 3.f. “Operating Leases”). The City is planning another issuance of tax-exempt revenue bonds to pay for construction of two senior housing towers with a total of 394 apartment units, and a Susan B. Anthony Center for women with children containing approximately 40 housing units and a daycare facility at the site. (See Note 5 “Subsequent Events”).

The City has the following construction commitments as of September 30, 2003:

<u>Vendor</u>	<u>Description</u>	<u>Original Amount</u>	<u>Balance September 30, 2003</u>
The Haskell Company	Fire Training Facility	\$1,395,772	\$1,395,772
The Haskell Company	City of Pembroke Pines / Florida State University Charter Elementary School	7,828,959	1,777,700

#### d. Postretirement Health and Life Insurance Benefits

Ordinances 990, 1015, and 1024, adopted on April 15, 1992, November 4, 1992, and February 17, 1993, respectively, provide coverage of health and life insurance to employees and their spouses, if hired before October 1, 1991, who have reached normal retirement age and completed service as prescribed by the City Pension Plan which covers the employee. Coverage for employees hired after October 1, 1991 was limited to employee (single) coverage only. Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage. The allocated premium related to the retiree’s health care and life insurance benefits is recognized as an expenditure by the City. For the fiscal year ended September 30, 2003, those costs totaled \$789,075. As of September 30, 2003, there were 152 eligible retirees or spouses receiving this benefit.

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

#### e. Municipal Employees Retirement Plans

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### *Summary of Significant Accounting Policies*

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

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

##### *Plan Membership Information*

At October 1, 2002, 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	274	84
Current employees:		
Vested	249	205
Non-vested	<u>245</u>	<u>219</u>
Total	<u>768</u>	<u>508</u>

##### General Employees Pension Plan

###### Plan Description

The General Employees Pension Plan of the City of Pembroke Pines was established by Referendum in 1973 (collectively known as the “Referendum”) as restated October 1, 1989, as amended by Ordinance 992 dated April 15, 1992, Ordinance 1058 dated December 15, 1993, Ordinance 1297 dated March 17, 1999, and Ordinance 1413 dated June 19, 2002. The Plan, which is a single-employer plan, was established to provide retirement benefits to general and utility employees of the City of Pembroke Pines. A more detailed description of the Plan and its provisions appears in the Referendum constituting the Plan and in the summary plan description. The Plan does not issue a stand-alone financial report, but is included in the reporting entity of the City as a pension trust fund.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### *General Employees Pension Plan (Continued)*

###### **Eligibility**

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

###### **Service Retirement Benefits**

Upon normal retirement, a participant will receive a monthly pension amount equal to 2.75% of average yearly earnings for the highest two years of continuous service multiplied by years of service (not to exceed 29.09 years).

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

###### **Disability Benefits**

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

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

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

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

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.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### *General Employees Pension Plan (Continued)*

##### **Funding Policy** (Continued)

Participants are required to contribute 8.5% of regular wages, while the City's contribution of \$4,273,282 or 23.38% of annual covered payroll, is based on the actuarial report using the entry age normal frozen initial liability method with the unfunded liabilities being amortized over 20 years. Chapter 112, Part VII, Florida Statutes requires amortization of unfunded liabilities over a period no longer than 30 years.

Additionally, employees of the City who did not to participate in the General Employees Pension Plan, but who were members of the City's Defined Contribution Plan were allowed to 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, 2003, the total employee buybacks were \$975,205.

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

##### **Investments**

As of September 30, 2003, 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 1383. Investments in equities are limited to 50% 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 investments accounts offered by the Principal Life Insurance Company. As of September 30, 2003, the investments held by the Plan were not required to be categorized per Statement No. 3 of the Governmental Accounting Standards Board. See Note 3 (Part a.) for risk categorization of investments. The Plan's net investments earnings for the year ended September 30, 2003 were \$5,810,480.

##### **Annual Pension Cost and Net Pension Obligation**

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

Annual required contribution	\$ 4,273,282
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	4,273,282
Contributions made	<u>(4,273,282)</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### *General Employees Pension Plan (Continued)*

##### Annual Pension Cost and Net Pension Obligation (Continued)

The annual required contribution for the current year was determined as part of the October 1, 2002 actuarial valuation using the entry age normal-frozen initial liability actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return, net of administrative expenses and projected salary increases of 8.52%, and includes an inflation component of 3%.

##### Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/01	\$3,361,081	100%	\$ -
9/30/02	3,604,737	100	-
9/30/03	4,273,282	100	-

##### DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the general employees pension plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation is five (5) years. For the fiscal year ended September 30, 2003, \$509,655 was contributed to the DROP.

##### City Pension Fund for Firefighters and Police Officers

##### Plan Description

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



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### City Pension Fund for Firefighters and Police Officers (Continued)

###### Plan Description (Continued)

<b>Ordinance Number</b>	<b>Dated</b>	<b>Ordinance Number</b>	<b>Dated</b>
557	February 19, 1981	1249	January 7, 1998
829	March 4, 1987	1318	November 17, 1999
967	September 19, 1991	1321	December 15, 1999
1014	November 4, 1992	1325	January 19, 2000
1067	February 16, 1994	1353	September 20, 2000
1091	September 8, 1994	1360	November 15, 2000
1131	September 6, 1995	1443	June 18, 2003
1198	December 18, 1996		

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.

###### 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.

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### City Pension Fund for Firefighters and Police Officers (Continued)

###### Service Retirement Benefits

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

Upon normal retirement or participation in the DROP, a firefighter member will receive a monthly pension amount equal to 4% of average monthly earnings for the highest years of continuous services multiplied by the number of years of continuous service, subject in any event to a maximum of 80% of average monthly earnings for the highest two years of continuous service, if elected upon 20 years of continuous service.

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

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

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

###### Death Benefits

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### City Pension Fund for Firefighters and Police Officers (Continued)

###### 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.

Upon termination prior to the completion of 10 years of continuous service, a member shall be entitled to a refund of contributions plus simple interest, at the rate of 3% per annum.

###### 13<sup>th</sup> Check Benefits

A service or disabled retired Police Officer or beneficiary of a Police Officer receiving pension or DROP benefits, is entitled to receive a benefit payment of up to 2% of investment return excess of 8% based upon present value of future pension payments of current Police Officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount allocated to eligible members is based upon years of service, with pro-rata share during first year of entitlement. The 13<sup>th</sup> check benefit payments were \$0 and \$187,689 for the years ended September 30, 2003 and 2002, respectively.

###### Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, including amounts from the State, was \$4,898,628 or 20.42% of covered payroll.

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

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

Under ordinance 1353, certain employees who were once ineligible to participate may 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, 2003, the total employee buybacks were \$114,334.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### City Pension Fund for Firefighters and Police Officers (Continued)

###### Funding Policy (Continued)

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

###### Investments

As of September 30, 2003, the Plan held no single investment that exceeded 5% of Plan net assets. The Plan's investment policy requires certain performance measures, authorized investments and limitations. Investments in common stock shall not exceed 60% of the Plan's assets at market value. The investment guidelines state that no more than 7% of the total market value of equity investments shall be invested in the equity securities of any one company and no more than 4.9% of total market value shall be invested in the outstanding capital stock of any one issuing company. A more detailed description of the investment guidelines appears in the Statement of Investment Guidelines adopted by the Board of Trustees. Investments of the Plan are all considered to be Category 1 level of risk, as defined by Statement No. 3 of the Governmental Accounting Standards Board. See Note 3 (Part a.) for risk categorization of investments.

Interest and dividend income are recorded as earned on an accrual basis.

The Calculation of realized gains and losses is computed as the difference between proceeds and the original cost of the investment sold. Realized gains and losses on investments sold in the current year that had been held for more than one year are included in the net appreciation (depreciation) reported in the prior years and the current year.

The Plan's net appreciation in fair value of investments for the year ended September 30, 2003 was \$11,734,952.

###### Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 4,898,628
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>4,898,628</u>
Contributions made	<u>(4,898,628)</u>
Increase in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ -</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### e. Municipal Employees Retirement Plans (Continued)

##### City Pension Fund for Firefighters and Police Officers (Continued)

##### Annual Pension Cost and Net Pension Obligation (Continued)

The annual required contribution for the current year was determined as part of the October 1, 2002 actuarial valuation using the entry age normal cost method. The actuarial assumptions included an 8% investment rate of return, net of administrative expenses and projected salary increases of 6%, which include an inflation component of 4%.

##### Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/01	\$4,267,395	100%	\$ -
9/30/02	4,877,023	100	-
9/30/03	4,898,628	100	-

##### 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 employees to participate in the DROP for a maximum of five years. Upon election to participate in the DROP, monthly retirement benefits that would have been payable had the member terminated employment and elected to receive monthly pension payments, shall be made into the member's DROP account. For police members, 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.

During the fiscal year ended September 30, 2003, the Plan adopted Ordinance 1143 dated June 18, 2003, which allowed for firefighter members to elect to have DROP payments contributed to a member's DROP account earn or lose investment income at the same rate and frequency as in the Plan, less reasonable and necessary expenses, or earn an annual fixed interest rate of 8% on future payments to the member's DROP account and on all or any portion of the member's DROP account balance. As an incentive to encourage membership in the DROP, retroactive benefits related to Ordinance 1443 were offered and totaled \$8,336,341 for 2003, which were included in the DROP participants payable as of September 30, 2003 totaling \$11,687,304.

For the year ended September 30, 2003 investment income in the financial statements of the CPFFPO excluded investment income on DROP accounts totaling \$525,399. No benefit payments are made from a member's DROP account during their participation in the DROP. Benefits are paid upon termination.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### f. Defined Contribution Plans

The City offers two defined contribution plans as follows:

##### *City Employees*

The City offers a defined contribution plan (the Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Resolution Number 1558. The Plan provides a portable retirement program for “mobile” administrative, professional, and technical employees of the City. If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover the benefits into his new employer’s pension plan providing the plan permits rollovers.

On September 30, 2003, all five (5) members of this plan became members of the General Employee Pension Plan, which allowed them to buyback contributions in order to credit them for periods of service not taken into account under the General Employee Pension Plan (See Note 4 Part e for additional information). However, during the year, Plan members were required to contribute 5% of their annual covered payroll to the Plan. The City was required to contribute based on the same criteria as that established for the General Employees Defined Benefit Pension Plan (23.38% of annual covered payroll). The City contributed \$93,254 to the Plan for the year ended September 30, 2003. Provisions of the Plan may be amended by the City Commission. The Plan was held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the City had no fiduciary responsibility, and therefore, the net assets of the Plan were not included in the City’s financial statements.

##### *Charter Schools and Early Development Centers Employees*

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

At September 30, 2003, there were four hundred and three (403) Plan members. Effective January 1, 2002, the Charter Schools’ Plan members may contribute one hundred (100%) percent of their gross salary during the fiscal year, up to a maximum of \$12,000. The City’s required contribution is five (5%) percent of the Plan member’s gross salary. For the year ended September 30, 2003, the City contributed \$639,847 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. Consequently, the City has no

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### NOTE 4. OTHER INFORMATION (Continued)

#### f. Defined Contribution Plans (Continued)

##### *Charter Schools and Early Development Centers Employees (Continued)*

fiduciary responsibility, and therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

### NOTE 5. SUBSEQUENT EVENTS (UNAUDITED)

On October 17, 2003, the City of Pembroke Pines issued \$39,935,000 in Taxable Communications Services Tax Revenue Bonds, Series 2003A. The bonds are dated September 15, 2003 and begin accruing interest from that date. The purpose of these bonds is to maintain the City's contribution as a percentage of covered payroll at the level prior to the enhancement of the increased benefits for the firefighter members under the City's retirement plan for firefighters and police officers, to capitalize interest for the period from the date of issuance to October 1, 2004, to purchase a reserve account surety bond, and to pay for the costs of issuance, including, without limitation, bond insurance premium. The principal and interest on these bonds are payable from a pledge of, and lien upon, the Communications Services Tax Revenues of the City. The bonds are for a 30-year term with final maturity on October 1, 2033. Interest is paid semi-annually on April 1 and October 1, beginning with April 1, 2004 at a rate of 5.97%. Principal is paid in varying installments every October 1, beginning October 1, 2007. The increased benefits funded by this bond issue include, but are not limited to, cost of living adjustments beginning on April 1, 2005 at a minimum 2% per year, the benefit multiplier was increased from 3% to 4%, and up to 1,000 hours of accrued leave was included in the final two-year average for determining benefits. The City Commission approved these increased benefits on April 2, 2003 as part of the three-year agreement with the firefighters' union that expires September 30, 2005.

