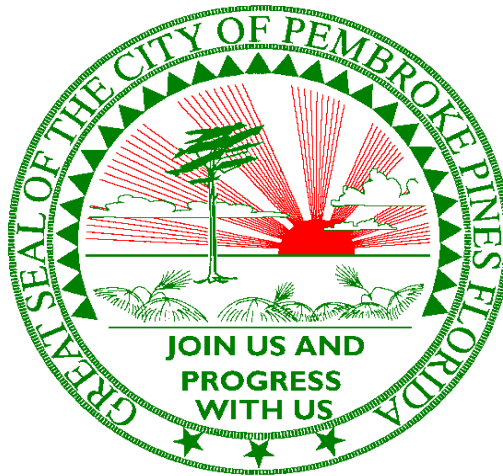




**Comprehensive Annual Financial
Report
and Compliance Reports
of the
City of Pembroke Pines, Florida**



**For the
Fiscal Year Ended
September 30, 2011**

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

**For the Fiscal Year Ended
September 30, 2011**



**Prepared by
The Finance Department**

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2011

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I. INTRODUCTORY SECTION

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- . List of City Officials**
- . Organizational Chart**





City of Pembroke Pines



Frank C. Ortis, Mayor
Iris A. Siple, Vice Mayor
Charles F. Dodge, City Manager

Angelo Castillo, Commissioner
Jay Schwartz, Commissioner
Carl Shechter, Commissioner

March 10, 2012

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

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2011.

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

The City's financial statements have been audited by GLSC & Company PLLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2011 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, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Pembroke Pines was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. There were no Single Audit findings during the fiscal year ended September 30, 2011.

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

Profile of the Government

The City of Pembroke Pines is a city in Broward County, Florida. The City had a population of 154,750 at the 2010 census, making it the 2nd most populous city in Broward County, the 10th most populous in Florida, and the 150th most populous in the United States. As of September 30, 2011, the most recent official population estimate was 154,889. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

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

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

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

Factors Affecting Financial Condition

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

Local Economy

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the fifty-one years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Pompano Beach, Metropolitan Statistical Area (MSA), known as the "Gateway to the Americas", is an ideal location for conducting international business, especially in Latin America. As such, the MSA accounts for the majority of Florida's total export of goods to overseas markets. The total population based on the 2010 US census, is approximately 5.7 million and has the largest and most diverse labor force in the State. It is also the 8th most populous MSA in the United States. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the number one cruise ship port in Florida, and among the busiest container ports in the United States.

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

The U.S. economic recovery has been showing positive signs of improvement over last year. According to the Florida Economic Estimating Conference, the pace of the economic recovery will depend on such factors as how quickly the job market recovers, the capacity for personal income growth to move ahead of inflation, and a substantial reduction in the supply of unsold residential properties.

The nation's Gross Domestic Product (GDP), which is the value of all goods and services produced in the economy, increased at the end of 2011, according to the second estimate of fourth quarter GDP which was released by the U.S Department of Commerce in February 2012. GDP rose at a 3.0% annual rate from October through December, as compared with 1.8% for the previous quarter ending September 2011. This was the fastest pace of growth in one and a half years.

GDP is a broad measure of economic activity in the United States. The increase in real GDP in the fourth quarter ended December 2011, reflected positive contributions from private inventory investment, personal consumption expenditures (PCE), exports, nonresidential fixed investment, and residential fixed investment that were partly offset by negative contributions from federal government spending and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.

Due to the efforts of the Federal Reserve, inflation has not posed any issues for the economy throughout 2011 and 2010. Nationwide, the inflation rate as measured by the percent change in the Consumer Price Index (CPI) for all urban consumers, increased by 0.2% in January 2012; over the last 12 months, the index increased 2.9% before seasonal adjustment, barely changed from a 3.0% annual inflation rate in December 2011. The index for energy and food has risen 6.1% and 4.4%, respectively, over the last year. Included in the energy index is the gasoline index which rose 9.7% over the 12 months ended January 2012. The CPI for the Miami-Fort Lauderdale MSA decreased 0.1% in the two months ended December 2011. For all of 2011, South Florida's inflation rate rose 3.1% with annual increases in most categories, but most notably in food and motor fuel. Improving U.S. economic data, including stronger job growth, and tensions with Iran have been driving the price of oil and gasoline higher.

The level of unemployment continues to be a critical issue in the recovery process. Even with growth quickening, progress reducing unemployment has been painfully slow, despite all efforts on the national level. The City's average unemployment rate during the year in contrast to the other levels of government is shown below:

	<u>2011*</u>	<u>2010*</u>
City of Pembroke Pines	9.1%	9.5%
Broward County	9.7%	10.4%
State of Florida	10.8%	11.8%
United States	9.2%	9.7%

* Average unemployment data for 2011 & 2010 is on a fiscal year basis October 1st through September 30th.

For the entire United States, the unemployment rate was 8.3% in January 2012, which represents approximately 12.8 million people. At the start of the recession in December 2007, the number of unemployed persons was 7.7 million, and the unemployment rate was 5.0%.

The unemployment rate for Florida, as released by the U.S Department of Labor in January 2012, was 9.9% for December 2011, representing approximately 0.9 million people. This is a decrease of 2.1% from the 12.0% in December 2010, and represents the first time the rate has fallen below 10.0% in more than two and a half years. It is the lowest rate since April 2009. The state's workforce grew by 7,300 jobs in December, raising the total job count by 113,900 for the year. The Bureau of Labor Statistics, which ranks states based on how much unemployment has fallen, shows that Florida was in second place in December 2011, right behind Nevada, which dropped 2.3 percentage points, from 14.9% to 12.6%. Even with the 2.1% decrease, Florida still has the fifth-highest unemployment rate in the country, with Nevada being number one.

According to some economists, although there is reason for optimism, the jobs market is still dire, especially given that tens of thousands of workers have temporarily stopped looking for a job and are no longer counted among the jobless. Although Florida's jobless rate has improved, it remains above the national average. The Florida Economic Estimating Conference predicted late last year 2011, that the State's unemployment rate would not fall to 8.7% until 2014 and would not reach a healthier 6.0% unemployment until 2020.

The housing market has been one of the weakest parts of the U.S. economy, but there are signs it is starting to recover after the price collapse that began 5½ years ago. In 2011, about 4.3 million homes were sold, up 1.7% from 4.19 million in 2010.

In January 2012, nationwide, existing home sales increased 4.3% over December 2011, to a seasonally adjusted annual rate of 4.6 million. The level of home sales was modestly below economists' expectations of 4.7 million units as a result of a downward revision to the December data. Home sales are at the highest pace since the tax-credit induced gain in the spring of 2010. The increase in activity has been driven by greater participation from investors and sales of distressed properties. In January 2012, 35.0% of sales were of distressed properties, up from 32.0% in December 2011. Mortgage rates have been hovering around the lowest recorded levels and hiring has picked up, giving some buyers more confidence. However, prices in many distressed markets have continued to fall due to an ongoing flow of foreclosures. While the number of loans in foreclosure has remained elevated, the number of new borrowers falling behind on their mortgages has been declining.

Florida Realtors® released data recently that showed existing home sales in Florida declined 5.5% in January 2012 compared to sales one year earlier. Florida sales of existing single-family home sales totaled 12,044, but condominium sales were down 22.6% from one year ago, totaling 5,963 units sold. The median sales price for a single-family home increased 5.3% to \$129,000, while the median sales price of condominiums increased 18.8% to \$95,000 in January.

Home sales were up across Miami-Dade and Broward counties in the fourth quarter, according to the Miami Association of Realtors. In Broward, sales of all homes increased 6.0% in the fourth quarter of 2011, from 6,225 to 6,572. Sales of existing single-family homes in Broward increased 15.0% in the fourth quarter 2011 compared to a year earlier. The sales of existing condominiums in Broward dropped 1.0% compared to the fourth quarter of 2010. Short sales and foreclosures continue to have an impact on median and average sales prices for both single-family homes and condominiums. In Broward, the median sales price in the fourth quarter for single-family homes was \$188,900, up 5.0% compared to the fourth quarter of 2010. The median sales price for condominiums was \$77,300, an 11.0% increase compared to a year earlier. In 2011, one in four South Florida home sales involved a property in some stage of foreclosure, according to a recent report released by RealtyTrac Inc. Homes in the foreclosure process accounted for 25.0% of sales in Broward County, down from 46.0% a year ago, said RealtyTrac Inc., a foreclosure listing firm.

A key component of the economic recovery has focused on the business environment and overall economic development. From the President of the United States, to the Governor of the State of Florida, to our very own City Commission, there has been a unified effort to encourage business investment, with the aim of increasing employment opportunities at all levels. In January 2012, one year after the President announced a national campaign called "Startup America" to encourage private sector investments, a Startup America Legislative Agenda was sent to Congress which will expand tax relief and unlock capital for startups and small businesses that are creating jobs. In October 2011, Governor of the State of Florida unveiled his 2012 job creation and economic growth agenda which focused on removing the barriers to beginning, relocating and growing businesses in Florida.

In March 2012, the Mayor of the City gave a "State of the City" Address, and affirmed that the City will also continue its efforts to increase business investment within the City's limits. These efforts include, but are not limited to, continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce, and eliminating burdens on businesses by expediting the permitting process. Many new and well-known businesses such as Wal-Mart, HH Greg, and Whole Foods, continue to open their doors in Pembroke Pines. There are also many other companies and restaurants that are now calling the City of Pembroke Pines their home. These are strong indications that all efforts are being made to encourage business and economic development in order to further stimulate the economy.

Long-Term Financial Planning

Financial planning continues to be of paramount importance to the City as we strive to meet the challenges of both the immediate and the foreseeable future. The major projects undertaken by the City have long-term financial implications for the existing as well as future resources of the City, including, but not limited to, the use of revenues earned for operational and future reserve needs. The planning and decisions undertaken by the City are always weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts.

The long-term financial focus has been a shift away from growth to one of economic development and redevelopment opportunities, in order to continue to meet the City's long-term goals and objectives. The City has had to re-examine the way it does business, seeking to harness operational efficiencies without an enormous impact to the services it provides residents, in the face of increasing costs and declining revenues.

Pembroke Pines has always strived to maintain low property tax rates. The City's current millage rate for the fiscal year ending September 30th, 2012 is 6.3081, which is comprised of an operating millage of 5.6368 and a debt service millage of 0.6713. For the fiscal year ended September 30th, 2011, the City's millage rate was 6.3660, which was comprised of an operating millage of 5.6880 and a debt service millage of 0.6780. The 2012 operating millage rate, approved by the City Commission, represented a 0.9% decrease in the tax rate. This will result in a decrease in ad valorem property tax revenues of \$0.5 million compared to the amount collected in FY2011.

The development of the City's capital improvement plans, as well as the annual budget, has led the City to pursue a moderate and more conservative approach to revenue forecasts, as well as renewed focus on cost-reduction, especially for personnel-related costs which accounted for approximately \$113.1 million or 74.6% of total General Fund expenditures for the 2012 Adopted Budget. Significant cost reductions were achieved by additional contractual relationships such as the YMCA's agreement to provide various recreational activities to residents. Cost reductions were also achieved through early retirements, eliminating vacancies, negotiated reductions to benefit packages for both new and existing employees, and the outsourcing of various City positions to an external contractor.

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

Relevant Financial Policies

The City adopts various financial policies in order to facilitate effective goal setting and decision making. These policies establish the framework for sound financial oversight of the City's operations. In light of the economic and credit crisis, it was important that the debt issues be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission on November 1, 2006. Understanding and managing the risks associated with these transactions is critical to the City's financial health. The City is currently in compliance with its Debt Management and Derivative Policy. The Debt Management Policy stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal or exceed \$100,000. In fiscal year 2011, the City issued \$12.3 million of Consolidated Utility

System Revenue Bonds, Series 2010, to fund the design and construction relating to the State- mandated Alternative Water Supply (AWS) project.

Over the last year, the City has developed the budget in such a way as to preserve unassigned fund balance in the General Fund of not less than 10% of the total annual General Fund expenditures. This also provides a contingency for unexpected future events. The importance of monitoring the City's fund balance levels has become such an integral part of its overall financial planning, that on November 1, 2006; the City formally adopted Ordinance Number 1562 creating a Fund Balance Reserve Policy. On September 7th, 2011, the adopted Ordinance Number 1699, which City repealed the Fund Balance Reserve Policy and replaced it with the Fund Balance Policy. The new Fund Balance Policy was created to take into account the new Fund Balance reporting standards for Governmental Accounting Standards Board (GASB) Statement No. 54. The policy covers the General Fund and specifies the course of action in the event that the unassigned fund balance falls below the target. The City's General Fund unassigned fund balance for 2011 is \$36.0 million. As a percentage of 2012 budgeted expenditures, it is 23.8% and falls within the established policy guidelines.

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

Major Initiatives

There are many projects and initiatives that have been undertaken by the City over the last year, some of which have spanned numerous years. On March 7, 2012, the City Commission held its first "visioning" workshop for the 2012-13 budget year in which many plans and projects for the City were discussed. It was decided that the City Commission will meet every week starting at the end of April to ensure that the budget preparation process is smooth and that City's plans and objectives for the coming year can be met in the most efficient way possible. Some of the City's major initiatives and projects are discussed below.

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

The projects funded from the proceeds of the bonds range from various roadwork projects and recreational and cultural amenities to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City's Mayor and Commissioners. Many of the projects have focused on additions and improvements to the City's parks and recreational facilities, and major improvements to several strategic roadways throughout the City. A total of 141 projects were approved by the City Commission relating to the "Building Our Future Program". As of December 2011, 94 projects were fully completed, 4 projects were in the construction phase, 7 projects were in the design/planning phase, 8 projects had not yet begun, 7 projects were re-allocated and 21 projects were eliminated. The current budget is \$95.0 million (the difference between the current budget and the \$90.0 million borrowed is due mainly to interest earned). Of the \$95.0 million, \$72.8 million or 76.6% has been spent or allocated to projects as of December 31, 2011.

One of the major projects coming to fruition is the City's streetscape project. Back in 2005, the City allocated \$1.5 million of GO Bonds for Citywide streetscape improvements, and in November of 2005, the Streetscape Committee made its first presentation to the City Commission. Since that time, there have been numerous discussions and meetings with the public on the subject. However, on January 10, 2012, the City Commission was presented with preliminary design guidelines by Miller Legg, the consulting firm hired by the City. This preliminary design included plans for planting 40-foot tall canopy trees along major roadways to revamping intersections into roundabouts, to stamping decorative patterns on crosswalks and walkways. The aim is to give Pembroke Pines a unique sense of identity, which will also attract businesses and residents to the area. The full cost of the project is estimated to be \$7.5 million, with \$1.5 million coming from the GO Bond project and the remaining \$6.0 million may come from the \$9.0 million set aside for economic redevelopment. Although the project was initially planned over a five-year period, Commissions want to expedite it be completed within a year or less. The City Commission is expected to take formal votes on this plan within the next few months.

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

The City Commission and the administration have worked arduously to develop strategies to promote the sale of City Center. In the past several years, there have been various proposals that did not materialize. However, on January 25, 2011, the City Commission gave the final approval for the sale of 27.2 acres to Mills Creek Residential Trust LLC, which intends to develop 700 multifamily units and related amenities such as a clubhouse, outdoor playground, and parking for a total purchase price of \$18.2 million. The development will take place in two phases, with "Phase 1 Property" being the development of 405 multifamily units for a purchase price of \$10.5 million and "Phase II Property" which will include 295 multifamily units for a purchase price of \$7.7 million. Mills Creek Residential Trust LLC will have two consecutive periods of 270 days after the purchase of "Phase I Property" to purchase "Phase II Property."

The City continues to mark new ground at City Center. On the 10th anniversary of the 9-11 attacks on our nation, the City of Pembroke Pines unveiled one of the most remarkable memorials in honor of those who died on that tragic day in American history. The memorial is the end result of a process that began in 2004 when City Commissioner Angelo Castillo wrote to New York City Mayor Michael Bloomberg and requested a piece of a girder from the World Trade Center. That girder forms the centerpiece of several sculptures created by artists Benoit Menasche and Felix Gonzalez. Gonzalez created several sculptures out of steel, including two towers, a firefighter and a girl sitting on the ruins of a tower. Gonzalez's firefighter won an award for extraordinary welding from the American Welding Society. In past years, the award has been given to structures such as the St. Louis Gateway Arch. Gonzalez has two more sculptures in the works: a woman standing on a ledge contemplating a jump, and a police officer and dog searching the rubble.

On November 11th, 2011, the City celebrated Veterans Day with the dedication of the Veterans Memorial, which stands opposite to the 9-11 Memorial. The Pembroke Pines Veterans Memorial will immortalize and honor all who have served in the United States Armed Forces, and supports the cause of freedom around the world. The black obelisk bears the seals of the Army, Navy, Air Force, Marines, Coast Guard and Merchant Marines. The base of the memorial will be surrounded by bricks that can be purchased for veterans of any U.S. war, along with active duty service members.

These two extraordinary events brought together residents, business partners, and visitors from all over the country. It demonstrates that, even in challenging times, Pembroke Pines remains a vibrant community that fosters and celebrates cultural diversity: a community proud of its history and willing to embrace its future.

Awards and Acknowledgements

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2010. This was the twenty-sixth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

Additionally, the City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2010. The City of Pembroke Pines has received this award consecutively for fourteen years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operational guide, and as a communications device.

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

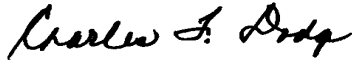
The City's Charter Schools' budget also received the GFOA Distinguished Budget Presentation Award for their fiscal year beginning July 1, 2011. This is the eighth consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004.

On January 19, 2012, the City of Pembroke Pines received three awards from the Aging & Disability Resource Center of Broward County (ADRC). Jay Shechter, Director of Community Services and Housing, was awarded the Project Personality of the Year, the City of Pembroke Pines received the 30-year Full Fair Share Contribution award, and City Attorney Samuel S. Goren Esq., was named the volunteer of the year. The City of Pembroke Pines has a long history with the Aging and Disability Resource Center of Broward County. The Aging & Disability Resource Center of Broward County is known as the "One-Stop Shop" for finding information regarding services in Broward County available for seniors, persons with severe and persistent mental illness, ages 18 and over, their families, and caregivers.

Mayor Frank C. Ortis received the 2012 Public Leadership in the Arts Award from the U.S. Conference of Mayors and Americans for the Arts, America's leading nonprofit organization for advancing the arts and arts education. The award honors elected officials and artists who have demonstrated outstanding leadership in the advancement of the arts. Recipients were honored at The United States Conference of Mayors' 80th annual winter meeting in Washington, D.C. Americans for the Arts and The United States Conference of Mayors have given out the awards annually since 1997. Recognizing that the arts were the key to Pembroke Pines' vitality, Mayor Frank Ortis made it his mission to build arts and cultural resources into the city. His efforts include visionary initiatives to invest in much-needed infrastructure, including theater, classroom and studio space, as well as increasing opportunities for residents of all ages to enjoy and participate in the arts. He has been instrumental in the establishment of arts resources in Pembroke Pines, including Studio 18. Each year, the city underwrites nine free outdoor jazz performances that feature local jazz musicians. It also hosts the Pembroke Pines Arts Festival, an annual, two-day, outdoor arts celebration that features the work of nearly 100 artists and attracts more than 15,000 visitors each year.

Undoubtedly, the City of Pembroke Pines is unique in many ways, and continues to make many strides and advancements in the right direction. We are fully and completely dedicated to materialize our vision and live out our motto "Join us – progress with us". The City remains committed to exploring all avenues to ensure that residents are provided excellent services in the most cost-efficient manner, while providing a greater level of transparency in government. We look forward to meeting the challenges that face us with determination, and with an expectancy to excel, so that we can continue to provide a bright and sustainable future for our community.

Sincerely,



Charles F. Dodge
City Manager



René González, CPA, CGFO, CPFO
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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.



Linda C. Danison

President

Jeffrey R. Emswiler

Executive Director

List of City Officials

City Commission:

Frank C. Ortis, Mayor

Iris A. Siple, Vice Mayor – District 3

Carl Shechter, Commissioner – District 1

Jay Schwartz, Commissioner– District 2

Angelo Castillo, Commissioner– District 4

City Manager:

Charles F. Dodge LLC

City Attorney:

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

City Clerk:

Judith A. Neugent

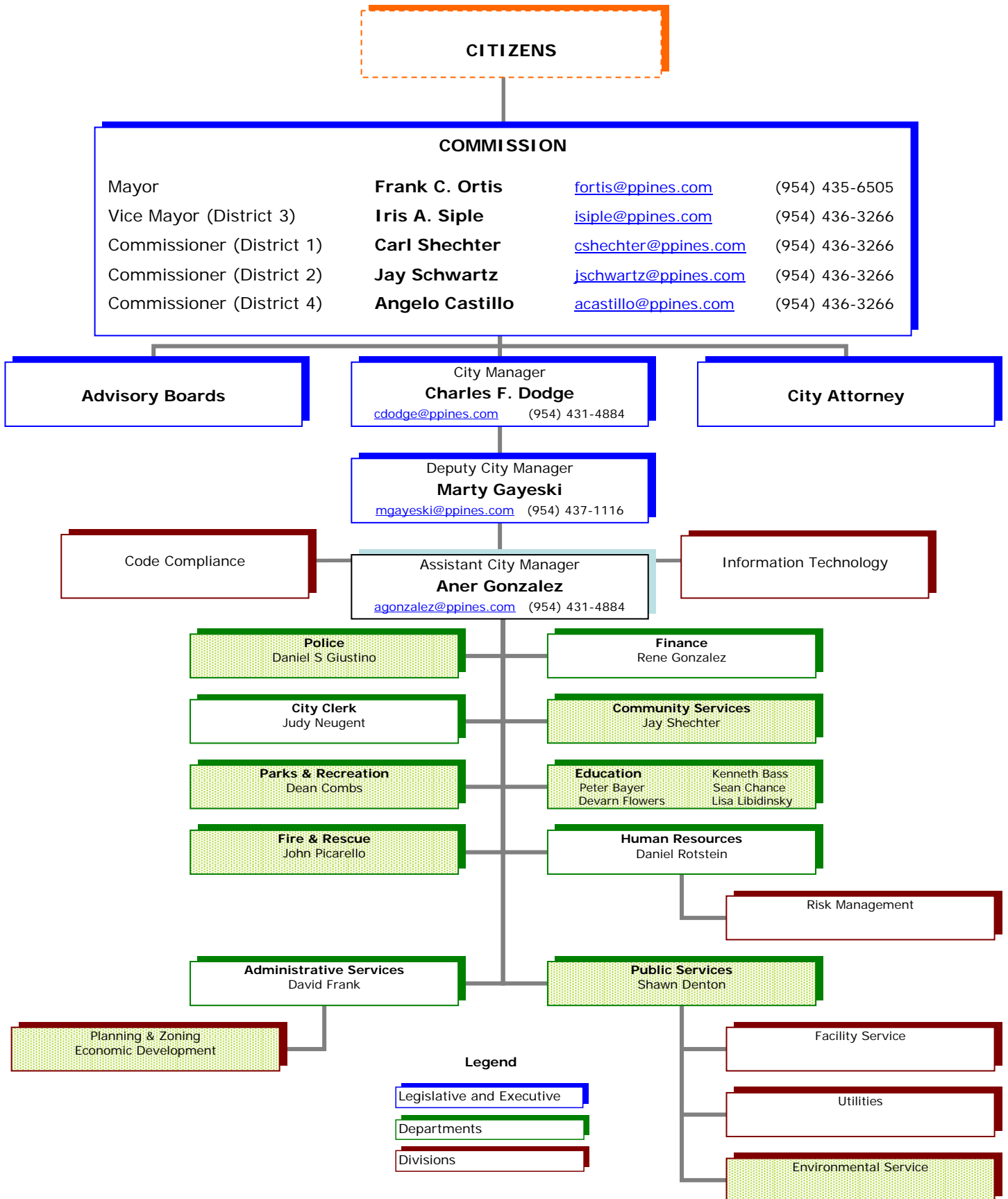
Finance Director:

René D. González



CITY OF PEMBROKE PINES

Organizational Chart



II. FINANCIAL SECTION

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



Independent Auditors' Report





INDEPENDENT AUDITORS' REPORT

Honorable Mayor, 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 year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers, which represent 63% of the total net assets and 55% of the total revenues of the fiduciary fund totals. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida as of September 30, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor, City Commission and City Manager
City of Pembroke Pines, Florida
Page 2

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, schedule of contributions and funding progress, and budgetary comparison information on pages 3 through 21 and 128 through 133, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pembroke Pines' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget and actual and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, state financial assistance projects and local awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget and actual on pages 134 through 150 and the schedule of expenditures of federal awards, state financial assistance projects and local awards on pages 192 through 195 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

GLSC & Company, PLLC

March 9, 2012



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, 2011. 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 x of this report.

Financial Highlights

- The assets of the City of Pembroke Pines exceeded liabilities at the close of the most recent fiscal year by \$338.4 million (*net assets*), as compared with \$335.9 million for the previous fiscal year. Of this amount, \$62.8 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2.5 million (0.7%) during the current fiscal year. Included in the total net assets are governmental net assets which decreased by \$0.2 million (-0.2%), and the business-type net assets, which increased by \$2.7 million (1.3%).
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities had a deficit of \$2.8 million, or -1.2% of total governmental activities expenses. The unrestricted net assets of the business-type activities were \$65.6 million, or 160.4% of total business-type expenses for the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$93.3 million, a decrease of \$0.9 million (-0.9%) in comparison with the prior year. Approximately \$36.0 million (38.6%) of this total amount is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements on pages 134-137 of this report.

The City adopts an annual budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with this budget, on pages 130-133. The basic governmental fund financial statements can be found on pages 24-27 of this report.

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

The basic proprietary fund financial statements can be found on pages 28-32 of this report.

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

The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

The notes to the basic financial statements can be found on pages 35-127 of this report.

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

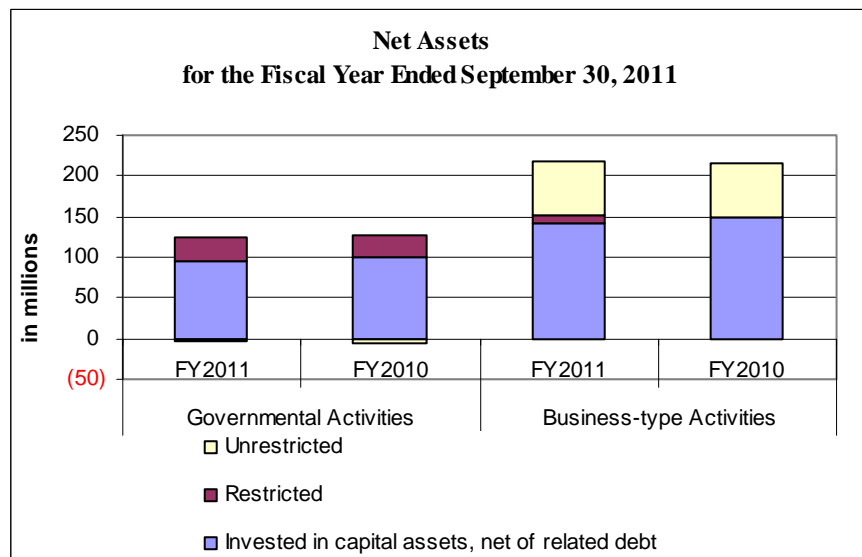
Required supplementary information can be found on pages 128-133 of this report.

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

Combining and individual fund statements and schedules can be found on pages 134-137 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets exceeded liabilities by \$338.4 million at the close of the most recent fiscal year, which represents a 0.7% increase compared to last year's net assets of \$335.9 million. By far the largest portion of the City's net assets, \$238.7 million (70.5%), represents investment in capital assets, net of related debt. This includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangibles less



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

Another portion of the City's net assets, \$36.9 million (10.9%), represents resources that are subject to external restrictions on how they may be used. This balance increased by approximately \$9.1 million (32.7%), which was mainly attributable to a \$9.4 million increase in the business-type activities restricted net assets related to the restricted bond proceeds and the capital replacement reserve for the Consolidated Utility System Revenue Bonds, Series 2010.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

	Net Assets (in millions) **					
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 86.7	\$ 140.8	\$ 66.9	\$ 4.4	\$ 153.6	\$ 145.2
Restricted assets	45.4	48.1	12.3	2.8	57.7	50.9
Negative net pension obligation	58.7	59.2	2.7	3.0	61.4	62.2
Deferred outflows - interest rate swaps	11.2	8.1	-	-	11.2	8.1
Unamortized bond issue costs	5.2	5.6	-	-	5.2	5.6
Capital assets, not being depreciated	66.1	67.8	8.7	22.0	74.8	89.8
Capital assets, being depreciated, net	291.8	298.3	139.3	127.3	431.1	425.6
Total assets and deferred outflows	<u>565.1</u>	<u>627.9</u>	<u>229.9</u>	<u>159.5</u>	<u>795.0</u>	<u>787.4</u>
Long-term liabilities	415.5	419.3	12.8	0.7	428.3	420.0
Other liabilities	28.9	87.7	(0.6)	(56.2)	28.3	31.5
Total liabilities	<u>444.4</u>	<u>507.0</u>	<u>12.2</u>	<u>(55.5)</u>	<u>456.6</u>	<u>451.5</u>
Invested in capital assets, net of related debt	96.0	98.8	142.7	149.3	238.7	248.1
Restricted	27.5	27.8	9.4	-	36.9	27.8
Unrestricted	(2.8)	(5.7)	65.6	65.7	62.8	60.0
Total net assets	<u>\$ 120.7</u>	<u>\$ 120.9</u>	<u>\$ 217.7</u>	<u>\$ 215.0</u>	<u>\$ 338.4</u>	<u>\$ 335.9</u>

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

In both fiscal year 2011 and 2010, the City continued to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate business-type activities. However, in fiscal years 2011 and 2010, governmental activities had deficits of \$2.8 million and \$5.7 million, respectively in unrestricted net assets.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Governmental activities. Net assets of the City's governmental activities decreased by -0.2% (\$0.2 million) from \$120.9 million in the last fiscal year to \$120.7 million in the current fiscal year.

Changes in Net Assets (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for services	\$122.1	\$117.2	\$41.2	\$36.8	\$163.3	\$154.0
Operating grants & contributions	8.7	10.0	-	0.2	8.7	10.2
Capital grants & contributions	0.7	2.3	1.5	0.7	2.2	3.0
General Revenues:						
Property taxes	51.3	52.7	-	-	51.3	52.7
Utility taxes	10.8	10.7	-	-	10.8	10.7
Communications services tax	7.4	7.8	-	-	7.4	7.8
Insurance premium taxes	2.3	2.3	-	-	2.3	2.3
Local option gas tax	2.6	2.6	-	-	2.6	2.6
Franchise fees	15.0	14.7	-	-	15.0	14.7
Local business tax	3.0	3.2	-	-	3.0	3.2
Intergovernmental - unrestricted	11.8	11.2	-	-	11.8	11.2
Investment earnings (losses) - not restricted	1.4	3.3	(6.9)	0.6	(5.5)	3.9
Other miscellaneous	0.5	0.2	-	-	0.5	0.2
Transfer	(7.8)	-	7.8	-	-	-
Total revenues and transfer	<u>229.8</u>	<u>238.2</u>	<u>43.6</u>	<u>38.3</u>	<u>273.4</u>	<u>276.5</u>
Expenses:						
General government services	17.9	19.6	-	-	17.9	19.6
Public safety	94.6	93.6	-	-	94.6	93.6
Physical environment	2.6	2.7	-	-	2.6	2.7
Transportation	9.5	10.0	-	-	9.5	10.0
Economic environment	11.8	13.3	-	-	11.8	13.3
Human services	57.3	54.7	-	-	57.3	54.7
Culture/recreation	17.9	18.3	-	-	17.9	18.3
Interest on long-term debt	18.4	19.2	-	-	18.4	19.2
Water utility services	-	-	4.6	4.3	4.6	4.3
Sewer/wastewater services	-	-	11.9	10.9	11.9	10.9
Water-sewer combined service	-	-	24.4	24.8	24.4	24.8
Total expenses	<u>230.0</u>	<u>231.4</u>	<u>40.9</u>	<u>40.0</u>	<u>270.9</u>	<u>271.4</u>
Change in net assets	<u>(0.2)</u>	<u>6.8</u>	<u>2.7</u>	<u>(1.7)</u>	<u>2.5</u>	<u>5.1</u>
Net assets, beginning	120.9	114.1	215.0	216.7	335.9	330.8
Net assets, ending	<u>\$120.7</u>	<u>\$120.9</u>	<u>\$217.7</u>	<u>\$215.0</u>	<u>\$338.4</u>	<u>\$335.9</u>

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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Revenues and Transfer:

Revenues from Governmental activities decreased by approximately \$8.4 million (-3.5%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, decreased overall by \$2.0 million (-1.5%), and general revenues decreased by \$2.6 million (-2.4%). Program revenues showed a \$4.9 million increase in charges for services, a \$1.3 million decrease in operating grants and contributions, and a \$1.6 million decrease in capital grants and contributions.

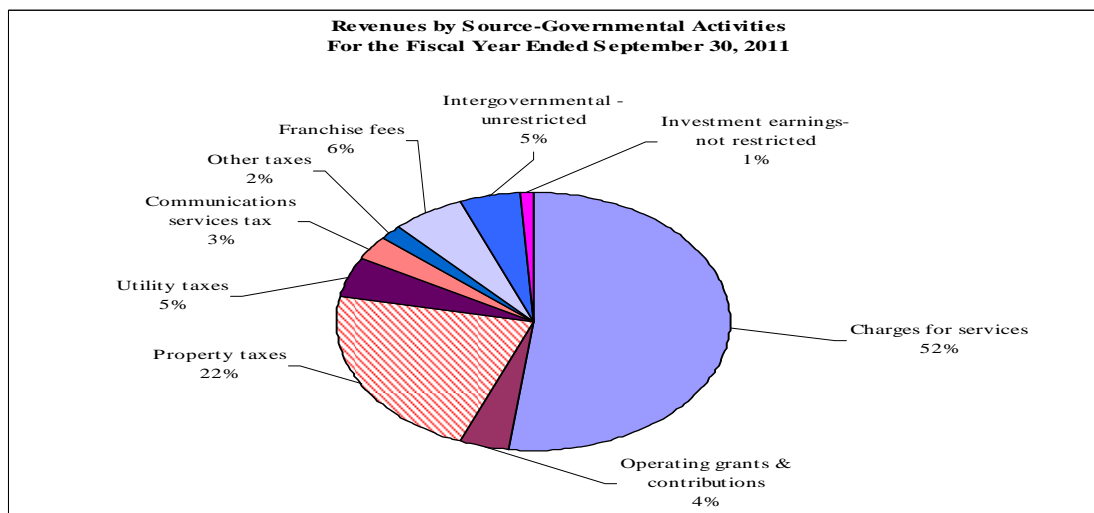
Charges for services are intended to fully recover the costs of providing those services. The increase in charges for services of \$4.9 million (4.2%) was mainly attributable to a \$1.6 million increase in revenues related to the operation of the City’s charter schools, which received a \$1.0 million increase in Education Jobs Funding, and a \$0.6 million increase in “Supplemental Discretionary Millage” revenues. Additionally, Charges for services in the general fund increased by \$2.5 million. This was mainly attributable to an increase of \$0.8 million for administrative fees charged to other functions, an increase of \$0.6 million related to the City’s red-light camera program, and a \$0.5 million increase in revenues to the City’s early development centers for the State’s Voluntary Prekindergarten (VPK) program. All other charges for services combined increased by \$0.8 million.

Operating grants and contributions decreased by \$1.3 million. This decrease was due to the fact the City earned \$0.7 million less than last year for the Neighborhood Stabilization Program (NSP) and the HOME grants which are administered by the U.S. Department of Housing and Urban Development (HUD). The City’s revenues for the State Housing Initiative Program (SHIP) grant also decreased by \$0.6 million. Capital grants and contributions decreased by \$1.6 million, mainly as a result of a \$0.8 million decrease in contributions in aid of construction related to the City’s Interstate 75 (I-75) and Sheridan Street road improvement project, a \$0.6 million decrease in the Energy and Efficiency Conservation Block Grant, and a \$0.5 million decrease in the Highway Planning and Construction grant funded by the American Recovery and Reinvestment Act (ARRA).

General revenues decreased by \$2.6 million (-2.4%). The main contributing factors to this decrease were a \$1.4 million decrease in property tax revenues, and a \$1.9 million decrease in Investment earnings-not restricted. These decreases were offset by an increase of \$0.6 million in intergovernmental revenues – unrestricted.

Investment earnings-not restricted decreased over last year by \$1.9 million due to the low interest rate environment for fixed income securities.

In fiscal year 2011, governmental activities had a transfer of \$7.8 million to the business-type activities. This transfer was done to compensate the Utility Fund for the write-down of interest related to the \$61.2 million Investment in Real Estate.



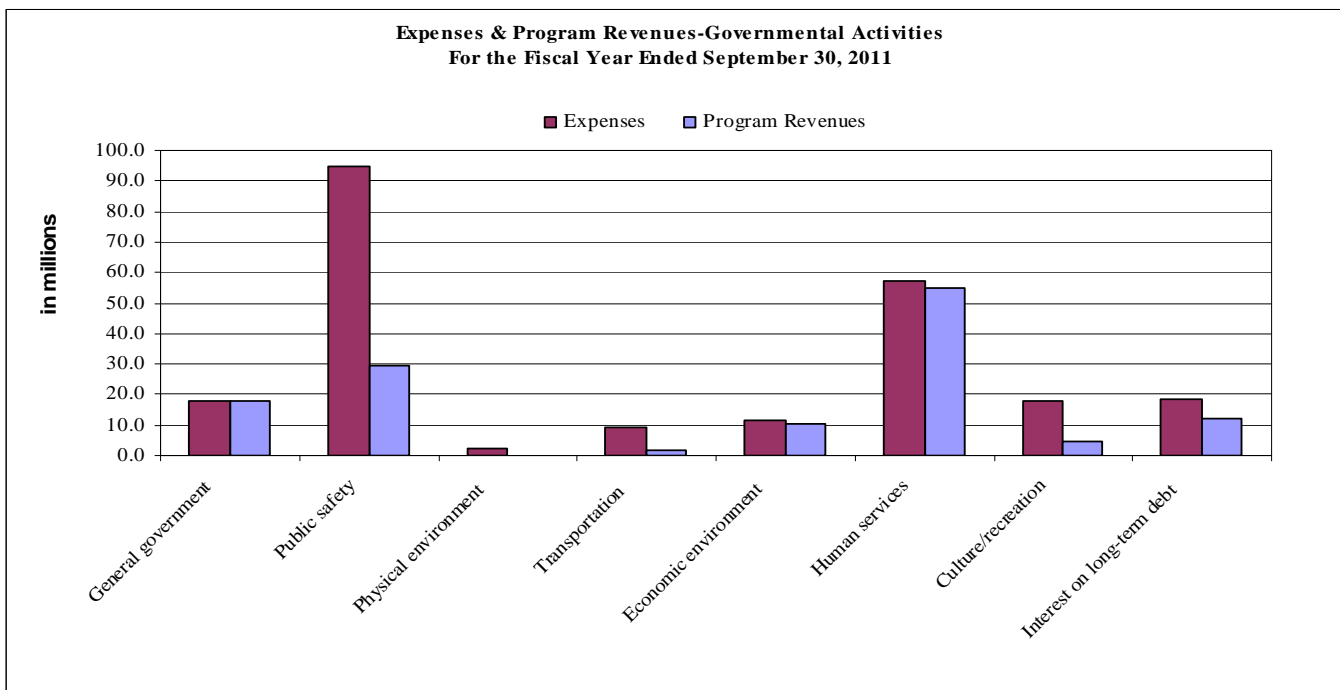
City of Pembroke Pines, Florida

Management's Discussion and Analysis

Expenses:

Governmental activity expenses decreased by \$1.4 million (-0.6%) over last year. This decrease took place in all governmental functions/programs except human services which increased by \$2.6 million (4.8%). Expenses for human services include the operation of the City's charter schools and early development centers. The \$2.6 million increase in expenses for human services included a \$1.2 million increase in personnel costs including salaries and benefits, and a \$1.4 million increase in operating costs.