On December 3, 2003 the City of Hollywood, Florida approved the Joint Stipulation of Settlement with the City of Pembroke Pines (the City). This order settles outstanding claims against the City of Hollywood for \$4,000,000, which is to be apportioned as follows: 1) \$295,000 representing a waiver of currently outstanding charges and interest, 2) \$600,000 representing monies currently held in escrow by the City, and 3) the payment of \$3,105,000 in cash to the City. The terms of the settlement were approved by the City Commission on December 17, 2003.

On February 18, 2004 the City Commission adopted an Ordinance authorizing the issuance of bonds to fund the construction of the Senior Housing Facility, the Susan B. Anthony Recovery Center, and the purchase of a fire ladder truck to be located in the Howard C. Forman Human Services Campus. The fire ladder truck will provide fire protection services for the projects that will be built by the Haskell Company. The construction costs of the Senior Housing Facility are expected to be \$31.3 million and will consist of Tower #1 with 208 apartment units, and Tower #2 with 186 apartment units. The construction costs of the Susan B. Anthony Recovery Center are expected to be \$7.7 million.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (Continued)

### **NOTE 5. SUBSEQUENT EVENTS (UNAUDITED) (Continued)**

The Center will be utilized by Susan B. Anthony Center, Inc., a Florida Non-Profit Organization for assisting women with children who are recovering from substance abuse, and will consist of approximately 40 housing units and a daycare facility for up to 150 children along with offices, counseling and classroom facilities to further their program. The project requires the demolition of older, unused buildings and the installation of new utility infrastructure for service to the sites. The City anticipates that these projects will be completed within the second quarter of the fiscal year ending September 30, 2005.



# Required Supplementary Information



**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**September 30, 2003**

<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>
<b>General Employees</b>					
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%
1998	1,882,862	1,882,862	-	1,882,862	100%
1997	1,516,854	1,516,854	-	1,516,854	100%
<b>Firefighters and Police Officers</b>					
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%
1998	2,366,116	1,450,517	915,599	2,366,116	100%
1997	2,467,000	1,608,478	858,522	2,467,000	100%

(A) Actuarially determined contribution requirements.

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

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

	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
Valuation date	10/1/2002	10/1/2002
Actuarial cost method	Entry age normal frozen initial liability	Entry age normal cost
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	15 years (weighted average)	21 years (weighted average)
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses	Market value with 5 year phase in of investment actuarial gains and losses
Actuarial assumptions:		
Investment rate of return	7.75%	8.0%
Projected salary increases*	8.52%	6.0%
Cost of living adjustments	None	None
*Includes inflation at	3.0%	4.0%

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**September 30, 2003**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL) -</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>(c) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (b-a) / (c)</b>
<b>General Employees</b>						
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%
10/1/1997	26,713,835	28,624,021	1,910,186	93.3%	11,346,678	16.8%
10/1/1996	22,998,034	27,046,393	4,048,359	85.0%	10,651,263	38.0%
<b>Firefighters and Police Officers</b>						
10/1/2002	\$96,599,615	\$ 109,491,991	\$ 12,892,376	88.2%	\$ 23,954,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
10/1/2000	81,680,000	93,080,000	11,400,000	87.8%	20,958,000	54.4%
10/1/1999	68,869,000	79,095,000	10,226,000	87.1%	19,493,000	52.5%
10/1/1998	58,718,000	64,162,000	5,444,000	91.5%	17,676,000	30.8%
10/1/1997	50,966,000	55,530,000	4,564,000	91.8%	16,128,000	28.3%
10/1/1996	39,920,000	47,437,000	7,517,000	84.2%	15,209,000	49.4%

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$51,330,514	\$51,225,867	\$51,690,820	\$464,953
Licenses and permits	10,219,952	10,219,952	6,879,770	(3,340,182)
Intergovernmental revenue	10,280,690	11,005,508	11,105,230	99,722
Charges for services	22,116,401	22,201,826	21,560,703	(641,123)
Fines and forfeits	983,000	983,000	897,311	(85,689)
Miscellaneous revenues	12,946,271	13,061,358	13,695,910	634,552
Total Revenues	<u>107,876,828</u>	<u>108,697,511</u>	<u>105,829,744</u>	<u>(2,867,767)</u>
<b>Expenditures</b>				
General government services				
Administrative Services	3,709,413	3,493,268	2,761,894	731,374
Advisory Boards	35,442	35,442	21,061	14,381
City Attorney	651,215	651,215	635,957	15,258
City Clerk	1,028,029	1,048,029	903,375	144,654
City Manager	576,452	732,412	704,247	28,165
Finance	1,895,702	1,895,702	1,700,001	195,701
Human Resources	1,052,757	1,052,757	855,586	197,171
Mayor & Commission	370,252	397,787	391,732	6,055
Non-Departmental	6,957,402	6,977,832	4,459,294	2,518,538
Public Services	7,724,775	8,173,690	6,836,032	1,337,658
Total General government services	<u>24,001,439</u>	<u>24,458,134</u>	<u>19,269,179</u>	<u>5,188,955</u>
Public safety				
Administrative Services	755,009	755,009	700,074	54,935
Fire	32,208,829	32,284,514	31,017,382	1,267,132
Police	28,167,129	28,238,738	26,644,078	1,594,660
Total Public safety	<u>61,130,967</u>	<u>61,278,261</u>	<u>58,361,534</u>	<u>2,916,727</u>
Physical environment				
Public Services	4,662,494	4,249,229	3,918,738	330,491
Total Physical environment	<u>4,662,494</u>	<u>4,249,229</u>	<u>3,918,738</u>	<u>330,491</u>

(continued)

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**(continued)**  
**Fiscal Year Ended September 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Economic environment				
Community Services	1,209,893	1,187,133	1,168,653	18,480
Total Economic environment	<u>1,209,893</u>	<u>1,187,133</u>	<u>1,168,653</u>	<u>18,480</u>
Human services				
Community Services	1,706,246	1,711,346	1,673,335	38,011
Education	4,311,706	4,313,495	3,672,028	641,467
Total Human services	<u>6,017,952</u>	<u>6,024,841</u>	<u>5,345,363</u>	<u>679,478</u>
Culture/Recreation				
Parks & Recreation	15,019,626	15,765,526	14,540,134	1,225,392
Total Culture/Recreation	<u>15,019,626</u>	<u>15,765,526</u>	<u>14,540,134</u>	<u>1,225,392</u>
Total Expenditures	<u>112,042,371</u>	<u>112,963,124</u>	<u>102,603,601</u>	<u>10,359,523</u>
Excess (deficiency) of revenues over expenditures	<u>(4,165,543)</u>	<u>(4,265,613)</u>	<u>3,226,143</u>	<u>7,491,756</u>
<b>Other financing uses</b>				
Transfers out	(334,758)	(347,573)	(104,743)	242,830
Total Other financing uses	<u>(334,758)</u>	<u>(347,573)</u>	<u>(104,743)</u>	<u>242,830</u>
Net change in fund balances	<u>(4,500,301)</u>	<u>(4,613,186)</u>	<u>3,121,400</u>	<u>7,734,586</u>
Fund balances, beginning, as previously reported	16,908,909	16,908,909	16,908,909	-
Prior period adjustment	7,220,258	7,220,258	7,220,258	-
Fund balances, beginning, as restated	<u>24,129,167</u>	<u>24,129,167</u>	<u>24,129,167</u>	<u>-</u>
Fund balances, ending	<u>\$19,628,866</u>	<u>\$19,515,981</u>	<u>\$27,250,567</u>	<u>\$7,734,586</u>

See notes to basic financial statements.

# City of Pembroke Pines, Florida

## Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2003

### **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 ninety days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
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.
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 it is done, this requires the adoption of an amended budget ordinance.
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 \$920,753 for the fiscal year ended September 30, 2003 and consists primarily of the carryover of unspent funds appropriated for capital expenditures from the prior fiscal year, and increases in awards of various grants.

### **NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS**

There were no budgetary expenditures in excess of appropriations for the General Fund for the fiscal year ended September 30, 2003.

# Combining and Individual Fund Statements and Schedules



# NONMAJOR GOVERNMENTAL FUNDS

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## **Special Revenue Funds:**

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

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

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

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

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

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

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

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



## **NONMAJOR GOVERNMENTAL FUNDS**

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### **Special Revenue Funds (continued):**

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

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

Block Grant:

1. Operating expenses
2. Office equipment

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

Cops More:

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

**COPS Grants** - To account for the Federal funded programs:

Cops Ahead:

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

Cops in School:

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS**

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### **Special Revenue Funds: (Continued)**

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

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

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

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

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

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

### **Permanent Fund:**

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

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

**City of Pembroke Pines, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2003**

	<b>Special Revenue</b>							
	<b>Road and Bridge</b>	<b>State Housing Initiative Program</b>	<b>Community Development Block Grant</b>	<b>Law Enforcement Grant</b>	<b>ADA Paratransit Program</b>	<b>Police Community Service Grant</b>	<b>COPS Grants</b>	<b>Community Bus Program</b>
<b>Assets</b>								
Pooled cash and cash equivalents	\$ 3,234,488	\$ 1,295,582	\$ -	\$ -	\$ 63,603	\$ 82,578	\$ -	\$ 6,703
Receivables:								
Special Assessments:								
Delinquent	-	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Franchise fees and taxes	445,401	-	-	-	-	-	-	-
Other	10,923	-	-	-	-	-	-	90,000
Total receivables	<u>456,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
Due from other governments	-	-	66,024	4,381	-	-	45,340	-
Prepaid costs	-	-	41,350	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 3,690,812</u>	<u>\$ 1,295,582</u>	<u>\$ 107,374</u>	<u>\$ 4,381</u>	<u>\$ 63,603</u>	<u>\$ 82,578</u>	<u>\$ 45,340</u>	<u>\$ 96,703</u>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts payable	\$ 37,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	107,374	4,381	-	-	45,340	-
Deposits	16,478	-	-	-	-	-	-	-
Deferred revenue	-	1,295,582	-	-	-	82,578	-	-
Total liabilities	<u>53,795</u>	<u>1,295,582</u>	<u>107,374</u>	<u>4,381</u>	<u>-</u>	<u>82,578</u>	<u>45,340</u>	<u>-</u>
Fund balances:								
Reserved for:								
Subsequent years' expenditures	-	-	-	-	-	-	-	-
Wetland mitigation	-	-	-	-	-	-	-	-
Prepaid costs	-	-	41,350	-	-	-	-	-
Encumbrances	66,889	122,890	6,000	-	152,285	25,133	-	-
Unreserved:								
Designated for rent payments	-	-	-	-	-	-	-	-
Undesignated (deficit)	3,570,128	(122,890)	(47,350)	-	(88,682)	(25,133)	-	96,703
Total fund balances	<u>3,637,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,603</u>	<u>-</u>	<u>-</u>	<u>96,703</u>
Total liabilities and fund balances	<u>\$ 3,690,812</u>	<u>\$ 1,295,582</u>	<u>\$ 107,374</u>	<u>\$ 4,381</u>	<u>\$ 63,603</u>	<u>\$ 82,578</u>	<u>\$ 45,340</u>	<u>\$ 96,703</u>

(Continued)

**City of Pembroke Pines, Florida**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**(Continued)  
September 30, 2003**

	Special Revenue						Permanent Fund	Total
	Charter* Schools	Older Americans Act	Confiscated Treasury	Confiscated Justice	\$2 Police Assessment	FDLE	Wetland Mitigation Trust Fund	Nonmajor Governmental Funds
<b>Assets</b>								
Pooled cash and cash equivalents	\$ 5,156,366	\$ 185,651	\$ 118,932	\$ 337,715	\$ 135,985	\$ 1,786,709	\$ -	\$ 12,404,312
Receivables:								
Special Assessments:								
Delinquent	-	-	-	-	-	-	-	-
Deferred	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-
Franchise fees and taxes	-	-	-	-	-	-	-	445,401
Other	100,491	-	-	-	-	-	-	201,414
Total receivables	100,491	-	-	-	-	-	-	646,815
Due from other governments	3,240	78,907	-	-	-	-	-	197,892
Prepaid costs	-	-	-	-	-	-	-	41,350
Restricted pooled cash and investments	-	-	-	-	-	-	576,974	576,974
Total assets	<u>\$ 5,260,097</u>	<u>\$ 264,558</u>	<u>\$ 118,932</u>	<u>\$ 337,715</u>	<u>\$ 135,985</u>	<u>\$ 1,786,709</u>	<u>\$ 576,974</u>	<u>\$ 13,867,343</u>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts payable	\$ 55,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,417
Accrued liabilities	438,094	-	-	-	-	-	-	438,094
Due to other funds	-	-	-	-	-	-	-	157,095
Deposits	236,809	-	-	-	-	86,442	-	339,729
Deferred revenue	-	-	-	-	-	-	-	1,378,160
Total liabilities	<u>730,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,442</u>	<u>-</u>	<u>2,405,495</u>
Fund balances:								
Reserved for:								
Subsequent years' expenditures	58,984	-	-	-	-	-	130,859	189,843
Wetland mitigation	-	-	-	-	-	-	446,115	446,115
Prepaid costs	-	-	-	-	-	-	-	41,350
Encumbrances	-	-	-	371	14,370	129,269	-	517,207
Unreserved:								
Designated for rent payments	4,471,110	-	-	-	-	-	-	4,471,110
Undesignated (deficit)	-	264,558	118,932	337,344	121,615	1,570,998	-	5,796,223
Total fund balances	<u>4,530,094</u>	<u>264,558</u>	<u>118,932</u>	<u>337,715</u>	<u>135,985</u>	<u>1,700,267</u>	<u>576,974</u>	<u>11,461,848</u>
Total liabilities and fund balances	<u>\$ 5,260,097</u>	<u>\$ 264,558</u>	<u>\$ 118,932</u>	<u>\$ 337,715</u>	<u>\$ 135,985</u>	<u>\$ 1,786,709</u>	<u>\$ 576,974</u>	<u>\$ 13,867,343</u>

\* As of June 30, 2003

**City of Pembroke Pines, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>Road and Bridge</b>	<b>State Housing Initiative Program</b>	<b>Community Development Block Grant</b>	<b>Law Enforcement Grant</b>	<b>ADA Paratransit Program</b>	<b>Police Community Service Grant</b>	<b>COPS Grants</b>	<b>Community Bus Program</b>
<b>Revenues:</b>								
Taxes	\$ 2,709,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	85,768	-	-	-	-	-	-	-
Intergovernmental	1,098,535	1,031,787	642,111	17,262	259,905	40,773	151,191	291,840
Charges for services	210,146	-	-	-	-	-	-	18,611
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	41,566	-	-	-	1,440	-	-	-
Contributions	4,586	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	1,201	-	-	-	-	-	-	-
Total revenues	<u>4,151,327</u>	<u>1,031,787</u>	<u>642,111</u>	<u>17,262</u>	<u>261,345</u>	<u>40,773</u>	<u>151,191</u>	<u>310,451</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	17,262	-	45,303	251,404	-
Transportation	3,007,742	-	101,830	-	313,233	-	-	313,297
Economic Environment	-	1,031,787	540,281	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>3,007,742</u>	<u>1,031,787</u>	<u>642,111</u>	<u>17,262</u>	<u>313,233</u>	<u>45,303</u>	<u>251,404</u>	<u>313,297</u>
Excess (deficiency) of revenues over expenditures	<u>1,143,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,888)</u>	<u>(4,530)</u>	<u>(100,213)</u>	<u>(2,846)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	4,530	100,213	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,530</u>	<u>100,213</u>	<u>-</u>
Net change in fund balances	1,143,585	-	-	-	(51,888)	-	-	(2,846)
Fund balances, beginning, as previously reported	2,450,686	-	-	-	82,697	-	-	98,498
Prior period adjustment	42,746	-	-	-	32,794	-	-	1,051
Fund balances, beginning, as restated	<u>2,493,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,491</u>	<u>-</u>	<u>-</u>	<u>99,549</u>
Fund balances, ending	<u>\$ 3,637,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,703</u>

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>						<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Charter* Schools</b>	<b>Older Americans Act</b>	<b>Confiscated Treasury</b>	<b>Confiscated Justice</b>	<b>\$2 Police Assessment</b>	<b>FDLE</b>	<b>Wetland Mitigation Trust Fund</b>	
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,709,525
Special assessments	-	-	-	-	-	-	-	85,768
Intergovernmental	24,766,693	711,822	-	-	-	-	-	29,011,919
Charges for services	794,654	-	-	-	-	-	-	1,023,411
Fines and forfeits	-	-	27,964	44,918	42,120	235,703	-	350,705
Investment Income	36,651	3,342	1,527	6,025	1,943	26,953	8,637	128,084
Contributions	4,230	67,266	-	-	-	-	-	76,082
Rental revenue	367,362	-	-	-	-	-	-	367,362
Other	848,332	-	-	-	-	-	-	849,533
Total revenues	<u>26,817,922</u>	<u>782,430</u>	<u>29,491</u>	<u>50,943</u>	<u>44,063</u>	<u>262,656</u>	<u>8,637</u>	<u>34,602,389</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	1,459	1,459
Public Safety	-	-	-	124,397	23,500	149,134	-	611,000
Transportation	-	-	-	-	-	-	-	3,736,102
Economic Environment	-	-	-	-	-	-	-	1,572,068
Human services	26,467,714	876,839	-	-	-	-	-	27,344,553
Total expenditures	<u>26,467,714</u>	<u>876,839</u>	<u>-</u>	<u>124,397</u>	<u>23,500</u>	<u>149,134</u>	<u>1,459</u>	<u>33,265,182</u>
Excess (deficiency) of revenues over expenditures	<u>350,208</u>	<u>(94,409)</u>	<u>29,491</u>	<u>(73,454)</u>	<u>20,563</u>	<u>113,522</u>	<u>7,178</u>	<u>1,337,207</u>
<b>Other financing sources (uses):</b>								
Transfers in	437,374	-	-	-	-	-	-	542,117
Transfers out	(437,374)	-	-	-	-	-	-	(437,374)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,743</u>
Net change in fund balances	350,208	(94,409)	29,491	(73,454)	20,563	113,522	7,178	1,441,950
Fund balances, beginning, as previously reported	4,179,886	319,419	89,441	411,169	115,422	1,586,745	569,796	9,903,759
Prior period adjustment	-	39,548	-	-	-	-	-	116,139
Fund balances, beginning, as restated	<u>4,179,886</u>	<u>358,967</u>	<u>89,441</u>	<u>411,169</u>	<u>115,422</u>	<u>1,586,745</u>	<u>569,796</u>	<u>10,019,898</u>
Fund balances, ending	<u>\$ 4,530,094</u>	<u>\$ 264,558</u>	<u>\$ 118,932</u>	<u>\$ 337,715</u>	<u>\$ 135,985</u>	<u>\$ 1,700,267</u>	<u>\$ 576,974</u>	<u>\$ 11,461,848</u>

\* As of June 30, 2003

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

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

**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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes:				
Franchise fees	\$ 581,024	\$ 707,459	\$ 707,780	\$ 321
Utility taxes	2,303,443	2,504,278	2,501,192	(3,086)
Investment Income	360,400	360,400	131,242	(229,158)
Rental revenue	6,249,429	6,551,085	6,081,203	(469,882)
Total revenues	<u>9,494,296</u>	<u>10,123,222</u>	<u>9,421,417</u>	<u>(701,805)</u>
<b>Expenditures</b>				
Debt service:				
Principal	3,675,000	3,675,000	3,675,000	-
Interest	7,066,243	7,066,243	7,066,243	-
Other debt service costs	143,032	239,789	239,789	-
Total expenditures	<u>10,884,275</u>	<u>10,981,032</u>	<u>10,981,032</u>	<u>-</u>
Net change in fund balances	(1,389,979)	(857,810)	(1,559,615)	(701,805)
Fund balances - beginning	<u>11,713,123</u>	<u>11,713,123</u>	<u>11,713,123</u>	<u>11,713,123</u>
Fund balances - ending	<u>\$ 10,323,144</u>	<u>\$ 10,855,313</u>	<u>\$ 10,153,508</u>	<u>\$ 11,011,318</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, 2003**