On the other hand, total governmental expenses, excluding expenses related to human services decreased by \$4.0 million (-2.2%). This was mainly a result of a \$2.7 million decrease in personnel costs, a \$0.7 million decrease in debt service costs, and a \$0.4 million decrease in operating expenses, all other expenses combined decreased by \$0.2 million. The main contributing factors to the \$2.7 million decrease in personnel costs were a \$1.2 million decrease in the City's contribution to the police officers and firefighter's pension, and a \$1.4 million decrease in salaries due to union negotiated concessions made in the latter part of fiscal year 2010.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

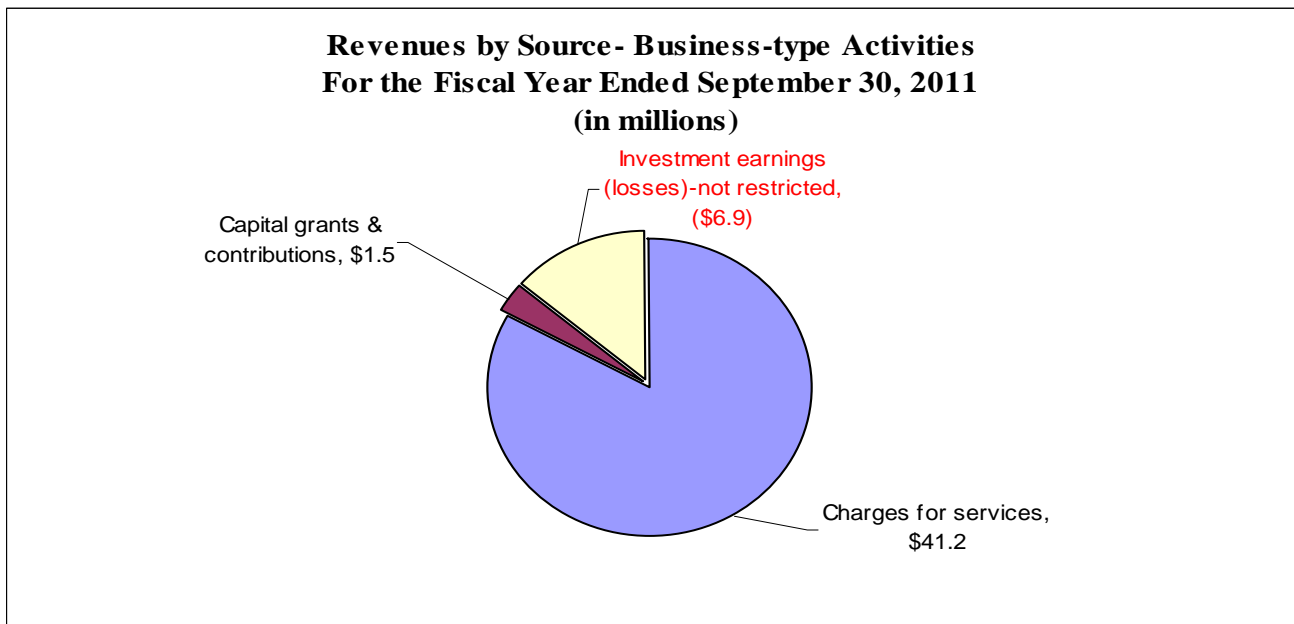
Business-type activities. The net assets of the City's business-type activities increased by \$2.7 million (1.3%) from \$215.0 million in the last fiscal year to \$217.7 million in the current fiscal year.

Revenues and Transfer:

Total revenues including transfers increased over last year by \$5.3 million (13.4%). The main factor contributing to this was an increase of \$4.4 million in charges for services, and a transfer from the General Fund in the amount of \$7.8 million. These increases were offset by a decrease in investment earnings (losses), not restricted of \$7.5 million.

Charges for services increased by \$4.4 million as a result of a 11.31% increase in water and sewer rates for all residential and commercial properties. This increase in rates was necessitated to cover a slight decrease in consumption, \$1.2 million to fund the 2010-11 portion of debt service on the new debt of \$12.3 million for the Alternative Water Supply project (AWS), \$1.3 million for fiscal year 2011 capital needs, and \$1.0 million to cover the increase in payments to the City of Hollywood for its treatment of wastewater on the east side of the City.

The transfer to the Utility Fund of \$7.8 million and the decrease in investment earnings (losses), not restricted of \$7.5 million are related to the \$61.2 million in Investment in Real Estate for the City Center project. In fiscal year 2003, the City had transferred the investment in real estate from the Utility Fund to the General Fund, which had in turn created a due to the Utility fund from the General fund. As part of this transaction, the Utility fund would charge the General Fund interest on this interfund loan. However, in fiscal year 2011, the City decided to transfer the Investment in Real Estate back to the Utility fund. Since the Utility Fund cannot charge interest to itself. The Utility Fund had to write off the interest charged, of approximately \$7.8 million, which was offset against investment income, and accounts for the \$7.5 million decrease in investment earnings (losses), not restricted. To compensate the Utility Fund for this write-down, the General Fund transferred \$7.8 million to the Utility Fund in fiscal year 2011.



City of Pembroke Pines, Florida

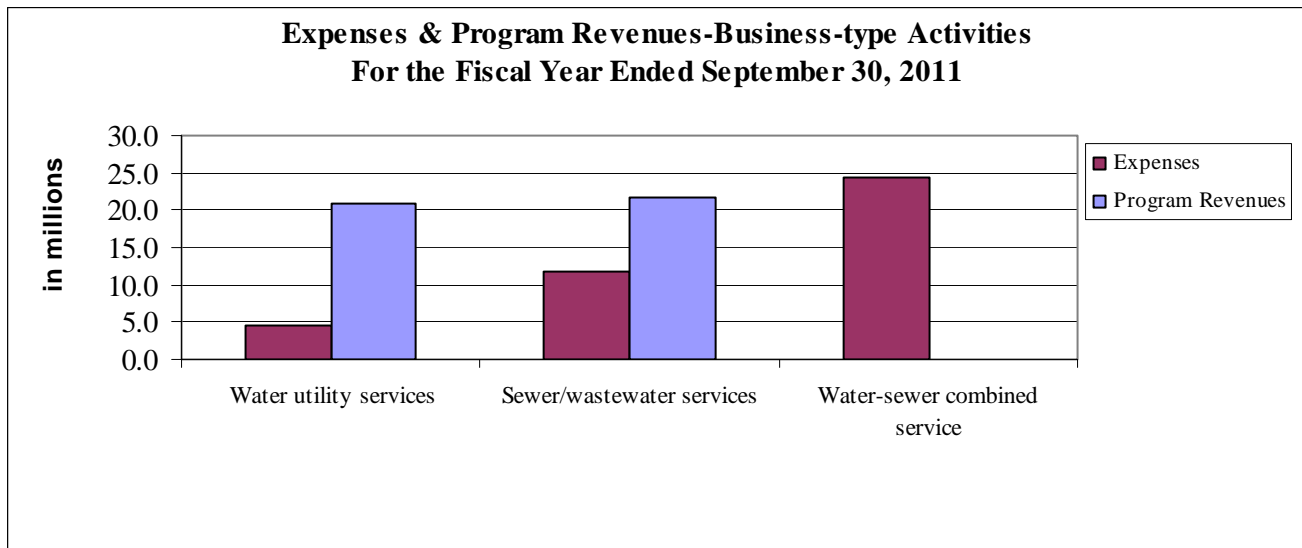
Management's Discussion and Analysis

Expenses:

Expenses of the business-type activities were slightly higher compared to last year by \$0.9 million (2.3%). This was attributable to an increase in water utility services of \$0.3 million and a \$1.0 million increase in sewer/wastewater services water-sewer combined services but was offset by a \$0.4 million decrease in water-sewer combined services.

In the business-type activities, salary expenses decreased by approximately \$1.1 million as some city positions were transitioned to contractual positions, salaries for existing employees were decreased and hiring freezes were instituted. Benefit costs also decreased by \$0.4 million.

The decreases in personnel expenses were negated by a \$2.3 million increase in operating expenses. This was mainly attributable to a \$0.9 million increase in sewer/wastewater charges related to the large-user agreement with the City of Hollywood, a \$0.5 million increase in administrative fees, a \$0.4 million increase in contractual services, for positions transitioned to contractual. Sewer privilege fees and insurance costs increased by \$0.3 million and \$0.2 million, respectively.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

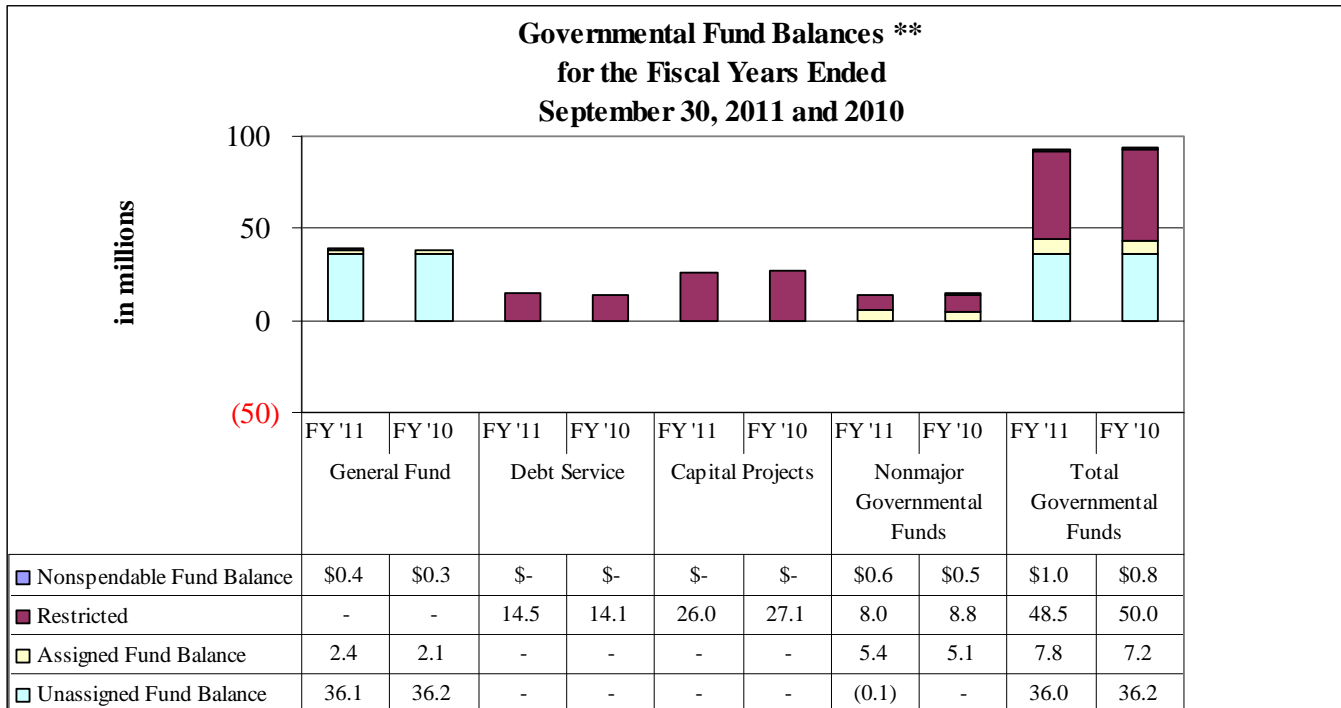
Financial Analysis of the City's Funds

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, *unassigned 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 of \$93.3 million, a decrease of \$0.9 million in comparison with the \$94.2 million prior year balance. Overall governmental fund assets decreased by \$74.2 million, and liabilities also decreased by \$73.3 million.

Approximately \$36.0 million (38.6%) of total governmental fund balance represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted or assigned to indicate it is not available for new spending because it has already been set aside for a variety of purposes, such as construction projects, debt service, and grant expenditures, or has been assigned by the City administration for disaster assistance and rent payments.



** Amounts may differ from the Fund Financial Statements due to rounding. FY2010 balances restated for GASB Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions”.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$36.1 million, as compared with \$36.2 million in the prior year. Assigned fund balance increased slightly from \$2.1 million to \$2.4 million, the majority of which is assigned for disaster assistance.

General Fund Revenues:

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

<u>Revenue Sources</u>	General Fund Revenues (in millions) **					
	2011 Amount	Percent of Total	2010 Amount	Percent of Total	Increase (Decrease) From 2010	Percentage Increase (Decrease)
Property taxes	\$45.9	31%	\$47.2	32%	(\$1.3)	(3)%
Utility taxes	9.1	6%	8.9	6%	0.2	2%
Communications services tax	0.9	1%	1.3	1%	(0.4)	(31)%
Other taxes	5.3	4%	5.5	4%	(0.2)	(4)%
Special assessments	20.6	13%	21.0	14%	(0.4)	(2)%
Permits, fees and licenses	12.1	8%	12.0	8%	0.1	1%
Intergovernmental	11.4	8%	10.5	7%	0.9	9%
Charges for services	29.7	20%	27.5	18%	2.2	8%
Fines and forfeitures	1.7	1%	1.6	1%	0.1	6%
Investment income	0.4	0%	1.9	1%	(1.5)	(79)%
Rental revenues	11.6	8%	11.2	8%	0.4	4%
Other revenues	0.6	0%	0.3	0%	0.3	100%
Total revenues	\$149.3	100%	\$148.9	100%	\$0.4	0%

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

Compared to the prior fiscal year, total General Fund revenues increased by \$0.4 million or 0.3% in fiscal year 2011. This was mainly attributable to a \$2.2 million increase in charges for services, but was offset by a \$1.3 million decrease in property taxes and a \$1.5 million decrease in investment income. All other revenues combined increased by \$1.0 million.

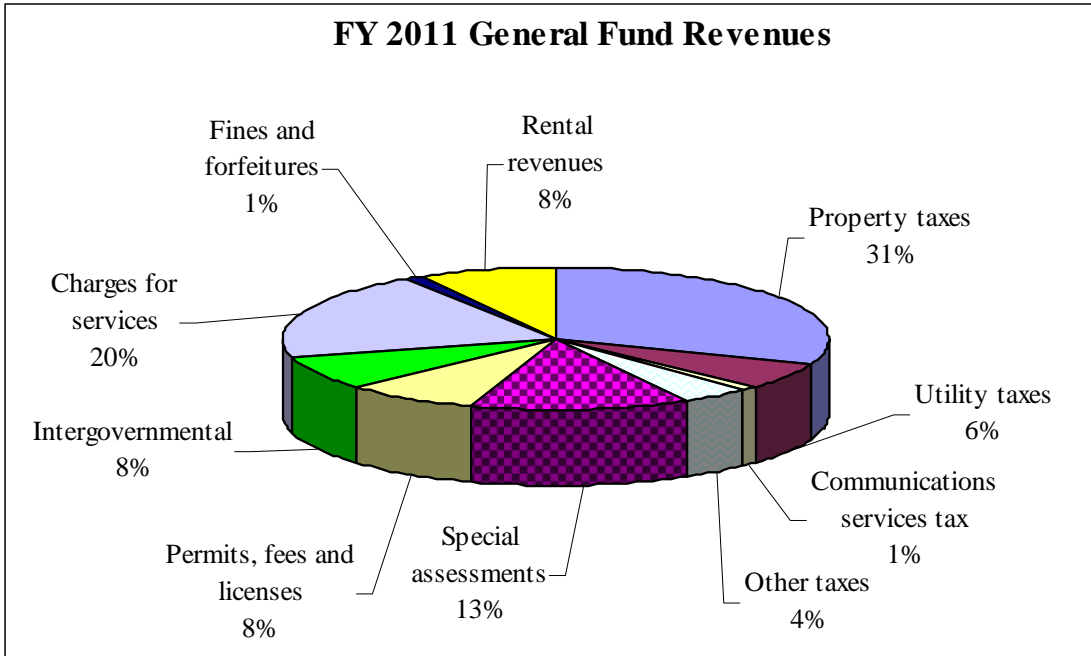
Charges for services increased by \$2.2 million mainly as a result of a \$0.9 million increase in revenues earned by the City's early development centers, of this \$0.9 million increase, \$0.5 million was received as part of the State of Florida's Voluntary Prekindergarten (VPK) program. The remaining \$0.4 million was from user fees.

As previously mentioned, the increase in charges for services was offset by a \$1.5 million decrease in investment income for the General Fund. The City's fixed income investment suffered. The economic conditions coupled with the City's investment objectives of safety of capital of public funds have made it a difficult environment for investment earnings.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Property tax revenues decreased by \$1.3 million as the City adopted an operating millage rate of 5.6880 mills which is the rolled-back millage rate. The millage rate for FY2010 was 5.1249. Despite the millage rate increase of 0.5631 mills, actual property taxes revenues declined, due to a decrease 12.1% decrease in gross taxable values.



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

General Fund Expenditures:

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

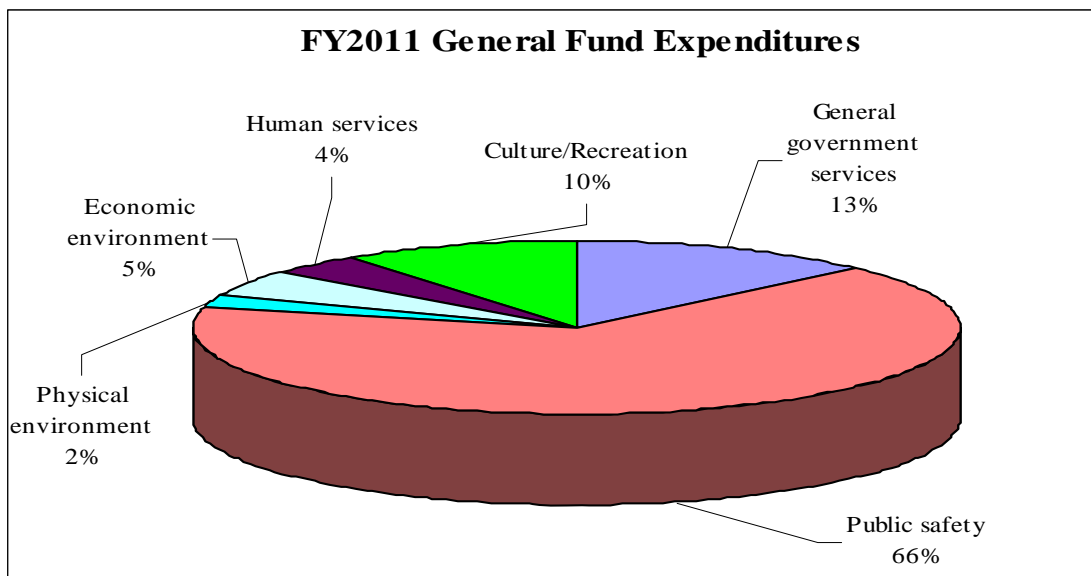
General Fund Expenditures (in millions) **

	<u>2011</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2010</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2010</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Expenditures:						
General government services	\$ 17.8	13%	\$ 19.4	13%	\$ (1.6)	(8)%
Public safety	93.5	66%	97.4	67%	(3.9)	(4)%
Physical environment	2.5	2%	2.7	2%	(0.2)	(7)%
Economic environment	7.2	5%	7.2	5%	-	-%
Human services	5.3	4%	5.1	3%	0.2	(4)%
Culture/Recreation	14.1	10%	14.8	10%	(0.7)	(5)%
Total expenditures	\$ 140.4	100%	\$ 146.6	100%	\$ (6.2)	(4)%

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

In fiscal year 2011, total General Fund expenditures decreased by \$6.2 million or -4.0% compared to the prior year. This is a continuing trend in the General Fund expenditures, it reported a \$1.0 million decrease in fiscal year 2010, and a \$1.1 million decrease in fiscal year 2009. This has been as a result of deliberate efforts on the part of the city to curtail spending.

Overall, salary expenditures were reduced by approximately \$4.1 million, and benefit costs declined by approximately \$4.0 million. This was mainly attributable to a number of factors including, but not limited to, union negotiated salary and pension decreases. The City's contribution to the Police Officers and Firefighters pension plan decreased by \$1.8 million. These decreases in salaries and benefits were offset by a \$3.9 million increase in contractual services as the City transitioned positions to contractual. Over the last year the City's full-time equivalent (FTE) positions, excluding charter schools, went from 962.5 FTEs to 958 FTEs, a loss of 4.5 FTE. In the fiscal year 2010, the number of FTEs declined by 103.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund increased by \$0.4 million (2.5%) as compared with 2010 mainly as a result of sinking fund and reserve balance requirements for the City's bond issues. Additional information can be found in the Capital Assets and Debt Administration section on pages 18-19.

Capital Projects Fund

Total fund balance of \$26.0 million in the Capital Projects Fund is restricted. The \$1.1 million decrease from last year is mainly attributable to progress payments on construction projects related to the General Obligation Bonds and various other construction projects being undertaken by the City.