	<b>Special Revenue Funds</b>							
	<b>Road and Bridge Fund</b>				<b>State Housing Initiative Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ 2,600,873	\$ 2,600,873	\$ 2,709,525	\$ 108,652	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	85,768	85,768	-	-	-	-
Intergovernmental	1,080,358	1,080,358	1,098,535	18,177	1,085,261	3,090,000	1,031,787	(2,058,213)
Charges for services	210,146	210,146	210,146	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	31,957	31,957	41,566	9,609	11,787	11,787	-	(11,787)
Contributions	-	4,586	4,586	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	86	1,201	1,115	-	-	-	-
Total revenues	<u>3,923,334</u>	<u>3,928,006</u>	<u>4,151,327</u>	<u>223,321</u>	<u>1,097,048</u>	<u>3,101,787</u>	<u>1,031,787</u>	<u>(2,070,000)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Transportation	3,923,334	3,923,334	3,007,742	915,592	-	-	-	-
Economic Environment	-	-	-	-	1,085,261	3,090,000	1,031,787	2,058,213
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>3,923,334</u>	<u>3,923,334</u>	<u>3,007,742</u>	<u>915,592</u>	<u>1,085,261</u>	<u>3,090,000</u>	<u>1,031,787</u>	<u>2,058,213</u>
Excess (deficiency) of revenues over expenditures	-	4,672	1,143,585	1,138,913	11,787	11,787	-	(11,787)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	4,672	1,143,585	1,138,913	11,787	11,787	-	(11,787)
Fund balances, beginning	<u>2,450,686</u>	<u>2,450,686</u>	<u>2,450,686</u>	-	-	-	-	-
Fund balances, ending	<u>\$ 2,450,686</u>	<u>\$ 2,455,358</u>	<u>\$ 3,594,271</u>	<u>\$ 1,138,913</u>	<u>\$ 11,787</u>	<u>\$ 11,787</u>	<u>\$ -</u>	<u>\$ (11,787)</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>Community Development Block Grant</b>				<b>Law Enforcement Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>	<b>Original</b>			<b>Final</b>			
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	684,307	1,310,478	642,111	(668,367)	17,884	17,262	17,262	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>684,307</u>	<u>1,310,478</u>	<u>642,111</u>	<u>(668,367)</u>	<u>17,884</u>	<u>17,262</u>	<u>17,262</u>	<u>-</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	17,884	17,262	17,262	-
Transportation	100,920	118,351	101,830	16,521	-	-	-	-
Economic Environment	583,387	1,192,127	540,281	651,846	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>684,307</u>	<u>1,310,478</u>	<u>642,111</u>	<u>668,367</u>	<u>17,884</u>	<u>17,262</u>	<u>17,262</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>								
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	-	-	-	-	-	-	-	-
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**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>ADA Pratransit Program</b>				<b>Police Community Service Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	348,500	348,500	259,905	(88,595)	-	122,508	40,773	(81,735)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	3,623	3,623	1,440	(2,183)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>352,123</u>	<u>352,123</u>	<u>261,345</u>	<u>(90,778)</u>	<u>-</u>	<u>122,508</u>	<u>40,773</u>	<u>(81,735)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	136,119	45,303	90,816
Transportation	369,837	483,424	313,233	170,191	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>369,837</u>	<u>483,424</u>	<u>313,233</u>	<u>170,191</u>	<u>-</u>	<u>136,119</u>	<u>45,303</u>	<u>90,816</u>
Excess (deficiency) of revenues over expenditures	<u>(17,714)</u>	<u>(131,301)</u>	<u>(51,888)</u>	<u>79,413</u>	<u>-</u>	<u>(13,611)</u>	<u>(4,530)</u>	<u>9,081</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	(13,612)	4,530	18,142
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,612)</u>	<u>4,530</u>	<u>18,142</u>
Net change in fund balances	(17,714)	(131,301)	(51,888)	79,413	-	(27,223)	-	27,223
Fund balances, beginning	<u>82,697</u>	<u>82,697</u>	<u>82,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 64,983</u>	<u>\$ (48,604)</u>	<u>\$ 30,809</u>	<u>\$ 79,413</u>	<u>\$ -</u>	<u>\$ (27,223)</u>	<u>\$ -</u>	<u>\$ 27,223</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>COPS Grants</b>				<b>Community Bus Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>	<b>Original</b>			<b>Final</b>			
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	95,131	180,106	151,191	(28,915)	344,396	344,396	291,840	(52,556)
Charges for services	-	-	-	-	31,576	31,576	18,611	(12,965)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>95,131</b>	<b>180,106</b>	<b>151,191</b>	<b>(28,915)</b>	<b>375,972</b>	<b>375,972</b>	<b>310,451</b>	<b>(65,521)</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	179,889	298,710	251,404	47,306	-	-	-	-
Transportation	-	-	-	-	375,972	375,972	313,297	62,675
Economic Environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>179,889</b>	<b>298,710</b>	<b>251,404</b>	<b>47,306</b>	<b>375,972</b>	<b>375,972</b>	<b>313,297</b>	<b>62,675</b>
Excess (deficiency) of revenues over expenditures	(84,758)	(118,604)	(100,213)	18,391	-	-	(2,846)	(2,846)
<b>Other financing sources (uses):</b>								
Transfers in	(84,758)	(118,604)	100,213	218,817	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(84,758)</b>	<b>(118,604)</b>	<b>100,213</b>	<b>218,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(169,516)	(237,208)	-	237,208	-	-	(2,846)	(2,846)
Fund balances, beginning	-	-	-	-	98,498	98,498	98,498	-
Fund balances, ending	<u>\$ (169,516)</u>	<u>\$ (237,208)</u>	<u>\$ -</u>	<u>\$ 237,208</u>	<u>\$ 98,498</u>	<u>\$ 98,498</u>	<u>\$ 95,652</u>	<u>\$ (2,846)</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>Charter Schools*</b>				<b>Older American Act</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	22,124,914	24,802,199	24,766,693	(35,506)	826,744	885,872	711,822	(174,050)
Charges for services	935,001	935,001	794,654	(140,347)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment Income	176,000	171,666	36,651	(135,015)	-	3,341	3,342	1
Contributions	75,000	79,230	4,230	(75,000)	74,778	74,778	67,266	(7,512)
Rental revenue	734,700	694,804	367,362	(327,442)	-	-	-	-
Other	20,000	841,000	848,332	7,332	-	-	-	-
Total revenues	<u>24,065,615</u>	<u>27,523,900</u>	<u>26,817,922</u>	<u>(705,978)</u>	<u>901,522</u>	<u>963,991</u>	<u>782,430</u>	<u>(181,561)</u>
<b>Expenditures:</b>								
General government			-	-	-	-	-	-
Public Safety			-	-	-	-	-	-
Transportation			-	-	-	-	-	-
Economic Environment			-	-	-	-	-	-
Human services	25,805,665	28,108,870	26,467,714	1,641,156	929,316	929,316	876,839	52,477
Total expenditures	<u>25,805,665</u>	<u>28,108,870</u>	<u>26,467,714</u>	<u>1,641,156</u>	<u>929,316</u>	<u>929,316</u>	<u>876,839</u>	<u>52,477</u>
Excess (deficiency) of revenues over expenditures	<u>(1,740,050)</u>	<u>(584,970)</u>	<u>350,208</u>	<u>935,178</u>	<u>(27,794)</u>	<u>34,675</u>	<u>(94,409)</u>	<u>(129,084)</u>
<b>Other financing sources (uses):</b>								
Transfers in	2,508,336	2,979,224	437,374	(2,541,850)	-	-	-	-
Transfers out	(2,308,336)	(2,779,224)	(437,374)	2,341,850	-	-	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,540,050)	(384,970)	350,208	735,178	(27,794)	34,675	(94,409)	(129,084)
Fund balances, beginning	4,179,886	4,179,886	4,179,886	-	319,419	319,419	319,419	-
Fund balances, ending	<u>\$ 2,639,836</u>	<u>\$ 3,794,916</u>	<u>\$ 4,530,094</u>	<u>\$ 735,178</u>	<u>\$ 291,625</u>	<u>\$ 354,094</u>	<u>\$ 225,010</u>	<u>\$ (129,084)</u>

\* As of June 30, 2003

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Special Revenue Funds</b>							
	<b>Confiscated - Treasury</b>				<b>Confiscated - Justice</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	27,964	27,964	-	-	44,918	44,918	-
Investment Income	2,124	2,124	1,527	(597)	9,826	9,826	6,025	(3,801)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>2,124</u>	<u>30,088</u>	<u>29,491</u>	<u>(597)</u>	<u>9,826</u>	<u>54,744</u>	<u>50,943</u>	<u>(3,801)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	9,766	89,679	-	89,679	88,322	357,134	124,397	232,737
Transportation	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>9,766</u>	<u>89,679</u>	<u>-</u>	<u>89,679</u>	<u>88,322</u>	<u>357,134</u>	<u>124,397</u>	<u>232,737</u>
Excess (deficiency) of revenues over expenditures	<u>(7,642)</u>	<u>(59,591)</u>	<u>29,491</u>	<u>89,082</u>	<u>(78,496)</u>	<u>(302,390)</u>	<u>(73,454)</u>	<u>228,936</u>
<b>Other financing sources (uses):</b>								
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	(7,642)	(59,591)	29,491	89,082	(78,496)	(302,390)	(73,454)	228,936
Fund balances, beginning	<u>89,441</u>	<u>89,441</u>	<u>89,441</u>	<u>-</u>	<u>411,169</u>	<u>411,169</u>	<u>411,169</u>	<u>-</u>
Fund balances, ending	<u>\$ 81,799</u>	<u>\$ 29,850</u>	<u>\$ 118,932</u>	<u>\$ 89,082</u>	<u>\$ 332,673</u>	<u>\$ 108,779</u>	<u>\$ 337,715</u>	<u>\$ 228,936</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	Special Revenue Funds							
	\$2 Police Assessment				FDLE			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	37,635	37,635	42,120	4,485	-	235,703	235,703	-
Investment Income	2,278	2,278	1,943	(335)	30,586	30,586	26,953	(3,633)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>39,913</u>	<u>39,913</u>	<u>44,063</u>	<u>4,150</u>	<u>30,586</u>	<u>266,289</u>	<u>262,656</u>	<u>(3,633)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public Safety	39,913	79,231	23,500	55,731	460,339	1,304,388	149,134	1,155,254
Transportation	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>39,913</u>	<u>79,231</u>	<u>23,500</u>	<u>55,731</u>	<u>460,339</u>	<u>1,304,388</u>	<u>149,134</u>	<u>1,155,254</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(39,318)</u>	<u>20,563</u>	<u>59,881</u>	<u>(429,753)</u>	<u>(1,038,099)</u>	<u>113,522</u>	<u>1,151,621</u>
<b>Other financing sources (uses):</b>								
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	-	(39,318)	20,563	59,881	(429,753)	(1,038,099)	113,522	1,151,621
Fund balances, beginning	<u>115,422</u>	<u>115,422</u>	<u>115,422</u>	<u>-</u>	<u>1,586,745</u>	<u>1,586,745</u>	<u>1,586,745</u>	<u>-</u>
Fund balances, ending	<u>\$ 115,422</u>	<u>\$ 76,104</u>	<u>\$ 135,985</u>	<u>\$ 59,881</u>	<u>\$ 1,156,992</u>	<u>\$ 548,646</u>	<u>\$ 1,700,267</u>	<u>\$ 1,151,621</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2003**

	<b>Permanent Fund</b>			
	<b>Wetland Mitigation Trust Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment Income	12,500	(12,500)	8,637	21,137
Contributions	-	-	-	-
Rental revenue	-	-	-	-
Other	-	-	-	-
Total revenues	<u>12,500</u>	<u>(12,500)</u>	<u>8,637</u>	<u>21,137</u>
<b>Expenditures:</b>				
General government	3,000	3,000	1,459	1,541
Public Safety	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>1,459</u>	<u>1,541</u>
Excess (deficiency) of revenues over expenditures	<u>9,500</u>	<u>(15,500)</u>	<u>7,178</u>	<u>22,678</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,500	(15,500)	7,178	22,678
Fund balances, beginning	<u>569,796</u>	<u>569,796</u>	<u>569,796</u>	<u>-</u>
Fund balances, ending	<u>\$ 579,296</u>	<u>\$ 554,296</u>	<u>\$ 576,974</u>	<u>\$ 22,678</u>



## **FIDUCIARY FUND TYPES**

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- PENSION TRUST FUNDS
- AGENCY FUNDS

## **PENSION TRUST FUNDS**

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**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.

**City of Pembroke Pines, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Pension Trust Funds**  
**September 30, 2003**

	<b>General Employees <u>Pension Fund</u></b>	<b>Firefighters and Police Officers <u>Pension Fund</u></b>	<b><u>Totals</u></b>
<b>Assets</b>			
Investments	\$ 54,017,327	\$ 100,982,007	\$ 154,999,334
Due from other funds	-	104,875	104,875
Receivables:			
Accrued interest and dividends	-	405,138	405,138
Other	365,903	407,664	773,567
Total assets	<u>54,383,230</u>	<u>101,899,684</u>	<u>156,282,914</u>
<b>Liabilities</b>			
DROP participants payable	-	11,687,304	11,687,304
Accounts payable	-	181,576	181,576
Total liabilities	<u>-</u>	<u>11,868,880</u>	<u>11,868,880</u>
<b>Net Assets</b>			
Net assets held in trust for pension benefits	<u>\$ 54,383,230</u>	<u>\$ 90,030,804</u>	<u>\$ 144,414,034</u>

**City of Pembroke Pines, Florida**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**Fiscal Year Ended September 30, 2003**

	<b>General Employees Pension Fund</b>	<b>Firefighters and Police Officers Pension Fund</b>	<b>Totals</b>
<b>Additions</b>			
Contributions:			
Plan members	\$ 1,851,199	\$ 2,904,688	\$ 4,755,887
Employee buyback	975,205	114,334	1,089,539
Employer	4,273,282	3,472,188	7,745,470
State/County	-	1,426,440	1,426,440
Total contributions	<u>7,099,686</u>	<u>7,917,650</u>	<u>15,017,336</u>
Investment earnings:			
Investment earnings	5,826,530	13,521,598	19,348,128
Less investment expenses	<u>16,050</u>	<u>400,569</u>	<u>416,619</u>
Net investment earnings	<u>5,810,480</u>	<u>13,121,029</u>	<u>18,931,509</u>
Total additions	<u>12,910,166</u>	<u>21,038,679</u>	<u>33,948,845</u>
<b>Deductions</b>			
Pension benefits	2,768,930	11,109,894	13,878,824
Refunds of contributions	(42,414)	57,560	15,146
Administrative expenses	<u>54,018</u>	<u>340,100</u>	<u>394,118</u>
Total deductions	2,780,534	11,507,554	14,288,088
Change in net assets	10,129,632	9,531,125	19,660,757
Net assets, beginning	<u>44,253,598</u>	<u>80,499,679</u>	<u>124,753,277</u>
Net assets, ending	<u>\$ 54,383,230</u>	<u>\$ 90,030,804</u>	<u>\$ 144,414,034</u>

## AGENCY FUNDS

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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 a private organization.

**City of Pembroke Pines, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Fiscal Year Ended September 30, 2003**

	<u>Balance</u> <u>September 30,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
<b>General Trust Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ 3,031,657	\$ 78,032,308	\$ 78,006,441	\$ 3,057,524
Miscellaneous accounts receivable	106	-	106	-
Total assets	<u>\$ 3,031,763</u>	<u>\$ 78,032,308</u>	<u>\$ 78,006,547</u>	<u>\$ 3,057,524</u>
Liabilities:				
Accrued liabilities	\$ 3,031,763	\$ 73,367,355	\$ 73,341,594	\$ 3,057,524
Due to other funds	-	4,686,072	4,686,072	-
Total liabilities	<u>\$ 3,031,763</u>	<u>\$ 78,053,427</u>	<u>\$ 78,027,666</u>	<u>\$ 3,057,524</u>
<b>Sanitation Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ 55,738	\$ 14,955,224	\$ 15,010,962	\$ -
Customer accounts receivable	894,291	11,197,009	11,171,642	919,658
Total assets	<u>\$ 950,029</u>	<u>\$ 26,152,233</u>	<u>\$ 26,182,604</u>	<u>\$ 919,658</u>
Liabilities:				
Accounts payable	950,029	11,546,836	11,577,207	919,658
Total liabilities	<u>\$ 950,029</u>	<u>\$ 11,546,836</u>	<u>\$ 11,577,207</u>	<u>\$ 919,658</u>
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and cash equivalents	\$ 3,087,395	\$ 92,987,532	\$ 93,017,403	\$ 3,057,524
Customer accounts receivable	894,291	11,197,009	11,171,642	919,658
Miscellaneous accounts receivable	106	-	106	-
Total assets	<u>\$ 3,981,792</u>	<u>\$ 104,184,541</u>	<u>\$ 104,189,151</u>	<u>\$ 3,977,182</u>
Liabilities:				
Accounts payable	\$ 950,029	\$ 11,546,836	\$ 11,577,207	\$ 919,658
Accrued liabilities	3,031,763	73,367,355	73,341,594	3,057,524
Due to other funds	-	4,686,072	4,686,072	-
Total liabilities	<u>\$ 3,981,792</u>	<u>\$ 89,600,263</u>	<u>\$ 89,604,873</u>	<u>\$ 3,977,182</u>

# Capital Assets Used in the Operation of Governmental Funds



**City of Pembroke Pines, Florida**  
**Schedule of Capital Assets - By Source**  
**September 30, 2003**

	<u>General Government</u>	<u>Charter* Schools</u>	<u>Total</u>
Governmental funds capital assets:			
Land	\$ 48,289,580	\$ -	\$ 48,289,580
Buildings	93,192,527	-	93,192,527
Improvements other than buildings	39,686,592	2,472,962	42,159,554
Machinery and equipment	43,583,831	1,842,057	45,425,888
Construction in progress	88,293,514	-	88,293,514
Infrastructure	31,747,309	-	31,747,309
Total governmental funds capital assets	<u>\$ 344,793,353</u>	<u>\$ 4,315,019</u>	<u>\$ 349,108,372</u>
Investments in governmental funds capital assets by source:			
General government	\$ 293,406,643	\$ -	\$ 293,406,643
Federal revenue sharing fund	226,964	-	226,964
Federal and state grants	2,977,865	-	2,977,865
Law enforcement trust fund	1,267,451	-	1,267,451
Gifts and donations	46,914,430	-	46,914,430
Charter Elementary School	-	1,863,488	1,863,488
Charter Middle School	-	2,249,938	2,249,938
Charter High School	-	201,593	201,593
Total investment in governmental funds capital assets	<u>\$ 344,793,353</u>	<u>\$ 4,315,019</u>	<u>\$ 349,108,372</u>

\*As of June 30, 2003

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



**City of Pembroke Pines, Florida**  
**Schedule of Capital Assets - By Function and Activity**  
**September 30, 2003**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements Other Than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
<b>General government:</b>						
Legislative	\$ 2,661,935	\$ 353,778	\$ 3,150	\$ 57,522	\$ -	\$ 3,076,385
City manager	-	-	-	94,223	-	94,223
Personnel	-	-	-	44,607	-	44,607
City clerk	-	-	-	370,451	-	370,451
City engineer	-	-	-	228,309	-	228,309
City planner	-	-	-	142,831	-	142,831
Finance	-	-	-	3,676,691	-	3,676,691
Central stores	-	359,685	-	177,583	-	537,268
Maintenance compound	-	819,509	2,850	64,092	-	886,451
General government building	159,417	8,473,751	706,908	753,804	-	10,093,880
Total general government	<u>2,821,352</u>	<u>10,006,723</u>	<u>712,908</u>	<u>5,610,113</u>	<u>-</u>	<u>19,151,096</u>
<b>Public safety:</b>						
Code enforcement	-	-	-	140,329	-	140,329
Building and zoning	-	318	-	1,527,516	-	1,527,834
Police	190,997	5,641,440	91,424	11,142,049	-	17,065,910
Fire	1,036,413	8,545,695	63,999	7,011,435	-	16,657,542
Rescue	171,409	5,353,397	53,470	3,421,791	-	9,000,067
Total public safety	<u>1,398,819</u>	<u>19,540,850</u>	<u>208,893</u>	<u>23,243,120</u>	<u>-</u>	<u>44,391,682</u>
<b>Transportation:</b>						
Streets and sidewalks	202,504	-	15,472,040	1,296,151	31,747,309	48,718,004
Transit system	-	-	-	215,280	-	215,280
Total transportation	<u>202,504</u>	<u>-</u>	<u>15,472,040</u>	<u>1,511,431</u>	<u>31,747,309</u>	<u>48,933,284</u>
<b>Human services:</b>						
Community services	11,142,134	54,817,784	974,546	7,687,163	-	74,621,627
<b>Parks and recreation:</b>						
Recreation	31,074,771	7,298,352	22,252,635	4,234,133	-	64,859,891
Landscaping	1,650,000	1,528,818	65,570	860,196	-	4,104,584
Total parks and recreation	<u>32,724,771</u>	<u>8,827,170</u>	<u>22,318,205</u>	<u>5,094,329</u>	<u>-</u>	<u>68,964,475</u>
<b>Intragovernmental services:</b>						
Surplus property	-	-	-	437,675	-	437,675
Total general fixed assets allocated to functions	<u>48,289,580</u>	<u>93,192,527</u>	<u>39,686,592</u>	<u>43,583,831</u>	<u>31,747,309</u>	256,499,839
Construction in progress						<u>88,293,514</u>
Total general government						<u>344,793,353</u>
<b>Education* (charter schools):</b>						
Elementary school	-	-	1,218,921	644,567	-	1,863,488
Middle school	-	-	1,254,041	995,897	-	2,249,938
High school	-	-	-	201,593	-	201,593
Total charter schools	<u>-</u>	<u>-</u>	<u>2,472,962</u>	<u>1,842,057</u>	<u>-</u>	<u>4,315,019</u>
Total capital assets	<u>\$ 48,289,580</u>	<u>\$ 93,192,527</u>	<u>\$ 42,159,554</u>	<u>\$ 45,425,888</u>	<u>\$ 31,747,309</u>	<u>\$ 349,108,372</u>

\*As of June 30, 2003

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

**City of Pembroke Pines, Florida**  
**Schedule of Changes in Capital Assets - By Function and Activity (City)**  
**Fiscal Year Ended September 30, 2003**

<u>Function and Activity</u>	<u>Balance</u> <u>September 30,</u> <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2003</u>
General government:				
Legislative	\$ 3,075,386	\$ 999	\$ -	\$ 3,076,385
City manager	94,223	-	-	94,223
Personnel	44,607	-	-	44,607
City clerk	344,727	25,724	-	370,451
City engineer	212,492	15,817	-	228,309
City planner	141,359	3,049	1,577	142,831
Finance	2,737,880	942,927	4,116	3,676,691
Central stores	537,268	-	-	537,268
Maintenance compound	886,451	-	-	886,451
General government building	<u>9,793,581</u>	<u>312,176</u>	<u>11,877</u>	<u>10,093,880</u>
Total general government	<u>17,867,974</u>	<u>1,300,692</u>	<u>17,570</u>	<u>19,151,096</u>
Public safety:				
Code enforcement	139,970	22,949	22,590	140,329
Building and zoning	1,474,737	121,836	68,739	1,527,834
Police	13,612,777	3,934,989	481,856	17,065,910
Fire	10,253,494	6,416,700	12,652	16,657,542
Rescue	<u>3,910,429</u>	<u>5,089,638</u>	<u>-</u>	<u>9,000,067</u>
Total public safety	<u>29,391,407</u>	<u>15,586,112</u>	<u>585,837</u>	<u>44,391,682</u>
Transportation:				
Streets and sidewalks	47,488,226	1,254,005	24,227	48,718,004
Transit system	<u>214,480</u>	<u>800</u>	<u>-</u>	<u>215,280</u>
Total transportation	<u>47,702,706</u>	<u>1,254,805</u>	<u>24,227</u>	<u>48,933,284</u>
Human services:				
Community services	<u>72,663,878</u>	<u>3,072,241</u>	<u>1,114,492</u>	<u>74,621,627</u>
Parks and recreation:				
Recreation	64,574,730	577,240	292,079	64,859,891
Landscaping	<u>4,097,336</u>	<u>92,817</u>	<u>85,569</u>	<u>4,104,584</u>
Total parks and recreation	<u>68,672,066</u>	<u>670,057</u>	<u>377,648</u>	<u>68,964,475</u>
Intragovernmental services:				
Surplus property	<u>465,782</u>	<u>-</u>	<u>28,107</u>	<u>437,675</u>
Construction in progress	<u>90,588,174</u>	<u>12,698,216</u>	<u>14,992,876</u>	<u>88,293,514</u>
Total capital assets	<u>\$ 327,351,987</u>	<u>\$ 34,582,123</u>	<u>\$ 17,140,757</u>	<u>\$ 344,793,353</u>

(Continued)

**City of Pembroke Pines, Florida**  
**Schedule of Changes in Capital Assets - By Function and Activity (Charter Schools)**  
**Fiscal Year Ended September 30, 2003**

<u>Function and Activity</u>	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2003</u>
Education:				
Elementary schools	\$ 1,860,706	\$ 2,782	\$ -	\$ 1,863,488
Middle schools	2,252,006	4,230	6,298	2,249,938
High School	198,077	3,516	-	201,593
Total capital assets*	<u>\$ 4,310,789</u>	<u>\$ 10,528</u>	<u>\$ 6,298</u>	<u>\$ 4,315,019</u>

\*Charter schools reported as of June 30, 2003

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

### **III. STATISTICAL SECTION**

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



## City of Pembroke Pines, Florida

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

Fiscal Year	<u>Governmental Activities</u>								<u>Business-type Activities</u>			<u>Total</u>
	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportatio</u>	<u>Economic Environmen</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Interest on Long-term</u>	<u>Water Utility Services</u>	<u>Sewer/ Wastewate Services</u>	<u>Water-sewer Combined _Service</u>	
2002	\$20,085,237	\$54,363,115	\$3,184,132	\$ 5,785,707	\$2,154,679	\$24,138,249	\$14,640,884	\$ 6,722,426	\$ 3,843,161	\$8,590,253	\$17,112,758	\$160,620,601
2003	19,804,913	59,919,473	3,740,853	5,486,631	2,754,664	36,142,870	15,269,764	7,694,630	3,917,274	8,974,311	19,865,795	183,571,178

(1) Information for fiscal years ended September 30, 1994-2001 are unavailable in this format.