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

Unrestricted net assets at the end of the year for the Utility Fund amounted to \$65.6 million compared to \$65.7 million in the prior year. Other factors concerning the finances of this major fund have already been addressed in the discussion of the City's business-type activities.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

General Fund Budgetary Highlights

Revenues

Actual revenues were \$2.3 million or 1.5% below the final budget due mostly to the budget shortfalls shown below, which were partially offset by revenue from red zone infractions, an unbudgeted item:

- **Miscellaneous revenues** - \$1.4 million budget shortfall attributable mainly to the low return on investments resulting from the weak economy.
- **Charges for services** - \$0.7 million budget shortfall tied principally to \$0.6 million in rescue transport fees due to an overly optimistic budget and \$0.4 million in special events summer program fees as a result of handing over the program operation to the Young Men's Christian Association (YMCA). These were partially offset by budget surpluses of \$0.3 million and \$0.3 million in golf cart rentals and Voluntary Pre-Kindergarten (VPK) Early Development Center fees, respectively.
- **Taxes** - \$0.4 million budget shortfall consisted primarily of \$0.3 million in communications services tax and \$0.1 million each in local business tax and casualty insurance premium tax. These were partially offset by a \$0.2 million budget surplus in public services tax on water.

Expenditures

Actual expenditures excluding transfers to other funds were \$1.8 million or 1.3% below final budget due largely to the following budget savings:

- **Public Safety** - \$0.6 million budget savings included principally \$0.3 million in workers' compensation, \$0.3 million for replacement police cars due to a combination of changes in the types and costs of vehicles purchased, and \$0.6 of small saving in numerous other accounts. These were partially offset by \$0.5 million of unbudgeted spending for contractual services regarding the Red Light Camera Program.
- **Human services** - \$0.4 million budget savings included \$0.2 million in unspent appropriations for the transitional housing grant, which were carried forward to fiscal year 2012. In addition, there was \$0.1 million in unexpended appropriations for the Early Development Centers mainly as a result of unmet enrollment expectations.
- **Culture and recreation** - \$0.3 million budget savings consisted of \$0.1 million in personnel cost, primarily salaries for part-time personnel, and \$0.2 million in a myriad of other operating line items.

Fund balance was projected originally to increase by \$1.0 million and subsequent amendments reduced the favorable change to \$0.8 million. However, the actual change in fund balance was only a favorable \$0.3 million due largely to the low return on investments. Therefore, the variance between actual and the final budget was an unfavorable \$0.5 million.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of September 30, 2011, amounted to \$505.8 million (net of accumulated depreciation), compared with \$515.4 million last fiscal year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was -1.9%.

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2011	2010	2011	2010	2011	2010
Capital assets, not being depreciated:						
Land	\$65.6	\$65.6	\$3.0	\$3.0	\$68.6	\$68.6
Construction in progress	0.5	2.2	5.6	19.0	6.1	21.2
Total capital assets, not being depreciated	66.1	67.8	8.6	22.0	74.7	89.8
Capital assets, being depreciated, net						
Buildings	197.7	197.7	30.9	14.9	228.6	212.6
Improvements other than buildings	81.3	87.8	108.2	111.9	189.5	199.7
Machinery and equipment	9.6	9.4	0.2	0.5	9.8	9.9
Infrastructure	3.1	3.3	-	-	3.1	3.3
Intangibles	0.1	0.1	-	-	0.1	0.1
Total capital assets, being depreciated, net	291.8	298.3	139.3	127.3	431.1	425.6
 Total capital assets	 \$357.9	 \$366.1	 \$147.9	 \$149.3	 \$505.8	 \$515.4

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

Additions to capital assets for governmental activities included the following items:

The City continued various projects utilizing the 2007 and 2005 General Obligation (G.O.) Bond proceeds. In 2011, the City spent an additional \$3.8 million of the G.O. bond proceeds. Of this amount, \$3.5 million was used for new community facilities relating to the YMCA gymnasium expansion, and the remaining funds were used to construct the housing for the 9-11 Memorial Sculptures, and the construction of a Veterans Monument at City Center.

- In fiscal year 2011, the General Fund expended approximately \$2.6 million for various capital purchases including, but not limited to, \$1.0 million for replacement of police vehicles, \$0.4 million for the purchase of life pack monitors for the fire rescue division, \$0.4 million for the purchase of computer and computer programs, and \$0.2 million for the replacement of fuel storage tanks throughout the City.
- In fiscal year 2011, the City spent an additional \$0.3 million to complete the construction of a thermal energy storage system at the Academic Village. This was a grant awarded by the U.S. Department of Energy and funded through the American Recovery and Reinvestment Act (ARRA). The total cost of the project is estimated at \$1.1 million.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Additions to capital assets for business-type activities included the following:

- Water plant expansion project phase III for approximately \$0.1 million.
- Sewer plant rehabilitation in the amount of \$0.2 million.
- Engineering fees related to Phase II the City's Alternative Water Supply project for approximately \$2.7 million.

Additional information on the City's capital assets can be found in Note 6. starting on page 60 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$388.8 million. The majority of the City's outstanding debt is secured by specified revenue sources.

Outstanding Debt (in millions)						
Revenue and General Obligation Bonds						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenue Bonds	\$ 295.3	\$ 302.3	\$ 12.3	\$ -	\$ 307.6	\$ 302.3
General Obligation Bonds	81.2	83.1	-	-	81.2	83.1
Total	<u>\$ 376.5</u>	<u>\$ 385.4</u>	<u>\$ 12.3</u>	<u>\$ -</u>	<u>\$ 388.8</u>	<u>\$ 385.4</u>

- In fiscal year 2011, the City issued Consolidated Utility System Revenue Bonds, Series 2010 in the amount of \$12.3 million, for the purpose of funding the Alternative Water Supply (AWS) project.

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

Both General Obligation Bonds received an underlying rating from Moody's Investors Service of Aa2 and AA from Fitch Ratings. Additional information on the City's long-term debt can be found in Note 9. starting on page 67 of this report.

City of Pembroke Pines, Florida

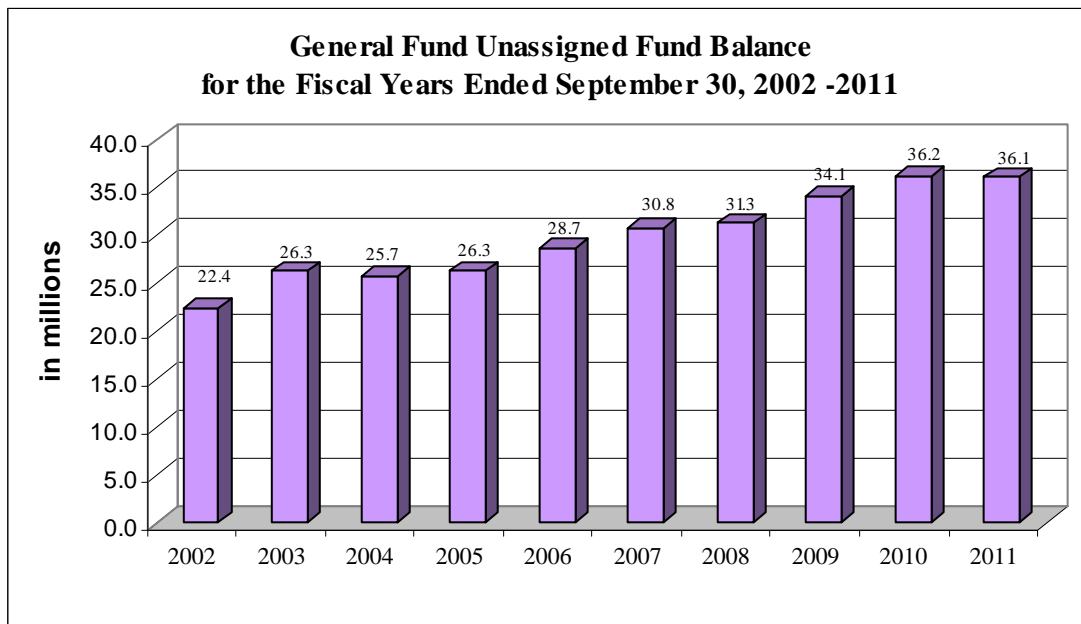
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

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

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2011 was 9.1%, which is a 0.4% decrease from the 9.5% rate a year ago. This compares to unemployment rates for Broward County, which was 9.7%, and 10.8% for the State of Florida for the same period.

During the current fiscal year, unassigned fund balance in the General Fund decreased to \$36.1 million, compared to \$36.2 million from last year. The \$36.1 million is approximately equal to three months of the General Fund operating expenditures. Over the last several years, with the exception of FY2004, the City has been able to increase its unassigned fund balance as shown in the following graph.



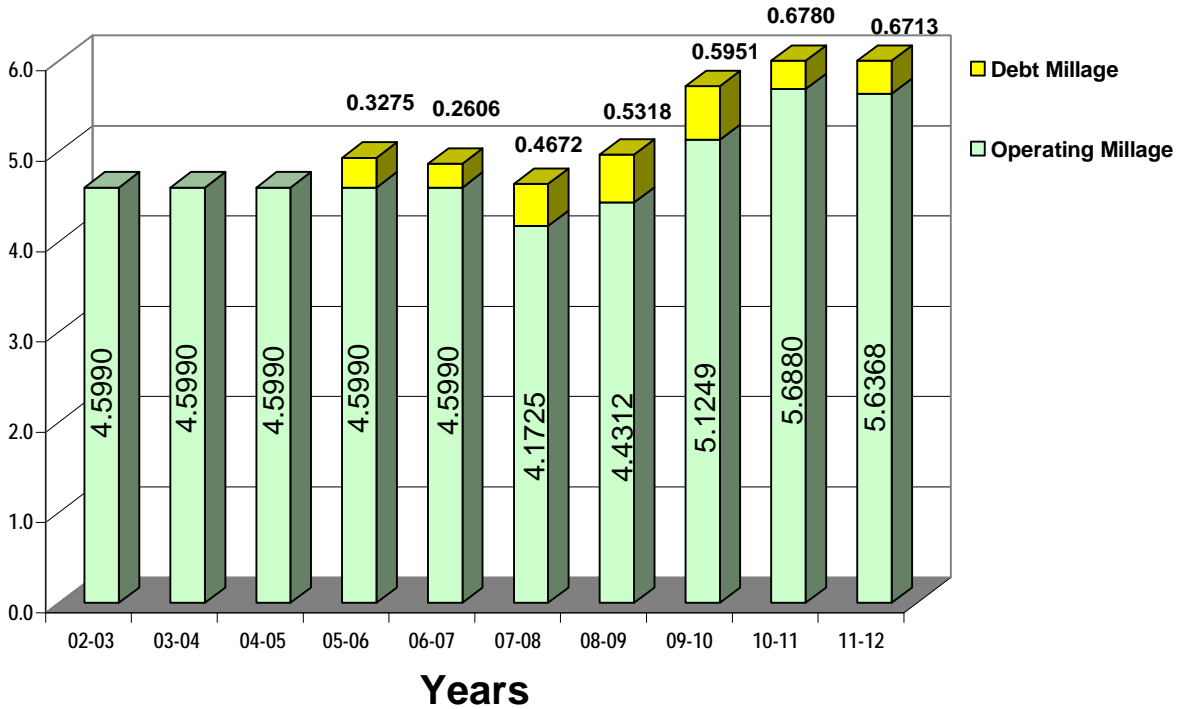
Beginning with fiscal year 2008, the State required all local governments to decrease ad valorem property taxes by rolling back the millage rate, and any future increases would be based on the rolled back rate and the change in personal income for the State.

For fiscal year 2012, the largest revenue source, Ad Valorem (property) Tax, which is 30.4% of the total general fund revenue budget, is budgeted at the rolled-back millage rate of 5.6368, generating \$45.4 million, which is \$0.3 million below the 2011's adopted budget. The adopted operating millage rate is 0.0512 mills below the current millage rate of 5.6880, a decrease of \$0.05 on every \$1,000 of taxable value. The debt service millage reflects a reduction of 0.0067 mills, moving from 0.6780 to 0.6713 mills due to the increase in taxable value. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.

For many years, the City, just like many other cities across the country, has had to face the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect. State legislative changes in effect since fiscal year 2009 have reduced the City's ability to increase taxes without a super-majority vote of the City Commission.

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

Millage Rate History



Effective October 1, 2011, water and sewer rates increased by 3.16% over last years rates for all residential and commercial properties. These rates translate to a 1.6% or \$0.7 million increase over the prior year budgeted water and sewer revenues.

All these and other factors were considered in preparing the City's budget for fiscal year 2012.

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, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets and deferred outflows			
Pooled cash and cash equivalents	\$46,326,244	\$1,384,557	\$47,710,801
Investments:			
Marketable securities	31,148,425	-	31,148,425
Real estate	-	61,245,337	61,245,337
Receivables, net	8,671,255	4,229,344	12,900,599
Inventories	418,298	41,762	460,060
Restricted assets:			
Pooled cash and cash equivalents	36,554,928	12,292,643	48,847,571
Investments:			
Marketable securities	8,831,959	-	8,831,959
Prepaid costs	100,875	-	100,875
Negative net pension obligation	58,673,199	2,685,115	61,358,314
Deferred outflows - interest rate swaps	11,231,632	-	11,231,632
Unamortized bond issue costs	5,233,229	51,476	5,284,705
Capital assets, not being depreciated	66,133,917	8,643,932	74,777,849
Capital assets, being depreciated, net	<u>291,762,766</u>	<u>139,291,780</u>	<u>431,054,546</u>
Total assets and deferred outflows	<u>565,086,727</u>	<u>229,865,946</u>	<u>794,952,673</u>
Liabilities			
Accounts payable and accrued liabilities	18,959,470	172,316	19,131,786
Deposits	1,540,653	-	1,540,653
Internal balances	3,708,574	(3,708,574)	-
Unearned revenue	4,060,739	-	4,060,739
Payable from restricted assets:			
Deposits	610,195	2,927,332	3,537,527
Noncurrent liabilities:			
Due within one year	28,142,101	901,223	29,043,324
Due in more than one year	<u>387,334,043</u>	<u>11,906,804</u>	<u>399,240,847</u>
Total liabilities	<u>444,355,775</u>	<u>12,199,101</u>	<u>456,554,876</u>
Net assets			
Invested in capital assets, net of related debt	96,015,470	142,748,564	238,764,034
Restricted for:			
\$2 Police Education	253,835	-	253,835
Charter schools	4,462,288	-	4,462,288
Debt Service	14,420,044	658,905	15,078,949
FDLE - Confiscated	1,377,128	-	1,377,128
Justice - Confiscated	410,069	-	410,069
Older Americans Act	28,387	-	28,387
Road & Bridge Fund	5,556,231	-	5,556,231
Treasury - Confiscated	394,829	-	394,829
Capital replacement	-	1,593,554	1,593,554
Utility system bonds	-	7,112,852	7,112,852
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	128,360	-	128,360
Unrestricted	<u>(2,761,804)</u>	<u>65,552,970</u>	<u>62,791,166</u>
Total net assets	<u>\$120,730,952</u>	<u>\$217,666,845</u>	<u>\$338,397,797</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Activities

Fiscal Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$ 17,927,195	\$ 17,819,949	\$ -	\$ 333,848	\$ 226,602	\$ -	\$ 226,602
Public safety	94,585,886	28,600,551	243,830	520,989	(65,220,516)	-	(65,220,516)
Physical environment	2,583,101	-	-	-	(2,583,101)	-	(2,583,101)
Transportation	9,509,801	200,000	2,091,453	(339,804)	(7,558,152)	-	(7,558,152)
Economic environment	11,846,539	6,753,571	3,472,440	20,430	(1,600,098)	-	(1,600,098)
Human services	57,265,615	52,159,157	2,858,162	6,281	(2,242,015)	-	(2,242,015)
Culture/recreation	17,921,567	4,214,764	36,710	206,650	(13,463,443)	-	(13,463,443)
Interest on long-term debt	18,391,348	12,359,630	-	-	(6,031,718)	-	(6,031,718)
Total governmental activities	<u>230,031,052</u>	<u>122,107,622</u>	<u>8,702,595</u>	<u>748,394</u>	<u>(98,472,441)</u>	<u>-</u>	<u>(98,472,441)</u>
Business-type activities:							
Water utility services	4,596,991	20,160,031	-	756,059	-	16,319,099	16,319,099
Sewer/wastewater services	11,947,362	20,872,045	-	738,602	-	9,663,285	9,663,285
Water-sewer combined service	24,365,791	128,124	-	-	-	(24,237,667)	(24,237,667)
Total business-type activities	<u>40,910,144</u>	<u>41,160,200</u>	<u>-</u>	<u>1,494,661</u>	<u>-</u>	<u>1,744,717</u>	<u>1,744,717</u>
Total	<u>\$ 270,941,196</u>	<u>\$ 163,267,822</u>	<u>\$ 8,702,595</u>	<u>\$ 2,243,055</u>	<u>(98,472,441)</u>	<u>1,744,717</u>	<u>(96,727,724)</u>
General revenues:							
Property taxes, levied for debt service					5,459,564	-	5,459,564
Property taxes, levied for general purposes					45,839,333	-	45,839,333
Utility taxes					10,832,358	-	10,832,358
Communications services tax					7,359,807	-	7,359,807
Insurance premium taxes					2,269,110	-	2,269,110
Local option gas taxes					2,644,449	-	2,644,449
Franchise fees					14,959,851	-	14,959,851
Local business tax					3,045,727	-	3,045,727
Intergovernmental revenue - unrestricted					11,808,190	-	11,808,190
Miscellaneous revenues					420,658	1,194	421,852
Investment earnings (losses) not restricted					1,418,618	(6,891,075)	(5,472,457)
Gain on sale of capital assets					29,621	-	29,621
Transfer					(7,775,118)	7,775,118	-
Total general revenues and transfer					<u>98,312,168</u>	<u>885,237</u>	<u>99,197,405</u>
Change in net assets		-			(160,273)	2,629,954	2,469,681
Net assets, beginning					120,891,225	215,036,891	335,928,116
Net assets, ending					<u>\$ 120,730,952</u>	<u>\$ 217,666,845</u>	<u>\$ 338,397,797</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida

Balance Sheet Governmental Funds September 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and cash equivalents	\$ 32,164,866	\$ -	\$ -	\$ 11,279,904	\$ 43,444,770
Investments:					
Marketable securities	15,632,911	-	-	3,111,249	18,744,160
Receivables:					
Franchise fees and taxes	5,224,698	-	-	416,943	5,641,641
Other	1,602,545	260	-	175,222	1,778,027
Inventories	395,064	-	-	23,234	418,298
Prepaid costs	2,000	-	-	98,875	100,875
Due from other funds	1,256,693	-	-	-	1,256,693
Due from other governments	16,945	-	-	1,234,642	1,251,587
Restricted assets:					
Pooled cash and cash equivalents	610,195	14,488,642	20,881,616	574,475	36,554,928
Investments:					
Marketable securities	-	-	8,831,959	-	8,831,959
Total assets	<u>\$ 56,905,917</u>	<u>\$ 14,488,902</u>	<u>\$ 29,713,575</u>	<u>\$ 16,914,544</u>	<u>\$ 118,022,938</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 9,147,799	\$ 14,078	\$ -	\$ 41,260	\$ 9,203,137
Accrued liabilities	13,950	-	-	4,700	18,650
Due to other funds	-	-	-	1,256,693	1,256,693
Interfund payables	-	-	2,574,874	-	2,574,874
Due to other governments	4,306,969	-	-	-	4,306,969
Deposits	1,011,649	-	-	529,004	1,540,653
Deferred revenue	2,908,406	-	-	1,152,333	4,060,739
Advances from other funds	-	-	1,133,700	-	1,133,700
Deposits payable from restricted assets	610,195	-	-	-	610,195
Total liabilities	<u>17,998,968</u>	<u>14,078</u>	<u>3,708,574</u>	<u>2,983,990</u>	<u>24,705,610</u>
Fund balances:					
Nonspendable					
Inventory and prepaid costs	397,064	-	-	122,109	519,173
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	14,474,824	-	-	14,474,824
Capital projects	-	-	26,005,001	-	26,005,001
Road and sidewalks	-	-	-	5,432,548	5,432,548
Social services	-	-	-	5,153	5,153
Law enforcement	-	-	-	2,435,861	2,435,861
Wetland Mitigation	-	-	-	128,360	128,360
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	5,459,283	5,459,283
Subsequent year's budget	294,331	-	-	-	294,331
Unassigned	36,090,554	-	-	(98,875)	35,991,679
Total fund balances	<u>38,906,949</u>	<u>14,474,824</u>	<u>26,005,001</u>	<u>13,930,554</u>	<u>93,317,328</u>
Total liabilities and fund balances	<u>\$ 56,905,917</u>	<u>\$ 14,488,902</u>	<u>\$ 29,713,575</u>	<u>\$ 16,914,544</u>	<u>\$ 118,022,938</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
September 30, 2011

Fund Balances - Total governmental funds (page 24)	\$ 93,317,328
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.	357,896,683
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	5,233,229
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,288,008)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(376,488,200)
Deferred amounts for issuance discounts/premiums, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	6,358,065
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,933,273)
Negative net pension obligation created through treatment of Taxable Communications Services Tax Revenue Bonds as employer contribution to defined benefit pension plans is not recognized in the funds.	58,635,128
Net assets of governmental activities (page 22)	\$ 120,730,952

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, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 45,839,333	\$ 5,459,564	\$ -	\$ -	\$ 51,298,897
Utility taxes	9,054,064	1,778,293	-	-	10,832,357
Communications services tax	937,398	6,422,409	-	-	7,359,807
Insurance premium taxes	2,269,110	-	-	-	2,269,110
Local option, use and fuel taxes	-	-	-	2,644,449	2,644,449
Local business tax	3,045,727	-	-	-	3,045,727
Special assessments	20,633,100	-	-	-	20,633,100
Permits, fees and licenses	12,071,980	813,440	2,504,647	-	15,390,067
Intergovernmental	11,427,969	-	1,802,394	48,190,972	61,421,335
Charges for services	29,743,338	-	-	1,616,189	31,359,527
Fines and forfeitures	1,685,888	-	-	431,442	2,117,330
Investment income	421,640	125,127	513,139	173,209	1,233,115
Contributions	376,410	-	(230,304)	545,129	691,235
Rental revenue	11,593,218	12,359,632	-	1,676,786	25,629,636
Other	229,440	-	-	1,490,761	1,720,201
Total revenues	<u>149,328,615</u>	<u>26,958,465</u>	<u>4,589,876</u>	<u>56,768,937</u>	<u>237,645,893</u>
Expenditures					
Current:					
General government	17,838,966	-	338,827	9,550	18,187,343
Public safety	93,540,078	-	-	618,315	94,158,393
Physical environment	2,463,390	-	-	-	2,463,390
Transportation	-	-	790,773	5,778,545	6,569,318
Economic environment	7,158,090	-	8,777	3,492,870	10,659,737
Human services	5,258,289	-	479,202	48,187,613	53,925,104
Culture and recreation	14,105,501	-	3,839,084	-	17,944,585
Debt service:					
Principal	-	8,872,500	-	-	8,872,500
Interest	-	17,179,540	-	-	17,179,540
Other debt service costs	-	779,763	-	-	779,763
Total expenditures	<u>140,364,314</u>	<u>26,831,803</u>	<u>5,456,663</u>	<u>58,086,893</u>	<u>230,739,673</u>
Excess (deficiency) of revenues over expenditures	<u>8,964,301</u>	<u>126,662</u>	<u>(866,787)</u>	<u>(1,317,956)</u>	<u>6,906,220</u>
Other financing sources (uses):					
Transfers in	-	230,400	-	1,881,135	2,111,535
Transfers out	(8,645,158)	-	(230,400)	(1,011,094)	(9,886,652)
Total other financing sources (uses)	<u>(8,645,158)</u>	<u>230,400</u>	<u>(230,400)</u>	<u>870,041</u>	<u>(7,775,117)</u>
Net change in fund balances	319,143	357,062	(1,097,187)	(447,915)	(868,897)
Fund balances, beginning	<u>38,587,806</u>	<u>14,117,762</u>	<u>27,102,188</u>	<u>14,378,469</u>	<u>94,186,225</u>
Fund balances, ending	<u>\$ 38,906,949</u>	<u>\$ 14,474,824</u>	<u>\$ 26,005,001</u>	<u>\$ 13,930,554</u>	<u>\$ 93,317,328</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, 2011

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

Net change in fund balances - total governmental funds (page 26) \$ (868,897)

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

The details of the difference are as follows:

Capital outlay	\$ 8,435,598	
Depreciation expense	<u>(16,655,244)</u>	
Net adjustment		(8,219,646)

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

The details of the difference are as follows:

Principal payments:		
Taxable Revenue Bonds	1,845,000	
General Obligation Bonds	1,845,000	
Capital Improvement Revenue Bonds	535,000	
Public Improvement Revenue Bonds	1,675,000	
Refunded Capital Improvement Revenue Bonds	1,932,500	
Refunded Public Improvement Revenue Bonds	<u>1,040,000</u>	
Total principal payments	8,872,500	
Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	<u>(649,714)</u>	
Net adjustment		8,222,786

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

The details of the difference are as follows:

Compensated absences		(1,273,985)
Accrued interest		217,674
Net OPEB obligation		2,330,648
Amortization of negative pension obligation		(568,853)

Change in net assets of governmental activities (page 23)		<u><u>\$ (160,273)</u></u>
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City of Pembroke Pines, Florida
Statement of Fund Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Assets		
Current assets:		
Pooled cash and cash equivalents	\$ 1,384,557	\$ 2,881,474
Investments:		
Marketable securities	-	12,404,265
Real estate	61,245,337	-
Accounts receivable:		
Customer accounts, net	4,229,344	-
Inventory	41,762	-
Interfund receivables	2,574,874	-
Total current assets	<u>69,475,874</u>	<u>15,285,739</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	<u>12,292,643</u>	-
Total restricted assets	<u>12,292,643</u>	-
Advances to other funds	1,133,700	-
Deferred bond issue cost	51,476	-
Negative net pension obligation	2,685,115	38,071
Capital Assets:		
Land	3,056,488	-
Buildings and utility plant	214,214,385	-
Construction-in-progress	5,587,444	-
Machinery and equipment	5,891,679	-
Less accumulated depreciation	<u>(80,814,284)</u>	-
Total capital assets (net of accumulated depreciation)	<u>147,935,712</u>	-
Total noncurrent assets	<u>164,098,646</u>	<u>38,071</u>
Total assets	<u>\$ 233,574,520</u>	<u>\$ 15,323,810</u>

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fund Net Assets
Proprietary Funds
September 30, 2011
(continued)

	Business-type Activities <u>Enterprise Fund</u> <u>Utility Fund</u>	Nonmajor Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 28,816	\$ 142,706
Compensated absences	296,370	10,754
Claims payable	-	15,160,920
Accrued interest payable	143,500	-
Current portion of bonds payable	<u>604,853</u>	<u>-</u>
Total current liabilities	<u>1,073,539</u>	<u>15,314,380</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	2,927,332	-
Noncurrent liabilities:		
Compensated absences	211,657	9,430
Long term portion of bonds payable	<u>11,695,147</u>	<u>-</u>
Total noncurrent liabilities	<u>14,834,136</u>	<u>9,430</u>
 Total liabilities	 <u>15,907,675</u>	 <u>15,323,810</u>
Net Assets:		
Invested in capital assets, net of related debt	142,748,564	-
Restricted for:		
Utility system bonds	7,112,852	-
Capital replacement	1,593,554	-
Debt service	658,905	-
Unrestricted	<u>65,552,970</u>	<u>-</u>
Total net assets	<u>217,666,845</u>	<u>-</u>
 Total liabilities and net assets	 <u>\$ 233,574,520</u>	 <u>\$ 15,323,810</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, 2011

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 41,122,537	\$ 15,450,536
Other	38,857	2,284,818
Total operating revenues	<u>41,161,394</u>	<u>17,735,354</u>
Operating expenses:		
Operating, administrative and maintenance	35,500,948	17,920,856
Depreciation	5,320,900	-
Total operating expenses	<u>40,821,848</u>	<u>17,920,856</u>
Operating income (loss)	<u>339,546</u>	<u>(185,502)</u>
Nonoperating revenues & expenses:		
Investment income	(6,891,075)	185,502
Interest expense	(83,525)	-
Other debt service cost	(4,771)	-
Total nonoperating revenues & expenses	<u>(6,979,371)</u>	<u>185,502</u>
Loss before transfers and contributions	(6,639,825)	-
Transfer from other funds	7,775,118	
Capital contributions	<u>1,494,661</u>	<u>-</u>
Change in net assets	2,629,954	-
Net assets, beginning	<u>215,036,891</u>	<u>-</u>
Net assets, ending	<u>\$ 217,666,845</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, 2011

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities		
Cash received from customers:		
For services	\$ 40,737,959	\$ 15,450,536
For deposits	173,821	-
Cash payments to suppliers for goods and services	(16,030,018)	(15,203,823)
Cash payments to employees for services	(3,585,645)	(84,569)
Interfund services used	(16,327,962)	-
Other operating revenues	15,208	2,284,818
Net cash provided by operating activities	<u>4,983,363</u>	<u>2,446,962</u>
Cash flows from noncapital financing activities		
Decrease in advances to other funds	2,455,711	-
Decrease in due to other funds	(15,000,001)	-
Transfer from other funds	7,775,118	-
Interest earned from other funds	58,648	-
Net cash provided by noncapital financing activities	<u>(4,710,524)</u>	<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from revenue bonds	12,300,000	-
Acquisition and construction of capital assets	(3,097,619)	-
Deferred bond issue cost	(55,308)	-
Interest paid on revenue bonds	(191,333)	-
Capital contributions provided by developers	914,431	-
Net cash provided by capital and related financing activities	<u>9,870,171</u>	<u>-</u>

(continued)

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2011
(continued)

	Business-type Activities Enterprise Fund <u>Utility Fund</u>	Nonmajor Governmental Activities Internal Service Fund <u>Public Insurance</u>
Cash flows from investing activities		
Purchase of investments	\$ -	\$ (2,000,000)
Income on cash and cash equivalents	194,965	72,310
Net cash used in investing activities	<u>194,965</u>	<u>(1,927,690)</u>
Net increase in equity in pooled cash and cash equivalents	10,337,975	519,272
Pooled cash and cash equivalents at beginning of year	<u>3,339,225</u>	<u>2,362,202</u>
Pooled cash and cash equivalents at end of year	<u>\$ 13,677,200</u>	<u>\$ 2,881,474</u>
 Displayed as:		
Unrestricted	\$ 1,384,557	\$ 2,881,474
Restricted	<u>12,292,643</u>	<u>-</u>
Total Pooled cash and cash equivalents	<u>\$ 13,677,200</u>	<u>\$ 2,881,474</u>
 Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	\$ 339,546	\$ (185,502)
 Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	5,320,900	-
Change in assets and liabilities:		
Increase in customer accounts, net	(384,578)	-
Decrease in inventory	2,605	-
Increase in current portion of notes receivable	(23,649)	-
Decrease in negative net pension obligation	284,248	3,900
Decrease in accounts payable	(519,514)	(81,953)
Increase (decrease) in compensating absences	(210,016)	2,117
Increase in insurance claims payable	-	2,708,400
Increase in customer deposits	<u>173,821</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 4,983,363</u>	<u>\$ 2,446,962</u>
 Noncash investing, capital, and financing activities:		
Property contributed by developers	\$ 580,229	\$ -
Capitalized interest	251,308	-
Increase in fair value of investments	194,965	113,192
Investment writedown	(7,144,687)	-
Investment in Real Estate	68,390,024	

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short-term investments	\$ 20,744,435	\$ 2,782,442
Receivables		
Accrued interest and dividends	1,003,166	-
Other	<u>2,953,260</u>	<u>1,946,325</u>
Total receivables	<u>3,956,426</u>	<u>1,946,325</u>
Investments, at fair value		
U.S. Government securities	16,666,296	-
Corporate bonds	65,332,200	-
Common stocks	128,108,889	-
Foreign bonds	1,698,444	-
Domestic equity fund	37,032,421	-
International equity fund	19,704,749	-
Real estate fund	16,462,022	-
Mutual funds	<u>136,485,584</u>	<u>-</u>
Total investments	<u>421,490,605</u>	<u>-</u>
Capital Assets:		
Property and equipment, net	<u>423,240</u>	<u>-</u>
Total capital assets	<u>423,240</u>	<u>-</u>
Total assets	<u>446,614,706</u>	<u>4,728,767</u>
Liabilities		
DROP participants payable	72,313,983	-
Reserve for health insurance claims	739,911	-
Accounts payable	311,850	1,946,192
Accrued liabilities	<u>-</u>	<u>2,782,575</u>
Total liabilities	<u>73,365,744</u>	<u>4,728,767</u>
Net Assets		
Net assets held in trust for pension benefits	346,954,446	-
Net assets held in trust for OPEB benefits	<u>26,294,516</u>	<u>-</u>
Total net assets held in trust for benefits	<u>\$ 373,248,962</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, 2011

	Pension and OPEB <u>Trust Funds</u>
Additions	
Contributions:	
Plan members	\$ 3,841,972
Employee buybacks	133,333
Employer	35,342,392
State	<u>2,269,110</u>
Total	<u>41,586,807</u>
Investment loss	(3,050,800)
Less investment expense	<u>1,669,222</u>
Net investment loss	<u>(4,720,022)</u>
Other additions:	
Specific stop loss and medical claims recovery	508,702
Other income	<u>48,038</u>
Total other additions	<u>556,740</u>
Total additions	<u>37,423,525</u>
Deductions	
Benefit payments and insurance premiums	34,120,315
Refunds of contributions	19,744
Administrative expenses	<u>789,719</u>
Total deductions	<u>34,929,778</u>
Change in net assets	2,493,747
Net assets, beginning	<u>370,755,215</u>
Net assets, ending	<u>\$ 373,248,962</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, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Financial Reporting Entity

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

Blended Component Units

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

Discretely Presented Component Units

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

d. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits and Investments (continued)

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

2. Interfund Receivables and Payables

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

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

3. Receivables

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Capital Assets

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

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Inventories and Prepaid Items

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

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

6. Restricted Assets

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

7. Compensated Absences

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net 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

Fiscal Year Ended September 30, 2011

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 fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by City management based on Commission direction. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Implementation of GASB Statement No. 54 is further explained in Note 2. under Section c, New Accounting Pronouncements.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

12. Fund Balance Reserve Policy

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

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

For the year ended September 30, 2011, the City complied, in all material respects, with these revenue restrictions.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

c. New Pronouncements

In fiscal year 2011, the City implemented the provisions of GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Possible fund balance classifications are:

- **Nonspendable Fund Balance** - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed Fund Balance** - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.
- **Assigned Fund Balance** - amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned Fund Balance** - amounts that have not been assigned to other funds that have not been restricted, committed, or assigned to specific purposes.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS

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

Deposits and investments as of September 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:	<u>Balance as of 9/30/2011</u>	
Cash and cash equivalents	\$ 47,710,801	
Investments:		
Marketable securities	31,148,425	
Real estate	61,245,337	
Restricted assets:		
Pooled cash and cash equivalents	48,847,571	
Investments -marketable securities	8,831,959	\$ 197,784,093
Statement of Fiduciary net assets		
Cash and short-term investments	20,744,435	
Investments	<u>421,490,605</u>	<u>442,235,040</u>
Total cash and investments	<u><u>\$ 640,019,133</u></u>	<u><u>\$ 640,019,133</u></u>

Cash on hand, deposits and investments as of September 30, 2011 consist of the following:

Governmental and Business-type investments:	<u>Balance as of 9/30/2011</u>	
Cash on hand	\$ 18,905	
Deposits with financial institutions	14,507,212	
Money market funds held with financial institutions	36,885	
Florida PRIME	550,732	
Fund B Surplus Trust Fund (Fund B)	14,072	
Florida Municipal Investment Trust (FMIVT)	90,403,161	
Investments held with external Investment manager	31,007,789	
Investment in real estate	61,245,337	\$ 197,784,093
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	20,519,307	
Investments	285,005,021	
General Employees Pension Fund:		
Investments in mutual funds	111,620,570	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	225,128	
Investments	<u>24,865,014</u>	<u>442,235,040</u>
Total cash and investments	<u><u>\$ 640,019,133</u></u>	<u><u>\$ 640,019,133</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Public Deposits

At September 30, 2011, the book balance of the City's public deposits was \$14,507,212 and the bank balance was \$16,829,708. The institutions in which the City's monies are deposited are certified as Qualified Public Depositories pursuant to Florida Statutes, Chapter 280 - *Florida Security for Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository. The Investment Policy allows for a maximum of 50% of the portfolio may be deposited with any one financial institution.

Investments in External Investments Pools

State Board of Administration (SBA)

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

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

On August 3, 2009 the SBA announced the rebranding of the Local Government Surplus Funds Trust Fund (formerly Pool A) as the "Florida PRIME," reflecting the improvements and added benefits for participants that had been developed. The Florida PRIME is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value factor for Fund B as of September 30, 2011 is 0.7568386, and the fair value is calculated by multiplying the factor by the account balance.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

State Board of Administration (SBA) (continued)

As at September 30, 2011, the City had \$550,732 invested in the Florida PRIME and \$14,072 invested in Fund B. The investments of the Florida PRIME are not restricted as to deposits or withdrawals. Fund B cash holdings are being distributed as they become available from maturities, sales, investment interest and other income received from the assets in Fund B. The investment objective of Fund B is to maximize the present value of distributions to participants. Through January 2012, investors cumulatively received distributions from Fund B totaling nearly \$1.7 billion or 85% of their original balances.

Florida Municipal Investment Trust (FMIVT)

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

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

	Balance
<u>FMIVT Bond Funds:</u>	<u>as of 9/30/11</u>
0-2 Year High Quality Bond Fund	\$ 124,145
1-3 Year High Quality Bond Fund	81,440,489
High Quality Growth Equity Portfolio	8,838,527
Total FMIVT Bond Funds	<u>\$ 90,403,161</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

Florida Municipal Investment Trust (FMIvT) (continued)

The Other Post Employment Benefit (OPEB) Trust Fund also invests in the Florida Municipal Investment Trust (FMIvT) in both the fixed income and equity funds as shown in the table below:

	Balance as of 9/30/11
Mercantile Bank Money Market	\$ 225,128
FMIvT Investment Accounts:	
1-3 Year High Quality Bond Fund	10,355,846
High Quality Growth Equity Portfolio	4,280,402
Diversified Small to Mid (SMID) Cap Equity Portfolio	1,452,769
Russell 1000 Enhanced Index Equity Portfolio	2,940,428
International Blend Equity Portfolio	1,432,832
Large Cap Diversified Value Equity Portfolio	4,402,738
Total cash and investments	<u><u>\$ 25,090,142</u></u>

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

Investment in Real Estate

In fiscal year 2003, the City purchased approximately 115 acres of undeveloped land adjacent to City Hall for approximately \$22.0 million using funds from the Utility Fund. The City's investment in real estate, also referred to as the "City Center" project, had an additional \$46.3 million spending for spine roads, infrastructure and hardscape development. During that year, the City transferred the investment in real estate from Utility Fund to the General fund creating an interfund loan between the two funds. As part of this transaction, the Utility Fund charged borrowing interest to the General Fund. In fiscal year 2011, the City transferred the investment in real estate back to the Utility Fund and since the Utility Fund cannot charge interest to itself, the interest portion of the cost was written off and was charged against interest income during the year. To compensate this write down, the General Fund transferred approximately \$7.8 million to the Utility Fund in fiscal year 2011 (See Note 7 – Interfund Transfers). At the fiscal year ended September 30, 2011 the investment in real estate is valued at \$61.2 million.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair market value of an investment. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table below as of September 30, 2011.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
<u>Managed by External Investment Manager:</u>			
Temporary investments	\$ 465,878	-	0.4%
Treasuries	7,594,731	1.97	6.1%
Federal agencies	7,322,106	1.63	6.0%
Mortgage pass-through	518,600	0.95	0.4%
Collateralized mortgage obligations	1,449,244	4.88	1.3%
Asset-backed securities	2,386,080	0.51	2.0%
Corporate	8,552,730	1.54	7.0%
Corporate - Non US	2,718,420	1.13	2.2%
<u>Investment in External Investment Pools:</u>			
FMIvT -0-2 Year high quality bond fund	124,145	0.84	0.1%
FMIvT -1-3 Year bond fund	81,440,489	1.57	66.8%
FMIvT -Intermediate high quality bond fund	8,838,527	3.40	7.2%
Florida PRIME	550,732	-	0.5%
Fund B surplus fund trust fund	14,072	-	0.0%
Total Governmental & Business-type Fixed Income	\$ 121,975,754		100.0%
Weighted average effective duration of the Governmental & Business-type activities		1.72	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
Federal agencies	\$ 16,666,296	0.75	19.9%
Corporate bonds	65,332,200	3.76	78.1%
State of Israel bonds	1,698,444	not available	2.0%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 83,696,940		100.0%
Weighted average effective duration of Police & Fire Pension Fund		3.09	
General Employees Pension Fund:			
<u>Investment in separate fixed income investments accounts:</u>			
Principal core plus 1	\$ 19,996,165	5.90	39.1%
Principal bond and mortgage	19,970,394	4.92	39.1%
Principal high yield	4,386,982	4.30	8.6%
Principal US property	6,734,746	-	13.2%
Total Fixed Income General Employees Pension Fund	\$ 51,088,287		100.0%
Weighted average effective duration of the General Employees Pension Fund		4.60	
Other Post-Employment Benefit (OPEB) Trust Fund:			
<u>Investment in Funds of the Florida League of Cities</u>			
FMIvT -1-3 Year bond fund	10,355,846	1.57	100.0%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	\$ 10,355,846		100.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

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

The weighted average days to maturity of the Florida PRIME as of September 30, 2011 is 38 days and the weighted average life of Fund B as of September 30, 2011 is 4.82 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

Firefighters and Police Officers Pension Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

General Employees Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

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

<u>Investment Type</u>	<u>Credit Quality Rating</u>			<u>Fair Value</u>
	<u>Fitch</u>	<u>S&P</u>	<u>Moody's</u>	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments		AAA	Aaa	\$ 465,878
Treasuries		AA+	Aaa	7,594,731
Federal agencies		AA+	Aaa	7,322,106
Mortgage pass-through		AAA	Aaa	518,600
Collateralized mortgage obligations		AA-	Aa2	1,449,244
Asset-backed securities		AAA	Aaa	2,386,080
Corporate		AA-	Aa3	8,552,730
Corporate - Non US		AA	Aa2	2,718,420
<u>Investment in External Investment Pools:</u>				
FMIvT -0-2 Year high quality bond fund	AAA/V1	AAAf/S1		124,145
FMIvT -1-3 Year bond fund	AAA/V2			81,440,489
FMIvT -Intermediate high quality bond fund	AAA/V3			8,838,527
Florida PRIME		AAAf		550,732
Fund B surplus funds trust fund		Not rated		14,072
Total Governmental & Business-type Fixed Income				\$ 121,975,754
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed		Not applicable		\$ 16,666,296
Corporate bonds		AAA		1,633,027
Corporate bonds		AA+		1,685,214
Corporate bonds		AA		3,210,320
Corporate bonds		AA-		7,178,334
Corporate bonds		A+		15,686,215
State of Israel bonds		A+		1,689,444
Corporate bonds		A		23,475,281
Corporate bonds		A-		7,779,603
Corporate bonds		BBB+		4,185,572
Corporate bonds		BBB		507,634
Total Fixed Income Firefighters and Police Officers Pension Fund				\$ 83,696,940
General Employees Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal core plus 1		Not rated		\$ 19,996,165
Principal bond and mortgage		Not rated		19,970,394
Principal high yield		Not rated		4,386,982
Principal US property		Not rated		6,734,746
Total Fixed Income General Employees Pension Fund				\$ 51,088,287
Other Post-Employment Trust Fund:				
<u>Investment in Funds of the Florida League of Cities</u>				
FMIvT -1-3 Year bond fund	AAA/V2			10,355,846
Total Fixed Income -Other Post-Employment Benefits Trust Fund				\$ 10,355,846

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

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

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

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

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

During the fiscal year, the investment portfolio held one security that is below the credit ratings for corporate bonds as stipulated in the Operating Investment Policy. Although the Operating Investment Policy does not stipulate a credit rating for collateralized mortgage obligations (CMO’s), the City has used the ratings of its corporate bonds as the standard. The Investment Manager and the City continues to monitor this investment and will review its Operating Investment Policy to make changes that will ensure the safety of principal. These securities are listed below.