## City of Pembroke Pines, Florida

### Government-wide Revenues Last Ten Fiscal Years (1)

Fiscal Year	Program Revenues			General Revenues							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Franchise Fees	Inter- Governmental	Investment Earnings not restricted	Gain on Sale of Capital Assets	Miscellaneous		
2002	\$ 100,263,899	\$ 3,630,457	\$ 4,120,865	\$44,688,105	\$ 8,272,014	\$ 10,560,558	\$ 6,545,712	\$ 510	\$ 61,950	\$ 178,144,070	
2003	108,529,040	3,337,172	2,978,244	49,215,331	10,681,172	11,347,886	3,383,341	71,757	400,364	189,944,307	

(1) Information for fiscal years ended September 30, 1994-2001 are unavailable in this format.

## City of Pembroke Pines, Florida

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

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1994	\$ 6,942,077	\$ 24,282,440	\$ 1,570,809	\$ 1,234,976	\$ -	\$ 376,993	\$ 3,329,254	\$ 7,599,585	\$ 5,856,192	\$ 51,192,326
1995	6,956,437	25,638,263	1,659,277	1,423,447	253,653	413,353	3,806,170	7,783,868	5,719,200	53,653,668
1996	8,048,977	28,847,511	1,625,914	1,662,015	700,700	687,553	6,310,444	10,570,470	6,706,278	65,159,862
1997	9,446,857	31,523,940	1,884,668	1,955,506	1,175,189	452,925	6,853,420	18,582,225	8,292,627	80,167,357
1998	11,738,447	33,375,468	1,706,350	1,814,599	1,255,744	1,365,655	7,983,387	30,786,009	11,872,425	101,898,084
1999	12,630,675	38,717,663	2,183,408	2,212,580	1,435,000	6,011,970	9,107,760	37,092,691	14,677,388	124,069,135
2000	13,820,415	40,882,902	2,397,188	2,957,048	2,154,668	11,936,830	10,971,957	31,621,355	10,059,541	126,801,904
2001	14,726,757	47,557,927	2,829,740	3,514,568	2,244,331	19,471,201	11,436,951	21,450,938	17,629,720	140,862,133
2002	18,590,168	57,402,925	3,185,017	4,105,968	2,304,252	51,041,052	16,674,222	(2)	30,956,215	184,259,819
2003	19,455,762	59,672,849	3,918,738	3,736,102	2,740,721	45,622,226	15,826,371	(2)	11,264,456	162,237,225

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

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

**City of Pembroke Pines, Florida**  
**General Governmental Revenues by Source (1)**

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Non Ad Valorem Taxes</u>	<u>Licenses and Permits</u>	<u>Special Assessments</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1994	\$8,726,812	\$12,728,439	\$9,494,707	\$2,795,814	\$5,702,519	\$5,362,721	\$781,614	\$873,980	\$2,192,332	\$48,658,938
1995	9,974,699	14,462,030	7,606,135	2,815,046	7,002,149	5,535,306	902,936	1,322,472	1,303,679	50,924,452
1996	11,749,703	16,180,080	9,901,958	6,139,334	7,742,998	6,577,532	870,885	1,972,863	2,150,222	63,285,575
1997	12,966,754	18,141,244	8,903,487	11,017,284	8,793,307	7,961,641	1,264,895	1,929,827	1,092,369	72,070,808
1998	14,808,039	19,629,361	9,811,982	11,226,489	10,126,718	8,616,379	839,129	2,154,498	3,070,736	80,283,331
1999	16,618,793	22,575,755	10,105,676	10,481,907	14,479,561	12,083,151	1,545,253	2,529,833	3,203,497	93,623,426
2000	18,744,031	23,216,450	7,429,515	7,636,295	25,241,878	14,124,656	1,901,675	3,406,942	9,849,328	111,550,770
2001	20,319,515	25,439,275	9,105,960	8,953,985	27,232,171	17,993,638	1,618,439	3,197,232	7,404,364	121,264,579
2002	25,230,301	27,729,817	9,141,666	8,465,016	32,960,088	20,485,835	1,280,456	2,207,098	8,971,983	136,472,260
2003	28,460,430	31,436,074	6,879,770	8,099,749	40,117,149	22,584,114	1,248,016	1,719,456	12,534,015	153,078,773

(1) Includes all governmental fund types and expendable trust funds (no expendable trust funds since 2002).



## City of Pembroke Pines, Florida

### Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes Receivable (2)
1994	\$9,086,334	\$8,643,149	95.1%	\$ 83,663	\$8,726,812	96.0%	\$ 44,851
1995	10,392,990	9,909,319	95.3%	65,380	9,974,699	96.0%	26,051
1996	12,312,139	11,627,581	94.4%	122,122	11,749,703	95.4%	15,694
1997	13,459,086	12,899,885	95.8%	66,869	12,966,754	96.3%	29,570
1998	15,429,999	14,824,322	96.1%	7,701	14,832,023	96.1%	19,791
1999	17,293,027	16,603,304	96.0%	15,489	16,618,793	96.1%	38,157
2000	19,352,972	18,590,738	96.1%	153,293	18,744,031	96.9%	28,642
2001	21,087,326	20,135,936	95.5%	183,579	20,319,515	96.4%	27,271
2002	26,241,228	25,167,556	95.9%	62,745	25,230,301	96.1%	21,012
2003	29,618,789	28,415,401	95.9%	45,029	28,460,430	96.1%	44,430

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

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

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

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

<u>Fiscal Year</u>	<u>City of Pembroke Pines</u>	<u>Broward County</u>	<u>Broward County Schools</u>	<u>South Florida Water Management District</u>	<u>South Broward Hospital District</u>	<u>Florida Inland Navigational District</u>	<u>Children's Council</u>	<u>Total</u>
Tax Millage Rates (1)								
1994	4.0882	8.1327	9.8197	0.5970	2.1823	0.0510	-	24.8709
1995	4.0882	8.1165	10.0366	0.6470	2.1132	0.0400	-	25.0415
1996	4.0882	7.7524	9.9400	0.6720	2.1132	0.0380	-	24.6038
1997	3.9034	7.8380	9.9745	0.6970	2.1132	0.0050	-	24.5311
1998	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470	-	24.0572
1999	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470	-	24.0572
2000	3.9034	7.5710	9.1283	0.6970	2.0831	0.0440	-	23.4268
2001	3.9034	7.5250	8.9553	0.6970	1.9939	0.0410	-	23.1156
2002	4.4597	7.4005	8.7541	0.6970	1.8694	0.0385	0.3055	23.5247
2003	4.5990	7.3650	8.8825	0.6970	1.7336	0.0385	0.3316	23.6472

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

Source: Broward County Property Appraiser Millage Rate Sheet

## City of Pembroke Pines, Florida

### Special Assessment Collections Last Ten Fiscal Years

Fiscal <u>Year</u>	Assessments <u>Due</u>	Assessments <u>Collected</u>	Ratio of Collections to Amount <u>Due</u>	<u>Current</u>	<u>Delinquent</u>	<u>Deferred</u>	Accrued <u>Interest</u>	<u>Total</u>
1994	\$ 3,244,824	\$ 2,851,101	88%	\$ 388,827	\$ 408,598	\$ 8,583,482	\$ 317,989	\$ 9,698,896
1995	3,245,747	2,863,631	88%	318,958	630,124	7,904,716	548,448	9,402,246
1996	6,954,283	6,511,740	94%	180,053	720,467	21,324,383	1,039,553	23,264,456
1997	11,850,777	13,276,560	112%	284,218	75,973	15,625,642	154,099	16,139,932
1998	11,409,924	11,507,886	101%	231,753	85,140	10,906,851	99,435	11,323,179
1999	10,801,585	10,993,389	102%	41,005	88,682	6,434,679	94,838	6,659,204
2000	8,100,160	8,015,963	99%	99,506	96,178	3,609,471	113,038	3,918,193
2001	9,028,349	9,144,660	101%	2,436	103,357	2,143,515	86,618	2,335,926
2002	8,773,222	8,623,731	98%	68,880	175,631	951,458	97,391	1,293,360
2003	8,164,480	8,189,293	100%	18,821	209,664	330,090	88,604	647,179

# City of Pembroke Pines, Florida

## Computation of Legal Debt Margin

September 30, 2003

2002 Final Gross Taxable Value (after Value Adjustment Board Changes)	\$6,440,267,324
Plus: Exempt Property	1,050,358,610
Plus: Other Exemptions	<u>1,093,126,650</u>
Total assessed value	<u>\$8,583,752,584</u>
Amount of debt outstanding:	
Capital Improvement Revenue Bonds, Series 1993	6,555,000
Public Improvement Revenue Bonds, Series 1998	24,055,000
Capital Improvement Revenue Bonds, Series 1999	43,745,000
Public Improvement Revenue Bonds, Series 2001	19,600,000
Charter School Revenue Bonds, Series 2001A	31,910,000
Charter School Revenue Bonds, Series 2001B	<u>19,885,000</u>
	145,750,000
Less reserve for debt service	<u>10,174,985</u>
Net amount of debt outstanding	<u>\$ 135,575,015</u>

### Legal Debt Margin:

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

#### *Capital Improvement Revenue Bonds, Series 1993*

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

#### *Public Improvement Revenue Bonds, Series 1998*

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

#### *Capital Improvement Revenue Bonds, Series 1999*

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

# **City of Pembroke Pines, Florida**

## Computation of Legal Debt Margin

### ***Public Improvement Revenue Bonds, Series 2001***

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

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

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

**City of Pembroke Pines, Florida**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2003**

	Gross Debt Outstanding <u>(1)</u>	Percent <u>(2)</u>	<u>Amount</u>
City of Pembroke Pines:			
Total Direct Debt	\$ -	- %	\$ -
Broward County:			
Gross General Obligation Debt	334,095,000	7.08%	23,640,834
Broward County School Board:			
General Obligation Refunding Bonds, Series 1992	8,947,169	7.08%	633,109
General Obligation Refunding Bonds, Series 2002A	74,915,000	7.08%	5,301,046
General Obligation Refunding Bonds, Series 2002	<u>42,020,000</u>	7.08%	<u>2,973,369</u>
Total Overlapping Debt	<u>459,977,169</u>		<u>32,548,358</u>
Total Direct and Overlapping Debt	<u>\$459,977,169</u>		<u>\$32,548,358</u>

(1) Gross General Obligation Debt outstanding.

(2) Ratio of 2002 Final Gross Taxable Value (after Value Adjustment Board Changes) of City of Pembroke Pines to Broward County as shown on the 2003 Form DR-420.

**Note:** The City of Pembroke Pines did not have any General Obligation Bonded Debt outstanding during the past ten years. Consequently, the following statistical tables have been omitted:

(a) Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita.

(b) Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures.

## City of Pembroke Pines, Florida

### Debt Service Coverage

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

### Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1991 Electric Public Service Tax Certificate	1993 Public Improvement Revenue Bonds (3) (4)	1998 Public Improvement Revenue Bonds (5)	2001 Public Improvement Revenue Bonds (6)	Total	Coverage
1994	\$ 4,516,839	5.6%	\$ 1,308,981	\$ 574,059	\$ -	\$ -	\$ 1,883,040	2.40
1995	5,049,051	11.8%	1,725,165	688,871	-	-	2,414,036	2.09
1996	5,547,070	9.9%	1,861,331	688,871	-	-	2,550,202	2.18
1997	5,984,413	7.9%	425,020	963,551	-	-	1,388,571	4.31
1998	6,541,977	9.3%	-	2,554,931	-	-	2,554,931	2.56
1999	6,760,447	3.3%	-	3,033,825	592,291	-	3,626,116	1.86
2000	6,703,083	-0.8%	-	3,039,144	1,134,175	-	4,173,319	1.61
2001	6,871,802	2.5%	-	3,034,484	1,134,175	-	4,168,659	1.65
2002	7,334,212	6.7%	-	3,027,475	1,134,175	451,750	4,613,400	1.59
2003	7,647,870	4.3%	-	2,424,125	1,134,175	903,500	4,461,800	1.71

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 7,647,870
Combined Maximum Annual Debt Service	3,463,750
Coverage	2.21

(1) Excludes bank paying agent fees.

(2) Pledged revenues consist of the Electric Public Service Tax on an even parity for all issues.

(3) The 1993 payments represent the Public Improvement Revenue Bonds, Series 1986 which were defeased by the 1993 Bonds.

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

(5) No statistics are available prior to fiscal year 1999 since the bonds were issued on September 23, 1998.

(6) No statistics are available prior to fiscal year 2002 since the bonds were issued on October 12, 2001.

## City of Pembroke Pines, Florida

### Debt Service Coverage

Public Improvement Refunding Revenue Bonds, Series 1992,  
Capital Improvement Revenue Bonds, Series 1993,  
Capital Improvement Revenue Bonds, Series 1995, and  
Capital Improvement Revenue Bonds, Series 1999

#### Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1992 Public Improvement Refunding Revenue Bonds (3)	1993 Capital Improvement Revenue Bonds	1995 Capital Improvement Revenue Bonds (4)	1999 Capital Improvement Revenue Bonds (5)	Total	Coverage
1994	\$ 3,242,647	9.4%	\$ 420,673	\$ 228,957	\$ -	\$ -	\$ 649,630	4.99
1995	3,394,805	4.7%	454,303	392,498	-	-	846,801	4.01
1996	3,885,515	14.5%	507,700	525,405	262,600	-	1,295,705	3.00
1997	4,560,358	17.4%	511,240	525,933	583,555	-	1,620,728	2.81
1998	4,531,246	-0.6%	513,100	525,906	583,555	-	1,622,561	2.79
1999	4,850,760	7.1%	508,133	525,335	583,555	-	1,617,023	3.00
2000	4,883,095	0.7%	511,115	524,310	-	2,519,215	3,554,640	1.37
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

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 6,509,589
Combined Maximum Annual Debt Service	3,619,935
Coverage	1.80

(1) Excludes bank paying agent fees.

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

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

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

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



# City of Pembroke Pines, Florida

## Debt Service Coverage

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

### Debt Service Requirements (1)

<u>Fiscal Year</u>	<u>Pledged Revenues (2)</u>	<u>% Change</u>	<u>2001A Charter School Revenue Bonds (3)</u>	<u>2001B Charter School Revenue Bonds (4)</u>	<u>Total</u>	<u>Coverage</u>
2002	\$ 6,294,213	-1.5%	\$ 963,374	\$ 281,038	\$ 1,244,412	5.06
2003	9,157,753	45.5%	1,534,579	1,129,468	2,664,047	3.44

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	\$ 9,157,753
Combined Maximum Annual Debt Service	3,605,591
Coverage	2.54

(1) Excludes 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 fiscal year 2002 since the bonds were issued on December 11, 2001.

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

**City of Pembroke Pines, Florida**  
**Schedule of Debt Service on Outstanding Bonds as of September 30, 2003**

Fiscal Year Ending	Southwest	Charter Middle	Charter High	Police	Charter	Charter	Total
	Focal Point	School and	School and	Annex, Park	Schools	School	
	Senior	Academic	Other Capital	and Other	Central	Facility	
	Center	Village	Projects	Improvements	Campus	and Buses	
	<u>\$7,780,000</u>	<u>\$24,055,000</u>	<u>\$45,240,000</u>	<u>\$19,600,000</u>	<u>\$31,910,000</u>	<u>\$20,060,000</u>	
	Capital	Public	Capital	Public	Charter	Charter	
	Improvement	Improvement	Improvement	Improvement	School	School	
	Revenue	Revenue	Revenue	Revenue	Revenue	Revenue	
	Bonds,	Bonds,	Bonds,	Bonds,	Bonds,	Bonds,	Total
	Series	Series	Series	Series	Series	Series	Debt
	<u>1993</u>	<u>1998</u>	<u>1999</u>	<u>2001</u>	<u>2001A</u>	<u>2001B</u>	<u>Service</u>
2004	\$ 520,357	\$ 1,889,160	\$ 3,095,926	\$ 1,547,038	\$ 2,134,579	\$ 1,464,217	\$ 10,651,277
2005	521,683	1,893,045	3,098,253	1,538,850	2,133,379	1,463,768	10,648,978
2006	522,295	1,890,245	3,093,400	1,539,962	2,134,314	1,471,277	10,651,493
2007	522,170	1,890,710	3,095,942	1,540,200	2,132,724	1,466,298	10,648,044
2008	521,420	1,883,750	3,095,605	1,544,475	2,134,144	1,469,067	10,648,461
2009	520,055	1,884,415	3,097,195	1,540,850	2,131,944	1,464,673	10,639,132
2010	518,070	1,888,027	3,100,410	1,534,350	2,133,743	1,468,535	10,643,135
2011	520,256	1,883,787	3,094,651	1,536,650	2,133,609	1,465,477	10,634,430
2012	516,606	1,881,383	3,099,391	1,537,115	2,131,478	1,465,663	10,631,636
2013	517,300	1,880,720	3,100,379	1,535,275	2,132,294	1,208,812	10,374,780
2014	517,206	1,881,200	3,102,376	1,531,060	2,132,681	1,211,725	10,376,248
2015	516,131	1,877,250	3,099,628	1,523,900	2,130,650	1,212,975	10,360,534
2016	518,931	1,874,250	3,097,065	1,528,350	2,131,200	1,212,513	10,362,309
2017	515,791	1,878,000	3,099,426	1,519,775	2,134,062	1,210,012	10,357,066
2018	516,709	1,873,375	3,101,665	1,521,050	2,130,250	1,211,263	10,354,312
2019	516,553	1,870,375	3,102,962	1,519,025	2,131,500	1,211,012	10,351,427
2020	515,322	1,868,750	3,103,463	1,523,750	2,135,000	1,209,263	10,355,548
2021	513,016	1,863,375	3,106,025	1,523,125	2,130,500	1,211,012	10,347,053
2022	514,500	1,864,000	3,105,131	1,519,250	2,133,250	1,211,013	10,347,144
2023	514,641	1,860,375	3,103,069	1,517,000	2,132,750	1,209,262	10,337,097
2024	513,438	-	3,104,444	-	2,134,000	1,210,763	6,962,645
2025	-	-	3,590,737	-	2,131,750	1,210,262	6,932,749
2026	-	-	3,590,900	-	2,131,000	1,207,763	6,929,663
2027	-	-	3,591,875	-	2,131,500	1,208,262	6,931,637
2028	-	-	-	-	2,133,000	1,209,175	3,342,175
2029	-	-	-	-	2,130,250	1,212,463	3,342,713
2030	-	-	-	-	2,133,250	1,212,862	3,346,112
2031	-	-	-	-	2,131,500	1,210,375	3,341,875
Total debt service	<u>\$ 10,872,450</u>	<u>\$ 37,576,192</u>	<u>\$ 75,869,918</u>	<u>\$ 30,621,050</u>	<u>\$ 59,710,301</u>	<u>\$36,199,762</u>	<u>\$250,849,673</u>
Principal outstanding	<u>\$ 6,555,000</u>	<u>\$ 24,055,000</u>	<u>\$ 43,745,000</u>	<u>\$ 19,600,000</u>	<u>\$ 31,910,000</u>	<u>\$19,885,000</u>	<u>\$145,750,000</u>

## City of Pembroke Pines, Florida

### Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Income Per Capita (2)	Grade School Enrollment (3)	Commercial Bank Deposits (4)	Unemployment Rate Expressed As a Percentage (5)			
					United States	Florida	Broward County	Pembroke Pines
1994	81,374	25,494	5,995	453,702,000	6.3*	6.7*	6.5*	4.3*
1995	87,948	26,192	6,804	681,363,000	5.6*	5.5*	5.6*	3.7*
1996	89,753	27,129	7,858	715,055,000	5.5*	5.4*	5.5*	3.6*
1997	104,143	27,530	8,058	1,863,205,000	5.0*	4.9*	4.9*	3.2*
1998	112,692	28,546	9,404	808,844,000	4.1	4.5	4.8	3.1
1999	120,091	29,442	10,924	1,382,264,000	4.1	4.1	4.1	2.7
2000	137,427	29,409	11,694	1,380,262,000	4.0	3.6	3.7	2.4
2001	141,659	30,702	11,637	1,374,147,000	4.4	3.9	4.0	2.6
2002	144,792	(2a)	11,480	1,575,812,000	5.8	5.3	5.9	3.9
2003	148,280	(2a)	10,995	1,680,393,000	6.0	5.2	5.7	3.7

Source:

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

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

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

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

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

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

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

## City of Pembroke Pines, Florida

### School Enrollment

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Community College: (1)</b>										
Broward Community College										
Pines Center -Academic Village	-	-	-	-	-	-	666	801	1,188	1,288
South Campus (1)	<u>7,674</u>	<u>7,388</u>	<u>7,332</u>	<u>7,603</u>	<u>7,726</u>	<u>7,427</u>	<u>7,701</u>	<u>7,806</u>	<u>8,290</u>	<u>8,913</u>
Total BCC Enrollment	<u>7,674</u>	<u>7,388</u>	<u>7,332</u>	<u>7,603</u>	<u>7,726</u>	<u>7,427</u>	<u>8,367</u>	<u>8,607</u>	<u>9,478</u>	<u>10,201</u>
<b>High School: (2)</b>										
Pembroke Pines Charter High School	-	-	-	-	-	-	570	1,032	1,214	1,608
Flanagan	-	-	<u>2,248</u>	<u>3,311</u>	<u>4,158</u>	<u>4,857</u>	<u>4,925</u>	<u>5,480</u>	<u>5,401</u>	<u>3,701</u>
Total High School Enrollment	-	-	<u>2,248</u>	<u>3,311</u>	<u>4,158</u>	<u>4,857</u>	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>	<u>5,309</u>
<b>Middle Schools (2):</b>										
Pines Middle School	1,554	1,571	1,598	1,646	1,665	1,606	1,658	1,837	1,423	1,452
Silver Trail Middle	-	-	-	1,881	2,085	1,873	1,926	2,354	2,329	2,423
Walter C. Young	2,149	2,150	2,006	1,772	1,897	2,554	2,044	2,072	1,487	1,841
Pembroke Pines Charter Middle School	-	-	-	-	-	-	672	672	1,189	1,192
Total Middle School Enrollment	<u>3,703</u>	<u>3,721</u>	<u>3,604</u>	<u>5,299</u>	<u>5,647</u>	<u>6,033</u>	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>	<u>6,908</u>
<b>Elementary Schools (2):</b>										
Pembroke Pines	878	914	949	918	893	843	896	873	844	850
Pembroke Lakes	1,093	1,056	1,043	1,009	935	899	942	896	858	841
Pines Lakes	2,272	998	810	969	814	843	1,011	1,111	965	1,020
Pasadena Lakes	905	842	899	876	907	924	899	948	914	881
Palm Cove	847	910	1,065	1,134	1,114	1,149	1,215	1,223	1,087	1,124
Chapel Trail	-	1,428	1,498	1,602	1,311	1,365	1,436	1,436	1,410	1,309
Silver Palms	-	656	1,594	1,550	1,010	1,379	1,422	1,506	1,434	1,169
Panther Run	-	-	-	-	986	1,335	1,360	1,432	986	952
Lakeside	-	-	-	-	730	1,187	1,513	1,112	1,196	1,049
Pembroke Pines Charter Elementary	-	-	-	-	704	1,000	1,000	1,100	1,786	1,800
Total Elementary School Enrollment	<u>5,995</u>	<u>6,804</u>	<u>7,858</u>	<u>8,058</u>	<u>9,404</u>	<u>10,924</u>	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>	<u>10,995</u>