Type of Investment	Name	CUSIP	Ratings		Market Value
			Standard & Poor's	Moody's	
Mortgage-backed Securities	Countrywide Home Loans	170256AD3	CC	CA	\$ 171,198
Total fair market value					\$ 171,198

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Firefighters and Police Officers Pension Investments

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

General Employees Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Deposits

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

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

Custodial Credit Risk - Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2011 are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ -	\$ 4,781,751	\$ 4,781,751
Franchise fees and taxes	5,224,698	-	416,943	-	5,641,641
Due from other governments	16,945	-	1,234,642	-	1,251,587
Other receivables	1,602,545	260	175,222	-	1,778,027
Gross receivables	<u>6,844,188</u>	<u>260</u>	<u>1,826,807</u>	<u>4,781,751</u>	<u>13,453,006</u>
Less: allowance for uncollectible accounts	-	-	-	(552,407)	(552,407)
Net total receivables	<u>\$ 6,844,188</u>	<u>\$ 260</u>	<u>\$ 1,826,807</u>	<u>\$ 4,229,344</u>	<u>\$ 12,900,599</u>

NOTE 5. RESTRICTED ASSETS

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2011 are as follows:

<u>Restricted assets</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Revenue Bonds sinking fund	\$ -	\$ 12,108,855	\$ -	\$ -	\$ 658,905	\$ 12,767,760
General Obligation Bonds sinking fund	-	27,865	-	-	-	27,865
Revenue Bonds reserve fund	-	2,351,922	-	-	-	2,351,922
Restricted for construction projects	-	-	29,713,575	-	-	29,713,575
Restricted for Utility System Bonds	-	-	-	-	7,112,852	7,112,852
Revenue Bonds renewal and replacement fund	-	-	-	-	1,593,554	1,593,554
Restricted for wetland mitigation	-	-	-	574,475	-	574,475
Customer deposits	610,195	-	-	-	2,927,332	3,537,527
Total restricted assets	<u>\$ 610,195</u>	<u>\$ 14,488,642</u>	<u>\$ 29,713,575</u>	<u>\$ 574,475</u>	<u>\$ 12,292,643</u>	<u>\$ 57,679,530</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 65,574,153	\$ -	\$ -	\$ 65,574,153
Construction-in-progress	2,267,271	4,373,893	(6,081,400)	559,764
Total capital assets, not being depreciated	<u>67,841,424</u>	<u>4,373,893</u>	<u>(6,081,400)</u>	<u>66,133,917</u>
Capital assets, being depreciated:				
Buildings	239,760,824	5,296,219	-	245,057,043
Improvements other than buildings	131,516,510	780,797	-	132,297,307
Machinery and equipment	52,249,255	3,876,509	(1,058,387)	55,067,377
Infrastructure	33,033,256	189,580	-	33,222,836
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	<u>456,621,152</u>	<u>10,143,105</u>	<u>(1,058,387)</u>	<u>465,705,870</u>
Less accumulated depreciation for:				
Buildings	(42,043,116)	(5,278,437)	-	(47,321,553)
Improvements other than buildings	(43,699,067)	(7,338,323)	-	(51,037,390)
Machinery and equipment	(42,872,927)	(3,608,719)	1,058,387	(45,423,259)
Infrastructure	(29,730,626)	(423,634)	-	(30,154,260)
Intangibles	(511)	(6,131)	-	(6,642)
Total accumulated depreciation	<u>(158,346,247)</u>	<u>(16,655,244)</u>	<u>1,058,387</u>	<u>(173,943,104)</u>
Total capital assets, being depreciated, net	298,274,905	(6,512,139)	-	291,762,766
Governmental activities capital assets, net	<u>\$ 366,116,329</u>	<u>\$ (2,138,246)</u>	<u>\$ (6,081,400)</u>	<u>\$ 357,896,683</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 6. CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,056,488	\$ -	\$ -	\$ 3,056,488
Construction-in-progress	18,987,139	2,974,601	(16,374,296)	5,587,444
Total capital assets, not being depreciated	<u>22,043,627</u>	<u>2,974,601</u>	<u>(16,374,296)</u>	<u>8,643,932</u>
Capital assets, being depreciated:				
Buildings	20,695,280	16,625,605	-	37,320,885
Improvements other than buildings	176,224,056	669,444	-	176,893,500
Machinery and equipment	5,905,531	33,802	(47,654)	5,891,679
Total capital assets, being depreciated	<u>202,824,867</u>	<u>17,328,851</u>	<u>(47,654)</u>	<u>220,106,064</u>
Less accumulated depreciation for:				
Buildings	(5,822,247)	(605,741)	-	(6,427,988)
Improvements other than buildings	(64,304,229)	(4,400,837)	-	(68,705,066)
Machinery and equipment	(5,414,562)	(314,322)	47,654	(5,681,230)
Total accumulated depreciation	<u>(75,541,038)</u>	<u>(5,320,900)</u>	<u>47,654</u>	<u>(80,814,284)</u>
Total capital assets, being depreciated, net	127,283,829	12,007,951	-	139,291,780
Business-type activities capital assets, net	<u>\$ 149,327,456</u>	<u>\$ 14,982,552</u>	<u>\$ (16,374,296)</u>	<u>\$ 147,935,712</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 811,582
Public safety	2,648,741
Physical environment	57,349
Transportation	3,274,051
Economic environment	1,664,158
Human services	3,983,345
Culture/recreation	4,216,018
Total depreciation expense - governmental activities	<u>\$ 16,655,244</u>
Business-type activities:	
Water-sewer combined service	\$ 5,320,900
Total depreciation expense - business-type activities	<u>\$ 5,320,900</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2011 is follows:

Due to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General		Nonmajor Governmental	\$ 1,256,693	Provide temporary resources
Total			<u>\$ 1,256,693</u>	

Interfund receivables/payables:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility		Capital Projects	\$ 2,574,874	Capital projects expenditures
Total			<u>\$ 2,574,874</u>	

Advances to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility		Capital Projects	\$ 1,133,700	Capital projects expenditures
Total			<u>\$ 1,133,700</u>	

*This amount is not expected to be paid within one year from September 30, 2011.

Interfund Transfers:

	<u>Transfer in:</u>				Total	Purpose
	Utility Fund	Debt Service Fund	Nonmajor Governmental Funds			
Transfer out:						
General Fund	\$ 7,775,118	\$ -	\$ -	\$ 7,775,118		To compensate the Utility Fund for the interest write-down of the City Center Investment transferred to the Utility Fund.
General Fund	-	-	870,040	870,040		Supplement other funds
Capital Projects Fund	-	230,400	-	230,400		Use of capitalized interest to pay bond issue costs
Nonmajor Governmental Funds	-	-	1,011,094	1,011,094		Supplement other funds
Total	<u>\$ 7,775,118</u>	<u>\$ 230,400</u>	<u>\$ 1,881,134</u>	<u>\$ 9,886,652</u>		

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 8. OPERATING LEASES

The City is the lessor in operating leases on various buildings as described below. Depreciation expense on these leased assets for the year ended September 30, 2011 amounted to \$1,915,294. Cost and carrying amounts of these leased assets as of September 30, 2011 were as follows:

Land	\$ 1,068,835
Buildings	<u>95,772,696</u>
Total Cost	96,841,531
Less: Accumulated Depreciation	<u>(14,172,789)</u>
Book Value as of 9/30/11	<u>\$ 82,668,742</u>

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist and 270 square feet to a medical doctor. The 11,950 square foot restaurant "Club 19" at the City's Golf & Racquet Club is also leased out to an operator. As of September 30, 2011, Club 19 leased facilities consisted of \$72,700 in land and \$212,077 in buildings for a total cost of \$284,777. The accumulated depreciation and the net book value of the property as of September 30, 2011 are \$111,949 and \$172,828, respectively. Depreciation expense for the year was \$4,242. Additional office space at City Hall is provided at no cost to several Federal and local elected officials who represent portions of the City.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between \$3,690 and \$51,428 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$1,381,675 from the tower rentals in the year ended September 30, 2011.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 8. OPERATING LEASES (continued)

On April 20, 1998 the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at \$500,000, and buildings costing \$1,780,834 with a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2011 amounted to \$759,088 and \$1,521,746, respectively. Depreciation expense for the year was \$28,382.

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

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 12. "Commitments"). As of September 30, 2011 the City had sub-subleased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Youth Services International, Citrus Health Network, Jose Maria Vargas University, Bayview Center for Mental Health, Dept. of Children & Families, Green Cross of Pembroke Pines, Safeguard Services, Elan Lawn Services and several other lessees at various rentals and terms. The City also provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City's seven Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of \$1,614,923 from the rental of buildings on the Campus for the year ended September 30, 2011.

On March 13, 2002 the City signed an agreement with Florida International University (FIU), for use of educational facilities located at the Academic Village. The Academic Village is a shared-use facility located on the northeast corner of Sheridan Street and Northwest 172nd Avenue, and includes the City's Charter High School, the Broward County Southwest Regional Library, the Southwest Broward County Campus for Broward College, and the *Susan B. Katz Memorial Auditorium*, a 450-seat shared auditorium. In order to provide for the operation of an integrated educational program, and to offset the costs incurred by the City, the agreement requires FIU to pay to the City an annual rent starting at \$400,000, which increases by an additional \$200,000 for the next two years and an additional \$50,000 in the fourth year. Thereafter, the annual rent will be adjusted by a minimum of 50% of the increase or decrease in the Consumer Price Index (CPI) for Miami, Florida. The lease is for 10 years through December 31, 2012, with one ten-year renewal period. An additional option may be negotiated if requested in writing to the City. The rental income of \$977,385 received in the Charter Schools' fiscal year ended June 30, 2011 was recorded in the City's Charter High

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 8. OPERATING LEASES (continued)

School financial statements, and future rentals are included in the table below. The cost of the shared-use facility is \$13,599,845, and accumulated depreciation and net book value as of September 30, 2011 amounted to \$1,983,311 and \$11,616,534, respectively. Depreciation expense for the year was \$290,298.

On November 23, 2004 the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. [See Note 9. "Long-Term Debt" under Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008]. SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2011 amounted to \$797,344 and \$6,238,043, respectively. Depreciation expense for the year was \$141,212. The City received a total of \$262,756 from the rental of building for the year ended September 30, 2011; this includes a credit enhancement fee of \$50,000 and an administrative fee of \$27,515.

The City receives various short-term rentals from religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2011 the City received rental income of \$1,609,033 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$5,015,603 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". Pines Point land cost is \$496,135 and its building costs are \$17,366,392. The accumulated depreciation and net book value of Pines Point as of September 30, 2011 amounted to \$4,861,455 and \$13,001,072, respectively, and depreciation expense for the year was \$336,363. Pines Place cost is \$55,778,161 and its accumulated depreciation and net book value as of September 30, 2011 amounted to \$5,659,643 and \$50,118,519, respectively, and depreciation expense for the year was \$1,114,797. The City also maintains a storage lot for recreational vehicles and boats and trailers, and received storage rentals amounting to \$313,997 for the year ended September 30, 2011. None of these short-term rentals are included in the table below.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 8. OPERATING LEASES (continued)

The approximate minimum future rentals to be received, excluding cost of living increases or expected lease renewals, on non-cancelable operating leases as of September 30, 2011 are:

Fiscal year ending September 30:	
2012	\$ 2,594,053
2013	2,595,829
2014	2,587,915
2015	2,591,024
2016	1,521,353
2017-2021	3,516,443
2022-2026	2,273,144
2027-2031	2,532,722
2032-2036	2,884,110
2037-2039	<u>1,941,151</u>
Total minimum future rentals	<u>\$ 25,037,744</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2011 include the following (All capitalized terms are as defined in each bond issue's official documents):

Public Improvement Revenue Bonds, Series 2001 – On October 12, 2001, the City issued \$19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The \$10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining \$2,715,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest at rates which range from 4.10% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with any Additional Parity Bonds. The bonds maturing on and after October 1, 2012 are subject to redemption at the option of the City, on or after October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 870,000	\$ 96,265	\$ 966,265
2013	905,000	59,425	964,425
2014	940,000	20,210	960,210
Total	<u>\$ 2,715,000</u>	<u>\$ 175,900</u>	<u>\$ 2,890,900</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2003A – On October 17, 2003, the City issued \$39,935,000 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of \$37,185,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on parity with the Series 2004 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2014 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2013, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 795,000	\$ 2,196,214	\$ 2,991,214
2013	840,000	2,147,409	2,987,409
2014	890,000	2,095,768	2,985,768
2015	945,000	2,040,994	2,985,994
2016	1,000,000	1,982,935	2,982,935
2017-2021	5,980,000	8,914,702	14,894,702
2022-2026	7,995,000	6,842,366	14,837,366
2027-2031	10,680,000	4,073,630	14,753,630
2032-2034	8,060,000	740,579	8,800,579
Total	<u>\$ 37,185,000</u>	<u>\$ 31,034,597</u>	<u>\$ 68,219,597</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2004 – On April 1, 2004, the City issued \$49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$45,910,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 4.00% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on parity with the Series 2003A Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2012	\$ 1,135,000	\$ 2,293,956	\$ 3,428,956
2013	1,180,000	2,246,181	3,426,181
2014	1,230,000	2,193,431	3,423,431
2015	1,290,000	2,136,731	3,426,731
2016	1,345,000	2,075,763	3,420,763
2017-2021	7,750,000	9,330,032	17,080,032
2022-2026	9,885,000	7,129,196	17,014,196
2027-2031	12,730,000	4,198,163	16,928,163
2032-2034	9,365,000	754,031	10,119,031
Total	\$ 45,910,000	\$ 32,357,484	\$ 78,267,484

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004A – On May 6, 2004, the City issued \$20,140,000 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of \$19,665,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.25% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, and any Additional Parity Bonds. The bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 485,000	\$ 906,741	\$ 1,391,741
2013	500,000	890,110	1,390,110
2014	520,000	871,610	1,391,610
2015	540,000	851,397	1,391,397
2016	560,000	829,735	1,389,735
2017-2021	3,165,000	3,775,637	6,940,637
2022-2026	3,930,000	2,982,413	6,912,413
2027-2031	4,995,000	1,891,125	6,886,125
2032-2035	4,970,000	512,000	5,482,000
Total	<u>\$ 19,665,000</u>	<u>\$ 13,510,768</u>	<u>\$ 33,175,768</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004B – On July 14, 2004, the City issued \$15,975,000 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of \$15,610,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.625% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, 2004A, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 375,000	\$ 738,343	\$ 1,113,343
2013	390,000	724,136	1,114,136
2014	405,000	708,879	1,113,879
2015	420,000	692,423	1,112,423
2016	435,000	674,678	1,109,678
2017-2021	2,485,000	3,061,763	5,546,763
2022-2026	3,135,000	2,396,297	5,531,297
2027-2031	3,995,000	1,511,125	5,506,125
2032-2035	3,970,000	409,000	4,379,000
Total	<u>\$ 15,610,000</u>	<u>\$ 10,916,644</u>	<u>\$ 26,526,644</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling \$18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling \$10,985,000. This advance refunding generates a net present value benefit of \$1,268,541. These refunding bonds have an outstanding balance of \$27,645,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2001, 2004A, 2004B, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 1,085,000	\$ 1,263,450	\$ 2,348,450
2013	1,130,000	1,219,150	2,349,150
2014	1,175,000	1,173,050	2,348,050
2015	2,200,000	1,094,550	3,294,550
2016	2,315,000	981,675	3,296,675
2017-2021	13,420,000	3,006,750	16,426,750
2022-2023	6,320,000	255,200	6,575,200
Total	<u>\$ 27,645,000</u>	<u>\$ 8,993,825</u>	<u>\$ 36,638,825</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. The advance refunding generates a net present value benefit of \$1,778,037. These refunding bonds have an outstanding balance of \$41,110,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with any Additional Parity Bonds and Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2012	\$ 1,590,000	\$ 1,780,312	\$ 3,370,312
2013	1,650,000	1,715,513	3,365,513
2014	1,725,000	1,648,012	3,373,012
2015	1,795,000	1,575,675	3,370,675
2016	1,870,000	1,491,088	3,361,088
2017-2021	10,895,000	5,948,625	16,843,625
2022-2026	13,470,000	3,124,479	16,594,479
2027-2031	7,000,000	821,159	7,821,159
2032	1,115,000	23,694	1,138,694
Total	\$ 41,110,000	\$ 18,128,557	\$ 59,238,557

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 - On January 24, 2007, the City issued \$26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of \$25,755,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, and any Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2012	\$ 555,000	\$ 1,158,362	\$ 1,713,362
2013	580,000	1,135,663	1,715,663
2014	605,000	1,111,962	1,716,962
2015	630,000	1,087,263	1,717,263
2016	655,000	1,061,562	1,716,562
2017-2021	3,695,000	4,878,782	8,573,782
2022-2026	4,515,000	4,057,387	8,572,387
2027-2031	5,625,000	2,950,163	8,575,163
2032-2036	7,220,000	1,357,000	8,577,000
2037	1,675,000	41,875	1,716,875
Total	\$ 25,755,000	\$ 18,840,019	\$ 44,595,019

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) - On March 25, 2008, the City issued \$64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of \$29,405,000 and \$17,715,000, respectively. The 2008 Bonds have an outstanding balance of \$63,195,000 due in varying installments through July 1, 2038. They initially bear interest at the Weekly Rate, but may be converted at the option of the City, to a Fixed Rate. The interest rate during each Weekly Rate Period will be determined by the Remarketing Agent and no 2008 Bond shall bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on parity with any Additional Parity Bonds.

The 2008 Bonds are subject to optional and mandatory tender for purchase and to optional and mandatory redemption prior to maturity. Holders of the 2008 Bonds may elect to have their 2008 Bonds purchased on any Business Day, upon delivery of a Tender Notice to the Tender Agent seven days prior to the applicable Purchase Date. They are subject to redemption on any Business Day at the option of the City at a redemption price equal to 100% of the principal amount of such 2008 Bonds plus accrued interest to the date of redemption. The 2008 Bonds tendered for purchase, either at the option of the owner or upon mandatory tender, and not remarketed, will be subject to purchase pursuant to a Stand-by Bond Purchase Agreement with Royal Bank of Canada providing liquidity support for the 2008 Bonds.

On May 17, 2011, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of \$63,495,000. This transaction was necessitated by the expiration of the Stand-by Bond Purchase Agreement on March 25, 2011 which was extended to May 24, 2011.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

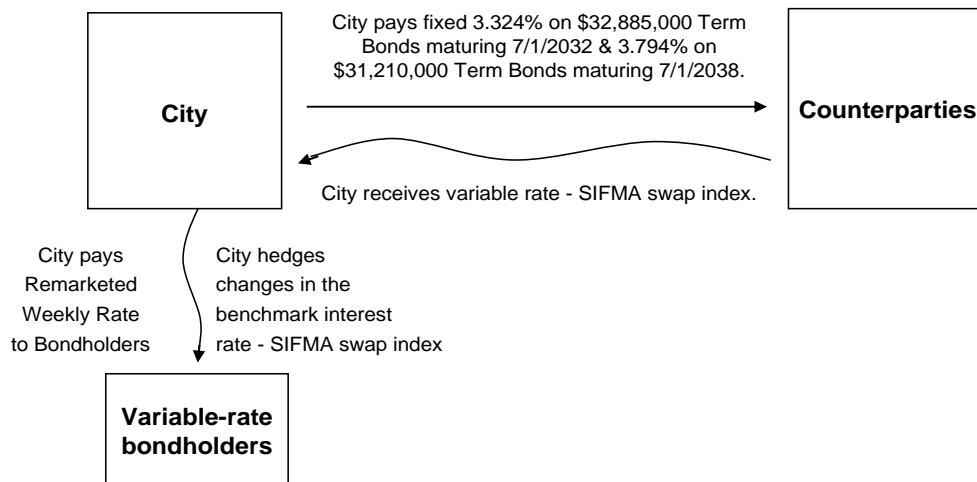
NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) (continued)

The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to Wells Fargo Bank, National Association (the "Bank") and obtain a variable rate of SIFMA rate plus 0.89% for a three year term. The Series 2008 Bonds have four interest rate SWAPs for which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA rate. During the three year period with the Bank, the effective interest cost to the City will be the fixed rates that the City pays to the Counterparties plus the 0.89% interest spread to the Bank.

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



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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) (continued)

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

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

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2011" is based on the 1.05% interest rate which was the SIFMA Rate (0.16%) in effect at the financial statement date of September 30, 2011 (per GASB Statement No. 38, paragraph 10) plus 0.89% interest spread to the Bank.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) (continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 300,000	\$ 668,535	\$ 968,535
2013	100,000	658,382	758,382
2014	100,000	657,338	757,338
2015	100,000	656,294	756,294
2016	100,000	657,073	757,073
2017-2021	500,000	3,269,621	3,769,621
2022-2026	5,725,000	3,154,963	8,879,963
2027-2031	20,550,000	2,526,135	23,076,135
2032-2036	24,445,000	1,339,739	25,784,739
2037-2038	11,275,000	158,755	11,433,755
Total	<u>\$ 63,195,000</u>	<u>\$ 13,746,835</u>	<u>\$ 76,941,835</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (Reissued in September 2011) - On July 25, 2008, the City issued \$8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The Series 2008 Bonds initially will bear interest at the Weekly Rate, determined by the Remarketing Agent each Wednesday and payable on the first Wednesday of each month. Interest on the Series 2008 Bonds will be paid at the lesser of the maximum rate permitted by law and 12% per annum. The Issuer may change the interest rate determination method from time to time. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in the Series 2008 Bonds becoming subject to mandatory tender for purchase on the effective date of such change. As a condition to the issuance of the Series 2008 Bonds, the City delivered an irrevocable direct-pay Letter of Credit expiring on July 15, 2011, this entitles the Trustee to draw an amount sufficient to pay (i) the principal of the Series 2008 Bonds or the portion of the Purchase Price corresponding to the principal of the Series 2008 Bonds (at maturity or upon acceleration or redemption prior to maturity) and (ii) 40-days' accrued interest on such Series 2008 Bonds or that portion of the Purchase Price corresponding to the interest accrued thereon.

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

The Credit Provider extended the Letter of Credit until September 15, 2011, and prior to its expiration, the City reissued the Series 2008 Bonds under an Amended and Restated Indenture of Trust with U.S. National Bank in the amount of \$8,040,000 in the same terms and conditions as the Original Indenture of Trust except for the requirement of the Letter of Credit Facility and the additional Interest Period with a banking institution.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ -	\$ 91,480	\$ 91,480
2013	-	161,435	161,435
2014	-	161,435	161,435
2015	150,000	159,929	309,929
2016	155,000	156,867	311,867
2017-2021	945,000	730,927	1,675,927
2022-2026	1,260,000	621,144	1,881,144
2027-2031	1,665,000	475,722	2,140,722
2032-2036	2,210,000	282,110	2,492,110
2037-2039	1,655,000	50,951	1,705,951
Total	<u>\$ 8,040,000</u>	<u>\$ 2,892,000</u>	<u>\$ 10,932,000</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2010 - On June 22, 2010, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2010 in the amount of \$8,545,700 for the purpose of refunding the outstanding \$8,690,000 Capital Improvement Revenue Bonds, Series 1999 in order to realize a net interest cost savings. These Series 2010 Bonds have an outstanding balance of \$8,443,200 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

	Principal	Interest	Total
Fiscal year ending September 30:			
2012	\$ 357,600	\$ 343,592	\$ 701,192
2013	377,400	328,314	705,714
2014	392,100	312,318	704,418
2015	406,300	295,721	702,021
2016	425,100	278,438	703,538
2017-2021	2,424,600	1,104,518	3,529,118
2022-2026	3,247,900	532,345	3,780,245
2027	812,200	16,884	829,084
Total	\$ 8,443,200	\$ 3,212,130	\$ 11,655,330

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

<u>Redemption Date</u>	<u>Premium</u>
December 2, 2015 through December 1, 2020	1%
December 2, 2020 and thereafter	0%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 604,853	\$ 419,916	\$ 1,024,769
2013	661,603	397,752	1,059,355
2014	684,759	374,191	1,058,950
2015	708,725	349,805	1,058,530
2016	733,531	324,565	1,058,096
2017-2021	4,071,210	1,212,210	5,283,420
2022-2026	4,835,319	434,728	5,270,047
Total	<u>\$ 12,300,000</u>	<u>\$ 3,513,167</u>	<u>\$ 15,813,167</u>

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 (continued)

The Master Resolution defines the following terms as follows:

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

The Utility Fund Net Revenue rate covenant for the fiscal year ended September 30, 2011 of 376% was computed as follows:

Operating revenues	\$41,161,394
Plus: Investment income	(6,891,075)
Transfer from other funds	7,775,118
Capital contributions	1,494,661
Less: Contributions in Aid of Construction	<u>(580,229)</u>
Gross Revenues	42,959,869
Less Operating, administrative and maintenance expenses	<u>(35,500,948)</u>
Net Revenues of the System	<u>\$ 7,458,921</u>
Interest expense	\$ 83,525
Other debt service cost	4,771
Deferred bond issue cost	51,476
Capitalized interest	<u>251,308</u>
Bond service requirement on all outstanding bonds	391,080
Reserve for renewals and replacements	<u>1,593,554</u>
Total bond service requirement and reserve for renewals and replacement	<u>\$ 1,984,634</u>
Bond service requirement and reserve for renewals and replacement coverage	376%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds - The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue. The outstanding General Obligation Bonds as of September 30, 2011 are as follows:

General Obligation Bonds, Series 2005 – On September 30, 2005, the City issued its first General Obligation Bonds in the amount of \$47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, \$5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of \$5,985,000. These Series 2005 bonds have an outstanding balance of \$41,135,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.30% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2005 Bonds. The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2012	\$ 1,055,000	\$ 1,739,252	\$ 2,794,252
2013	1,090,000	1,704,438	2,794,438
2014	1,130,000	1,667,377	2,797,377
2015	1,170,000	1,627,828	2,797,828
2016	1,210,000	1,585,707	2,795,707
2017-2021	6,815,000	7,170,213	13,985,213
2022-2026	8,335,000	5,643,875	13,978,875
2027-2031	10,300,000	3,683,987	13,983,987
2032-2035	10,030,000	1,153,270	11,183,270
Total	\$ 41,135,000	\$ 25,975,947	\$ 67,110,947

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds (continued)

General Obligation Bonds, Series 2007 – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of \$43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of \$40,080,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2007 Bonds. The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2012	\$ 855,000	\$ 1,825,988	\$ 2,680,988
2013	890,000	1,791,787	2,681,787
2014	925,000	1,755,075	2,680,075
2015	960,000	1,718,075	2,678,075
2016	1,000,000	1,679,675	2,679,675
2017-2021	5,675,000	7,728,887	13,403,887
2022-2026	7,050,000	6,356,325	13,406,325
2027-2031	8,815,000	4,594,225	13,409,225
2032-2036	13,910,000	2,297,101	16,207,101
Total	<u>\$ 40,080,000</u>	<u>\$ 29,747,138</u>	<u>\$ 69,827,138</u>

Derivative Instruments

On March 25, 2008, the City issued \$64,095,000 Charter School Revenue Bonds, Series 2008. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. Based on the consistency of the terms of the swaps and the variable-rate bonds, the city determines that the swaps are hedging derivative instruments using the consistent critical terms method. The fair value and notional amount of the derivative instruments outstanding at September 30, 2011 and the changes in fair value of such derivatives instruments for the year then ended as reported in the Fiscal Year 2011 financial statements are as follows:

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

	Changes in Fair Values		Fair Value		Notional
	Classification	Amount	Classification	Amount	
Governmental Activities					
Cash flow hedges					
Pay-fixed interest rate swap	Deferred outflow	(\$3,107,058)	Debt	(\$11,231,632)	\$63,195,000

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

The fair value balance and notional amount of the derivative instrument outstanding at September 30, 2011 are (\$11,231,632) in favor of the Counterparties and \$63,195,000 respectively.

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

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at September 30, 2011, along with the credit rating of the associated counterparty:

Type	Objective	Counterparty	Remaining Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the City of Pembroke Pines' \$64,095,000 Charter School Revenue Bonds, Series 2008	Royal Bank of Canada	\$22,389,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA-/Aa1/AA
		Royal Bank of Canada	\$21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aa1/AA
		The Bank of New York Mellon	\$ 9,595,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA/Aaa/AA-
		The Bank of New York Mellon	\$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA/Aaa/AA-

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Risks

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

Basis risk. The City is not exposed to basis risk on its pay-fixed interest rate swaps during the three year term beginning May 17, 2011 because the variable-rate payments received by the City on these hedging derivative instruments and the interest rates that the City pays on its hedged variable-rate debt are based on the same SIFMA Municipal Index. The City, however, has to pay an additional interest rate to cover Bank spread initially at 0.89%. This interest spread eliminates all the costs and expenses associated with the Liquidity Facility and the Remarketing Agent.

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

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

Hedging derivative instrument payments and hedged debt - As of September 30, 2011, the aggregate debt service requirements of the City's Charter School Revenue Bonds, Series 2008 and the net receipts/payments on the associated hedging derivative instruments are as follows. These amounts assume that current interest rate of 1.05% (SIFMA + 0.89% Direct Purchase fixed spread for 3 years when there is no cost of Liquidity Facility Fees and Remarketing Fees) on the variable- rate bonds and the current SIFMA Municipal Swap Index rate of 0.16% of the hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will change.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Fiscal Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2012	\$ 300,000	\$ 668,535	\$ 2,143,804	\$ 3,112,339
2013	100,000	658,382	2,135,894	2,894,276
2014	100,000	657,338	2,132,730	2,890,068
2015	100,000	656,294	2,129,566	2,885,860
2016	100,000	657,073	2,126,402	2,883,475
2017-2021	500,000	3,269,621	7,399,943	11,169,564
2022-2026	5,725,000	3,154,963	5,670,857	14,550,820
2027-2031	20,550,000	2,526,135	5,670,857	28,746,992
2032-2036	24,445,000	1,339,738	4,440,793	30,225,531
2037-2038	11,275,000	158,755	516,437	11,950,192
Total	<u>\$ 63,195,000</u>	<u>\$13,746,834</u>	<u>\$ 34,367,283</u>	<u>\$111,309,117</u>

Contingencies

In the event the insurer's and the City's ratings are both downgraded below a rating of "A-" by Standard & Poor's Ratings Services (S&P) or "A3" by Moody's Investors Service (Moody's), the City will have the option, but not the obligation, of posting collateral in order to prevent swap termination. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparties. At September 30, 2011, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative (\$11,231,632). If the collateral posting requirements were necessary at September 30, 2011, the City would be required to post \$11,231,632 in collateral to its Counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. As of September 30, 2011, the City's underlying General Obligation Bond rating is "Aa2" by Moody's, "AA" by Fitch Ratings (Fitch), and not rated by S&P, and the insurer's ratings are "AA+" by S&P, "Aa3" by Moody's and "not rated" by Fitch. Therefore, no collateral was posted. On November 30, 2011, S&P downgraded the insurer's rating to AA- from AA+ while the City's ratings remain unchanged.

Outstanding Advanced Refunded Bonds

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

At September 30, 2011, the \$37.57 million of bonds outstanding are considered defeased. They are listed as follows:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$11,395,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

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

Charter School Revenue Bonds, Series 2001B - The outstanding balance is \$15,190,000. They were refunded on March 25, 2008. The bonds maturing on or after July 1, 2013 are to be redeemed on July 1, 2012 with the escrow funds.

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

Changes in Long-Term Liabilities

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2011 was as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and loans payable:					
Public Improvement Revenue					
Bonds, Series 2001	\$ 3,550,000	\$ -	\$ (835,000)	\$ 2,715,000	\$ 870,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2003A	37,935,000	-	(750,000)	37,185,000	795,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2004	47,005,000	-	(1,095,000)	45,910,000	1,135,000
Public Improvement Revenue					
Bonds, Series 2004A	20,140,000	-	(475,000)	19,665,000	485,000
Public Improvement Revenue					
Bonds, Series 2004B	15,975,000	-	(365,000)	15,610,000	375,000
Public Improvement Refunding					
Revenue Bonds, Series 2006	28,685,000	-	(1,040,000)	27,645,000	1,085,000
Capital Improvement Refunding					
Revenue Bonds, Series 2006	42,640,000	-	(1,530,000)	41,110,000	1,590,000
Capital Improvement Revenue					
Bonds, Series 2007	26,290,000	-	(535,000)	25,755,000	555,000
Charter School Revenue Bonds,					
Series 2008	63,495,000	-	(300,000)	63,195,000	300,000
Variable Rate Capital Improvement					
Revenue Refunding Bonds, Series 2008	8,040,000	-	-	8,040,000	-
Capital Improvement Refunding					
Revenue Bonds, Series 2010	8,545,700	-	(102,500)	8,443,200	357,600
Total revenue bonds	<u>302,300,700</u>	<u>-</u>	<u>(7,027,500)</u>	<u>295,273,200</u>	<u>7,547,600</u>
General obligation bonds:					
General Obligation Bonds, Series 2005	42,160,000	-	(1,025,000)	41,135,000	1,055,000
General Obligation Bonds, Series 2007	40,900,000	-	(820,000)	40,080,000	855,000
Total general obligation bonds	<u>83,060,000</u>	<u>-</u>	<u>(1,845,000)</u>	<u>81,215,000</u>	<u>1,910,000</u>
Total revenue and general obligation bonds	385,360,700	-	(8,872,500)	376,488,200	9,457,600
Less deferred amounts:					
For issuance discounts/premiums	1,103,520	-	(150,437)	953,083	-
On refundings	(7,732,461)	-	421,313	(7,311,148)	-
Total bonds payable	378,731,759	-	(8,601,624)	370,130,135	9,457,600
Estimated self-insurance claims	12,452,520	13,472,929	(10,764,529)	15,160,920	7,690,736
Compensated absences	17,677,355	10,057,508	(8,781,406)	18,953,457	10,993,765
Net OPEB obligation	2,330,648	-	(2,330,648)	-	-
Derivative instrument - interest rate swaps	8,124,574	3,107,058	-	11,231,632	-
Governmental activity long-term liabilities	<u>\$ 419,316,856</u>	<u>\$ 26,637,495</u>	<u>\$ (30,478,207)</u>	<u>\$ 415,476,144</u>	<u>\$ 28,142,101</u>
Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 718,043	\$ 213,801	\$ (423,817)	\$ 508,027	\$ 296,370
Consolidated Utility System					
Revenue Bonds, Series 2010	-	12,300,000	-	12,300,000	604,853
Business-type activity long-term liabilities	<u>\$ 718,043</u>	<u>\$ 12,513,801</u>	<u>\$ (423,817)</u>	<u>\$ 12,808,027</u>	<u>\$ 901,223</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues

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

Electric Franchise Fees (Franchise Revenue) are pledged to repay the outstanding \$83.4 million (including the \$8,040,000 for the Susan B. Anthony Center (SBA) Bonds) in revenue bonds issued in 2006, 2007, 2008, and 2010. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Tower 3) and the Susan B. Anthony Center. While the Franchise Revenue is pledged for the SBA Bonds, the debt service is being repaid by the rent received from the SBA. Except for the SBA Bonds, the bonds are payable solely from the Franchise Revenue and are payable through 2036. Based on the FY2011 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 69% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is \$115,488,906. For FY2011, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were \$5,522,808 and \$8,339,055, respectively.

Electric Public Service Taxes (Public Service Revenue) are pledged to repay the outstanding \$65.64 million in revenue bonds issued in 2001, 2004, and 2006. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Towers 1 and 2). The bonds are payable solely from the Public Service Revenue and are payable through 2034. Based on the FY2011 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 66% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$99,232,137. For FY2011, the principal and interest paid and the total Public Service Revenue were \$5,825,026 and \$8,788,593, respectively.

Charter School total revenues and Early Development Center lease payments (School Revenue) are pledged to repay the outstanding \$63.2 million in revenue bonds issued in 2008. Proceeds from the bonds provided financing for refunding debt and construction of additional classrooms. The bonds are payable solely from the School Revenue and are payable through 2038. Based on the FY2011 School Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 12% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$76,941,835. For FY 2011, the principal and interest paid and the total School Revenue were \$3,134,899 and \$48,459,697, respectively.

Communications Services Taxes and Water Public Service Taxes (Communications and Water Tax Revenue) are pledged to repay the outstanding \$83.1 million in revenue bonds issued in 2003 and 2004. Proceeds from the bonds provided financing for the Firefighters Pension and the Police Officers and General Employees Pension. The bonds are payable solely from the Communications and Water Tax Revenue and are payable through 2033. Based on the FY 2011 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 70% of the pledged revenue.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues (continued)

Communications Services Taxes and Water Public Service Taxes (continued)

The total principal and interest remaining to be paid on the bonds is \$146,487,081. For FY2011, the principal and interest paid and the total Communications and Water Tax Revenue were \$6,424,520 and \$9,189,255, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding \$12.3 million in revenue bonds issued in 2010. Proceeds from the bonds provided financing for the Consolidated Utility System Project. The bonds are payable solely from the Utility Revenue and are payable through 2025. Based on the FY2011 Utility Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 14% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$15,813,167. For FY2011, the principal and interest paid and the total Utility Revenue were \$1,984,634 and \$7,458,921, respectively.

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The City established a risk management fund (an Internal Service Fund) to account for the uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$150,000 (Self Insured Retention –“SIR”) for each City employee workers’ compensation claim, \$250,000 (SIR) for each Police or Firefighter’s workers’ compensation claim, \$150,000 (SIR) per occurrence for each general liability claim, \$100,000 (SIR) per occurrence for each employee’s dishonesty claim and \$25,000 for each occurrence of damage to City-owned property, except in the case of windstorm damage. The City’s exposure on health insurance is limited to \$1,085 per month per covered employee and their covered dependents. This is for claims only and does not include administrative expenses or stop loss. Total maximum loss exposure to the City for health insurance on covered employees and dependents was \$22,852,440 for the fiscal year ended September 30, 2011. 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 \$15,160,920 reported in the fund at September 30, 2011 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 10. RISK MANAGEMENT (continued)

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>
2009-2010	\$11,143,278	\$14,104,185	\$(12,794,943)	\$12,452,520
2010-2011	12,452,520	13,472,929	(10,764,529)	15,160,920

NOTE 11. CONTINGENT LIABILITIES

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

NOTE 12. COMMITMENTS

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charge to operations of the water and sewer fund under this Agreement is \$7,240,047 for the year ended September 30, 2011.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 12. COMMITMENTS (continued)

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

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

At September 30, 2011 the balance in the Trust Fund account was \$574,475. For the fiscal year ended September 30, 2011, the Trust earned \$1,516 in investment income, and incurred expenses of \$9,550.