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

(2) Source: Broward County School Board, 2003-2004 Twentieth Day Enrollment Report

## City of Pembroke Pines, Florida

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

2000 Census

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

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

## City of Pembroke Pines, Florida

### Property Value and Construction (1) Last Ten Fiscal Years

<u>Year</u>	<u>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</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>	<u>Number Units (2)</u>	<u>Valuation</u>		
1993	8,822	5,738	\$ 17,508,513	3,489	\$ 335,827,290	114	\$ 18,592,987	\$ 371,928,790	\$ 2,923,526,065
1994	8,603	6,579	23,094,842	4,765	429,869,156	158	28,765,818	481,729,816	3,293,348,816
1995	10,205	6,395	19,492,223	2,333	218,452,602	138	17,541,902	255,486,727	3,893,606,915
1996	10,957	8,512	39,062,785	3,916	318,070,814	94	24,132,924	381,266,523	4,503,625,967
1997	11,004	7,361	31,169,956	3,546	275,652,523	97	30,100,323	336,922,802	5,093,162,673
1998	9,268	6,508	29,661,890	2,669	260,529,339	91	58,544,338	348,735,567	5,470,069,790
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	9,171	8,997	54,653,023	361	40,571,126	17	14,659,667	109,883,816	8,678,811,181

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

(2) Commercial permits include remodeling and partitioning.

(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value. Represents "just value" from 2002 DR403.

## City of Pembroke Pines, Florida

### Principal Taxpayers

September 30, 2003

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Valuation</u>	<u>Percentage of Total Taxable Valuation</u>
Pembroke Lakes Mall LTD	Shopping Center	\$ 101,399,060	1.57%
Pasadena Place Associates	Apartments and condominiums	68,128,280	1.06%
Prudential Insurance Co. of America	Shopping Center	45,724,390	0.71%
Taplin Falls Ltd.	Apartments and condominiums	35,570,720	0.55%
Marquesa Apartment Corporation	Apartments and condominiums	35,059,390	0.54%
Jefferson Pembroke LP	Apartments and condominiums	32,779,300	0.51%
CCMSC 2000-1 Broward Plaza LLC	Shopping Center	30,760,900	0.48%
KLS Flamingo Land Trust	Shopping Center	30,691,040	0.48%
WRI/Pembroke Ltd.	Shopping Center	30,000,000	0.47%
Pembroke Cove Apartments LLC	Apartments and condominiums	<u>28,202,800</u>	0.44%
Total Taxable Assessed Value of 10 Largest Taxpayers		438,315,880	6.81%
Total Taxable Assessed Value of Other Taxpayers		<u>6,001,951,444</u>	<u>93.19%</u>
Total Taxable Assessed Value of All Taxpayers		(1) <u>\$ 6,440,267,324</u>	<u>100.00%</u>

**Source:** (1) Total Taxable Assessed Value taken from 2003 DR420 - "Prior Year Final Gross Taxable Value".  
Broward County Property Appraiser's Tax Roll for 2002 tax year.

# City of Pembroke Pines, Florida

## Miscellaneous Stastical Data

September 30, 2003

Date of Incorporation	1960
Form of Government	Commission/Manager
Area	34.25 square miles
Miles of Streets	455.92
Number of fire stations	7
Firemen and support staff	250
Number of police stations	2
Full-time sworn officers and support staff	295
Number of elementary schools	13
Number of students	12,094
Number of middle schools	5
Number of students	6,439
Number of high schools	2
Number of students	7,001
Number of water accounts	44,785
Average daily consumption	12.93 million gallons per day
Miles of water mains	489
Sanitary sewers	399 miles
Number of lift stations	168
Storm sewers	226 miles
Fire hydrants	4,121
Building permits issued	9,171
Number of parks including 1 operated by the county	29 parks with 931.21 acres 1 park with 320 acres
Number of golf courses	4 private courses 1 owned by City
Number of libraries	3 operated by Broward County
Number of full-time civil service employees	
Number of part-time and temporary employees	1,379
Total number of employees	<u>462</u> <u>1,841</u>



## City of Pembroke Pines, Florida

### Schedule of Insurance in Force

Fiscal Year Ended September 30, 2003

<u>Company</u>	<u>Policy Number</u>	<u>Effective Date</u>	<u>Coverage</u>	<u>Limits</u>	<u>Annual Premium</u>
Hartford Life Insurance Company	ETB-12917	10/1/00-9/30/03 (three-year term)	Police & Fire Accidental Death	\$50,000 in the line of duty/pursuit, \$150,000 unlawful & intentional death	\$15,098
Hartford Steam Boiler Insp.& Ins. Co.	FBP4910539	10/1/02-9/30/03	Equipment Breakdown	\$50MM limit; Computers \$1MM; \$1M ded.	15,246
Hartford Steam Boiler Insp.& Ins. Co.	FBP4910538	10/1/02-9/30/03	Equipment Breakdown W.C. Young Human Resource Center	\$50MM limit; Computers \$1MM; \$1M ded.	1,502
United National Insurance Company	CP0065370	10/1/02-9/30/03	Comprehensive General Liability - 3rd Party Liab.;Auto Liab.;Work.Comp.; Empl. Benefits Liab.-Claims Made	Limit \$850,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work.Comp.& Employer Liab. \$350,000 Excess \$150,000 per occurrence	429,350
Florida Municipal Insurance Trust	FMIT # 0470	10/1/02-9/30/03	Buildings and Personal Property Automobiles - 674 vehicles covered	\$25,000 deduct. \$180MM bldg;\$14MM pers. \$25,000 deductible. Stoploss \$847,726	819,573 89,888
Arthur J. Gallagher & Co. & Affiliates		10/1/02-9/30/03	Service and Consulting Fees		130,578
AIG / National Union Fire Ins. Co.	006568872	4/1/03-3/31/04	MuniPro Public Officials Liability	\$2MM aggregate; \$50M to \$150M deduct.	254,573
Western World Insurance Company	NPP737087	10/1/02-9/30/03	Ambulance / EMT liability	\$1MM per occurrence & annual aggregate	31,035
Employers Reinsurance	0648025	10/1/02-9/30/03	Excess Workers' Compensation and Employers Liability Indemnity	\$25,000,000 each accident;\$1,000,000 empl. liab.& \$500,000 retention each occurrence	166,674
Hartford Fire Insurance Company	21BPEBX5444	10/1/02-9/30/03	Public Employees Dishonesty including Faithful Performance	\$75,000 Excess \$25,000 SIR per Employee and four named positions	1,524
Hartford Insur. Co. of the Southeast	21RN 587579	12/10/02-12/9/03	Public Officials Bond	\$100,000 Limit - Covers Finance Director	750
American Bankers Insurance Co.	Various	Various	Flood - City and School locations	Limits/premiums vary per location	varies
National Fire & Marine Insurance Co.	72LPE682977	10/1/02-9/30/03	Liability-8 City locations rented out	\$1MM per occurrence/aggregate;\$250 ded;	16,525
Benesight, Inc.	Group No. 100001	10/1/02-9/30/03	Administrative fees / stop loss broker		445,191
Benesight, Inc.	Group No. 100001	10/1/02-9/30/03	EPO/ PPO - Reinsurance carrier is Combined Insurance Co. of America	Individual maximum \$150,000; Maximum City exposure for annual loss per employee is \$8,718	428,314
Medical Life Insurance Company	M12351	10/1/02-9/30/03	Employees life insurance	1 x base annual salary-max.\$100,000	269,811
Commerce and Industry Insurance Co.	FPL8084644	11/26/02-11/26/03	Storage Tank Third-Party Liability	\$1MM each / \$2MM aggregate; \$5,000 ded.	2,642
RLI Insurance Company	LFB 001039-1	3/01/03-2/28/04	Business Auto Liability	\$1,000,000 Combined Single Coverage	139,685
Mt. Hawley Insurance Company	MGL-0134828	6/25/03-6/24/04	General Liability-Walter C. Young and SW Regional Libraries	\$1,000,000 General Aggregate Per Location; \$5,000 Medical;\$1,000 deductible each claim	4,830
National Fire & Marine Insurance Co.	72LPE676116	10/1/02-9/30/03	Designated Special Use Facility	\$1MM per occurrence & aggreg/\$250 ded.	16,560

# 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-Miami Beach, FL Metropolitan Statistical Area, which is the 6<sup>th</sup> largest in the country with an estimated population of 5.2 million. The population of Pembroke Pines is currently estimated at 150,000. During the year, the City has a mean average annual temperature of 75 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this residential city is similar to that of other 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 30 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 Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides senior housing and 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 25 miles northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The North Perry Airport is also located in Pembroke Pines; it is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

### Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of paved and signalized roadways, bike paths, and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa. 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, institutional, and social programs for adults and youth are the six recreation centers. Programs include such diverse activities as art, baseball, football, swimming, tennis, soccer, roller hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing. Over 12,000 children participate in supervised sports programs in Pembroke Pines. Located throughout the City are 29 neighborhood and community parks totaling 921 acres. In addition, five golf courses are located within the City including an 18-hole municipal course with club facilities. Walnut Creek Park, an eight-acre park located on the east side of the City, opened in March 2003. In August 2002, the City

# City of Pembroke Pines, Florida

## General Information

purchased over 60 acres in western Pembroke Pines to be developed as a soccer complex to include wetlands and passive areas. The City opened its River of Grass ArtsPark this year with an auditorium providing classes in fine arts, music, drama and dance, and has a continuing program of classes for children and adults at 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 and boat rentals.

### Medical Facilities

Health care services for the City of Pembroke Pines residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street) and the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road). These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics, with a combined staff of 1,034 physicians.

Fifteen minutes north of the City off Interstate 75 is a new 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 5,200 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the charter schools, within the City are nine elementary schools, three middle schools and one other high school with a combined enrollment of 18,485 students. 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.

Also within Pembroke Pines is the Somerset Academy, a charter school operated by Academica Corp. with an enrollment of approximately 1,300 students from pre-kindergarten through 9<sup>th</sup> grade. The school is planning to add the 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> grades,

In addition to this, the City also offers post-secondary as well as post-graduate education. Broward Community College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus. The Academic Village is a unique multi-building facility located on Sheridan Street west of Interstate 75, and also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs. Opened this year is the new campus of the Venezuelan-administered Jose Maria Vargas University located in the Howard C. Forman Human Services Campus. Keiser Career College also opened its Pembroke Pines branch campus with a 30,000 square foot facility offering various associate degree and diploma programs.

Three excellent County-operated libraries – the Southwest Regional Library located at the Academic

# City of Pembroke Pines, Florida

## General Information

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, serve the City.

### Communications

All principal television networks are received within the City with broadcast stations in Miami, Fort Lauderdale, and West Palm Beach. Cable television is provided to the entire City by Comcast (formerly AT&T Cable Services), BellSouth Entertainment, Inc., and by Tele-Media, Inc. The City has its own informational cable channel that televises all Commission meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, [www.ppines.com](http://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.