On March 15, 2001, the City entered into an Interlocal Agreement with The Florida Department of Children & Families (DCF), which provides for the City to develop, operate and maintain the 157-acre site of the former South Florida State Hospital. The site was originally leased by DCF from the State of Florida on January 4, 1973. The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 8. "Operating Leases"). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 9. "Long-Term Debt"). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. In fiscal year 2010, the City completed the renovation of an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines."

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 12. COMMITMENTS (continued)

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

The City has the following construction commitments as of September 30, 2011:

Project Name	Vendor	Original Amount	Balance as of 9/30/11
City Center	Stiles	\$ 18,642,631	\$ 2,816,743
Sheridan Street	Bergeron Land Development, Inc.	18,562,599	1,385,369
Pines/I-75 Intersection	Bergeron Land Development, Inc.	11,194,802	123,972
Alternative Water Supply Phase 2	Calvin, Giordano & Associates, Inc.	9,018,000	6,163,201
City Center - Spine Road Infrastructure & Hardscape	Stiles	7,000,000	812,667
Alternative Water Supply Phase 1	Calvin, Giordano & Associates, Inc.	2,665,000	124,551
Rehab of Plant # 1 Wastewater Treatment Plant	Cardinal Contractors, Inc.	1,202,056	1,051,760
Waterline Replacement 77 Way	JMS Construction Service Inc.	449,403	164,612
East, West & Central Charter School Athletic Fields Renovation	Green Construction Technologies, Inc.	424,205	5,556
Chiller System for PPHP Campus	Comfort Tech Air Conditioning, Inc.	179,600	21,200
Upgrade lift station #41	Smith & Loveless, Inc.	111,190	111,190
		\$ 69,449,486	\$ 12,780,821

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Securities that have no quoted market price will be presented at estimated fair value as provided by the custodial bank and investment counsel. As of September 30, 2011, the Plan held \$24,865,014 in investments and \$225,128 in money market accounts.

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements, therefore included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2011.

Other Post-Employment Benefits (OPEB) Statement of Fiduciary Net Assets September 30, 2011

	<u>2011</u>
Assets	
Cash and short-term investments	\$ 225,128
Other receivables	2,048,518
Investments	24,865,014
Total assets	<u>27,138,660</u>
Liabilities	
Reserve for health insurance claims	739,911
Accounts payable	104,233
Total liabilities	<u>844,144</u>
Net Assets	
Net assets held in trust for OPEB	<u>\$ 26,294,516</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Other Post-Employment Benefits (OPEB) Statement of Changes in Fiduciary Net Assets For the Year Ended September 30, 2011

Additions:	<u>2011</u>
Contributions	
Plan members	\$ 702,574
Employer	<u>11,003,647</u>
Total contributions	<u>11,706,221</u>
Investment (loss):	
Investment (loss)	<u>(637,228)</u>
Net investment (loss)	<u>(637,228)</u>
Other additions:	
Specific Stop Loss and medical claims recovery	<u>508,702</u>
Total other additions	<u>508,702</u>
Total additions	<u>11,577,695</u>
Deductions:	
Benefit payments and insurance	5,037,779
Administrative expenses	<u>187,556</u>
Total deductions	<u>5,225,335</u>
Change in net assets	6,352,360
Net assets, beginning	<u>19,942,156</u>
Net assets, ending	<u>\$26,294,516</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Plan Description

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

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

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

Medical/Prescription Drug Plan Benefits

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Plan Description (continued)

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

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

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

Eligible retirees receive health care coverage through one of two medical plans, an EPO and a PPO plan. Effective July 1, 2010, general employees are required to contribute \$100.00 per month for their health insurance coverage in addition to the amounts contributed for dependent, spousal or family coverage. Police officers hired after May 1, 2010 eligible for single coverage are required to contribute an additional \$80 per month for their health insurance coverage.

Life Insurance Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Plan Membership Information

The Plan's membership based on the October 1, 2011 actuarial valuation consisted of:

	<u>OPEB</u>
Retirees and beneficiaries currently receiving benefits	393
Active Plan Members:	
Fully Vested	250
Partially Vested	<u>980</u>
Total	<u>1,623</u>

Contributions and Reserves

Funding Policy

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

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

For the year ended September 30, 2011, the Plan members contributed \$702,574 and the City contributed \$11,003,647 which was 127.7% of ARC. The ARC as determined by the actuarial valuation was \$8,614,000.

Reserves

The balance in the Plan's legally required reserves as at September 30, 2011 was \$739,911, which was unchanged from the previous year.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended September 30, 2011, the City's annual OPEB cost for the Plan was \$8,673,001. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2011 were as follows:

Annual required contribution	\$ 8,614,000
Interest on net OPEB obligation	186,001
Adjustment to annual required contribution	(127,000)
Annual OPEB cost	8,673,001
Contributions made	(11,003,647)
Change in net OPEB obligation/(asset)	(2,330,646)
Net OPEB obligation/(asset), beginning of year	2,330,646
Net OPEB obligation/(asset), end of year	\$ -

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$12,208,000	\$ 9,636,677	79%	\$ 7,330,646
9/30/2010	8,834,000	13,834,000	157%	2,330,646
9/30/2011	8,673,001	11,003,647	127%	-

Funded Status and Funding Progress

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2008	\$ 2,688,520	\$ 131,728,115	129,039,595	2.0%	\$ 88,914,877	145.1%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	92,293,666	114.5%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	95,985,413	106.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

Annual OPEB Cost and Net OPEB Obligation (continued)

Funded Status and Funding Progress (continued)

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

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

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

Investments

In September 2010, the OPEB Trust adopted an Investment Policy. Authorized investments are subject to limitations prescribed in the OPEB Investment Policy. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the OPEB Trust fund are currently invested in money market funds and various investment accounts offered by the Florida League of Cities' Florida Municipal Investment Trust (FMIVT). As of September 30, 2011, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The investments held with the Florida League of Cities are investments in an external investment pool and are not evidenced by securities that exist in physical or book entry form. The Plan's net investment loss for the year ended September 30, 2011 was \$637,228. As of September 30, 2011, the Plan held no single investment that exceeded 5% of net assets.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

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

The cash and investment holdings of the OPEB Fund as of September 30, 2011 are shown in the table below. Additional information can be found in Note 3. –Deposits and Investments.

	Balance as of 9/30/11
Mercantile Bank Money Market	\$ 225,128
FMIvT Investment Accounts:	
1-3 Year High Quality Bond Fund	10,355,846
High Quality Growth Equity Portfolio	4,280,402
Diversified Small to Mid (SMID) Cap Equity Portfolio	1,452,769
Russell 1000 Enhanced Index Equity Portfolio	2,940,428
International Blend Equity Portfolio	1,432,832
Large Cap Diversified Value Equity Portfolio	4,402,738
Total cash and investments	\$ 25,090,142

Methods and Assumptions

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

Retiree Health and Life Insurance Program		
Valuation date	10/1/2010	
Actuarial cost method	Projected Unit Credit Method	
Amortization method	Level percent, open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return	8.0%	
Projected salary increases*	4.0%	
Healthcare cost trend rate	9.0%	initial
	5.0%	ultimate
*Includes inflation at	4.0%	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS

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

General Employees Pension Plan

Summary of Significant Accounting Policies

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

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

Plans’ Membership Information

At October 1, 2010, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>2010</u>
Active members	46
Retired members and beneficiaries currently receiving benefits	348
Disabled members receiving benefits	3
Terminated and inactive vested members (including bargained employees whose benefit was frozen effective 7/1/2010)	404
Total	<u><u>801</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

The General Employees Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2011.

General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2011

	<u>2011</u>
Assets	
Other receivables	\$ 7,539
Investments	<u>111,620,570</u>
Total assets	<u>111,628,109</u>
Liabilities	<u>-</u>
Net Assets	
Net assets held in trust for pension benefits	<u><u>\$ 111,628,109</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

General Employees Pension Trust Fund Statement of Changes in Fiduciary Net Assets For the Year Ended September 30, 2011

Additions:	<u>2011</u>
Contributions:	
Plan members	\$ 252,766
Employer	3,317,988
Total contributions	<u>3,570,754</u>
Investment earnings:	
Investment earnings & appreciation	1,625,520
Less investment expenses	<u>34,645</u>
Net investment income	<u>1,590,875</u>
Total additions	<u>5,161,629</u>
Deductions:	
Pension benefits	8,691,131
Refunds of contributions	(8,281)
Administrative expenses	<u>89,671</u>
Total deductions	<u>8,772,521</u>
Change in net assets	(3,610,892)
Net assets, beginning	<u>115,239,001</u>
Net assets, ending	<u>\$ 111,628,109</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Plan Description

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

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

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

Eligibility

All full time employees, as defined in the Referendum, were required to participate in the Plan as a condition of continued employment. However, effective July 1, 2010, bargaining unit members are no longer allowed to participate in the Plan, and any benefits accrued up to June 30, 2010, are frozen. Bargaining unit members will not accrue any additional benefits. Non-bargaining unit members are still allowed to participate in the Plan and active members are still accruing benefits.

Service Retirement Benefits

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Disability Benefits

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

Non-service-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.

Cost of Living Adjustments

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

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

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

Funding Policy

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

Effective February 1, 2010, non-bargaining unit participants are required to contribute 7.25% of regular wages down from 8.5%. Effective July 1, 2010, bargaining unit members are no longer required to contribute to the Plan since the Plan was closed, and the benefits were frozen. In fiscal year 2011, employee contributions amounted to \$252,766. The City's Annual Required Contribution (ARC) for fiscal year 2011 amounted to \$3,317,993 or 93.8% of annual covered payroll as compared with an ARC of \$3,502,940 or 85.7% of covered payroll in fiscal year 2010. The City's ARC for fiscal year 2011 is based on the actuarial report using the Aggregate method.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

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

Investments

As of September 30, 2011, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and/or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. As of September 30, 2011, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment income for the year ended September 30, 2011 was \$1,590,875 which represented a 86% decrease over last year's net investment income of \$11,406,149.

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 3,317,993
Interest on net pension obligation	(1,056,751)
Adjustment to annual required contribution	2,405,411
Annual pension cost	<u>4,666,653</u>
Contributions made	<u>(3,317,988)</u>
Change in net pension obligation/(asset)	1,348,665
Net pension obligation/(asset), beginning of year	<u>(14,089,879)</u>
Net pension obligation/(asset), end of year	<u>\$ (12,741,214)</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2009	\$ 8,564,237	\$ 7,736,872	90%	\$ (14,873,779)
9/30/2010	4,286,840	3,502,940	82%	(14,089,879)
9/30/2011	4,666,653	3,317,988	71%	(12,741,214)

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.

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2010, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2010	\$ 127,665,129	\$ 142,282,483	\$ 14,617,354	90%	\$ 3,537,545	413.2%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. In fiscal year 2011, the City used the aggregate actuarial cost method is used to determine the annual required contribution (ARC), the funded status of the plan, and a schedule of funding progress is presented using the entry age actuarial cost method. The purpose of doing so is to provide information that serves as a surrogate for the funded status and funding progress of the plan.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Additional information as of the latest actuarial valuation follows:

	General Employees Pension
Valuation date	10/1/2010
Actuarial cost method	Aggregate Method
Amortization method (1)	N/A - there are no amortization bases as of the beginning of the Plan year.
Remaining amortization period (1)	N/A - there is no unfunded frozen initial liability as of 10/1/2010.
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases (2)	S-5 table from the Actuary's Pension handbook plus a 2.5% add on
Cost of living adjustments	3%

(1) The Aggregate method does not identify or separately amortize unfunded actuarial accrued liabilities; they are amortized through normal cost.

(2) Includes inflation at 3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers

Summary of Significant Accounting Policies

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

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

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

Plans’ Membership Information

At October 1, 2010, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>2010</u>
Retiree and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	270
Current employees:	
Fully Vested	149
Non-vested	206
Total	<u>625</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

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

Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	1360	December 15, 2000
829	March 4, 1987	1443	June 18, 2003
967	September 19, 1991	1480	March 17, 2004
1014	November 4, 1992	1509	February 17, 2005
1067	February 16, 1994	1521	August 3, 2005
1091	September 8, 1994	1572	February 21, 2007
1131	September 6, 1995	1581	May 16, 2007
1198	December 18, 1996	1669	August 4, 2010
1249	January 7, 1998	1670	August 4, 2010
1318	November 17, 1999	1693	June 15, 2011
1321	December 15, 1999	1705	October 5, 2011
1325	January 19, 2000	1709	November 16, 2011
1353	September 20, 2000		

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Eligibility

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

Service Retirement Benefits

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

As of November 4, 1992, upon normal retirement, a police officer will receive a monthly pension, equal to 3% of the average monthly earnings for the highest two years of continuous service multiplied by the number of years of continuous service not to exceed 80% of the average monthly earnings.

Police officers hired before May 1, 2010 shall receive a monthly pension, equal to 4% per year of continuous service prior to May 1, 2010 plus 3.5% per year of continuous service after April 30, 2010 of the average monthly earnings for the highest two years multiplied by the number of years of continuous service provided pension does not exceed 80% of the average monthly earnings.

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

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

Upon normal retirement, a firefighter member will receive a monthly pension, payable for life, equal to 3% of the average monthly earnings for the highest two years multiplied by the number of years of continuous service provided that the pension does not exceed 80% of the average monthly earnings.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

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

However, police officer and firefighter members as of October 1, 1980 shall receive at their normal retirement date (age 55, regardless of years of service) the greater of the benefit provided by the formula above or 50% of average monthly earnings for the highest two years of continuous service.

For firefighter and police officer members who retired prior to April 30, 2010 under the Career Anniversary Pension retirement Incentive Option, earnings may include payment up to 1,000 hours of accrued unused leave. Effective May 1, 2010, firefighter and police officer members may include only accrued time earned as of April 30, 2010, up to 1,000 hours, in the final calculation of pension benefits. Employees hired after April 30, 2010, no payment of accrued leave will be included in the final calculation of pension benefits.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

Effective June 18, 2003 (Firefighters) and March 17, 2004 (Police) continuous service for members may include up to four years purchased for active service in the Armed Forces or Merchant Marines of the United States prior to employment by the City. Effective March 17, 2004, police officer members may purchase up to four years prior service as a certified police officer in the United States. Effective May 19, 2010, police officers may purchase up to four years prior service as a certified correctional officer in the United States. The maximum credit for purchased service credit shall be four years.

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

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

Disability Benefits

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Disability Benefits

Due from retirees at September 30, 2011 and 2010 represents worker's compensation claims received by retirees receiving disability benefits that were not paid to the Plan. At September 30, 2011 and 2010, the due from retirees balance was \$51,938 and \$66,495, respectively.

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

13th Check Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, excluding amounts from the State, was \$21,020,757 or 77.5% of covered payroll.

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

The State contributions totaled \$2,269,110 or 8.4% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings upon completion of 26 2/3 year of continuous service.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

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

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

Property and Equipment

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

Property and equipment consist of the following at September 30, 2011:

<u>Description</u>	<u>Estimated Useful Life</u>	<u>FY2011</u>
Land	-	\$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
Total property and equipment		<u>489,833</u>
Accumulated depreciation		<u>(66,593)</u>
Property and equipment, net		<u>\$ 423,240</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2011, the depreciation expense amounted to \$17,372.

Investments

Investments are reported at fair value as of September 30, 2011. The fair value of the quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments.

The current target asset allocation range of these investments at market is as follows:

Authorized investments	Target	Minimum	Maximum
Domestic equities	52.0%	42.0%	62.0%
Fixed income	30.0%	20.0%	50.0%
International equities	8.0%	0.0%	10.0%
Real estate	10.0%	0.0%	12.0%
Cash	0.0%	0.0%	10.0%

The Plan's net investment loss for the year ended September 30, 2011 was (\$5,673,669), as compared to last year's net investment income of \$17,300,263. (See Note 3. – "Deposits and Investments" for additional information)

Annual Pension Cost and Net Pension Obligation/(Assets)

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

Annual required contribution	\$ 23,289,867
Interest on net pension obligation	(3,850,035)
Adjustment to annual required contribution	3,358,370
Annual pension cost	<u>22,798,202</u>
Contributions made	<u>(23,289,867)</u>
Change in net pension obligation/(asset)	(491,665)
Net pension obligation/(asset), beginning of year	<u>(48,125,435)</u>
Net pension obligation/(asset), end of year	<u><u>\$ (48,617,100)</u></u>

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	<u>Contribution</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/2009	\$ 24,229,082	\$ 21,935,003	91%	\$ (47,294,098)
9/30/2010	23,707,076	24,538,413	104%	(48,125,435)
9/30/2011	22,798,202	23,289,867	102%	(48,617,100)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

DROP Plan

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

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

On June 18, 2003 for Firefighters and March 17, 2004 for Police Officers, the Plan adopted Ordinances giving members the additional option of having their DROP account earn an annual fixed interest rate of 8% on future payments and on all or any portion of the member's DROP account balance.

Annually, during the month of September only, members may change their rate of return election to be effective as of the following October 1st. Members participating in the DROP on April 30, 2010, shall be eligible to elect between earning the same rate and frequency as the Plan or an annual fixed interest rate of 8%.

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

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

Cost of Living Adjustment

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (continued)

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

Effective October 1, 2009, and October 1 of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2006, or their beneficiaries will receive a 3% increase to their retirement benefit. Effective May 1, 2010, police officers who were hired prior to May 1, 2010 and retire or enter the DROP after April 30, 2010 and their beneficiaries, shall receive a 2% increase to their retirement benefit on October 1st each year following retirement. Police officers hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October 1st each year following retirement.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2010, the date of the most recent actuarial valuation date is as follows:

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Actuarial Accrued Liability (AAL)</u>	Unfunded AAL (UAAL) <u>(b) - (a)</u>	Funded Ratio <u>(a) / (b)</u>	(c) <u>Covered Payroll</u>	UAAL as a Percentage of Covered Payroll <u>(b-a) / (c)</u>
10/1/2010	\$ 280,775,729	\$ 467,205,127	\$ 186,429,398	60%	\$ 27,129,273	687.2%

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

Additional information as of the latest actuarial valuation follows:

	Firefighters and Police Officers Pension
Valuation date	10/1/2010
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	29 years
Asset valuation method	5 years smoothed market
Actuarial assumptions:	
Investment rate of return	8.0% compounded annually, net of expenses
Projected salary increases*	4.4% - 12.0%
Payroll growth	2.6%
Cost of living adjustments:	
Firefighters	1.5%, 2.0% or 3.0%
Police officers	0.0%, 1.5%, 2.0%, 2.5% or 3.0%

*Includes inflation at 4.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Florida Retirement System (FRS) - Charter School Employees

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

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

Plan Description

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

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State statute. For the Charter Schools' fiscal year ended June 30, 2011, the State determined contribution rate was 10.77% of covered payroll which amounted to \$2,008,405. As of June 30, 2011 there were 509 members in this Plan, compared with 501 members last year. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.05%.

The Charter Schools actual contributions, which equaled the required contributions, for the current and preceding two fiscal years are as follows:

<u>Annual Contribution to FRS</u>		
<u>Fiscal Year</u>	<u>Amount</u>	<u>Rate</u>
2011	\$ 2,008,405	9.85%
2010	1,789,814	9.85%
2009	1,761,860	10.77%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Defined Contribution Plans

Charter School and Early Development Center Employees

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

At September 30, 2011, there were one hundred and twelve (112) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 10.77 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2011 fiscal year, the City contributed \$312,698 to the Charter Schools' Plan. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2011

NOTE 15. SUBSEQUENT EVENTS

On March 8, 2012, the City Commission voted to cancel the contract between the City and the Town of Southwest Ranches to provide fire rescue services. The contract was canceled because it included a promise to provide water and sewer services to a federal detention center that the Town of Southwest Ranches wants to build on land bordering the City. The full legal cost implications for this cancelation have not yet been determined. However, the City hired an independent legal counsel to provide an opinion as to whether it had legal grounds to deny water and sewer services to the facility owned by Corrections Corporation of America (CCA). The City Commission has decided that based on the opinion of the independent counsel that if required to do so, defending a legal case with the CCA and Southwest Ranches, would be in the interest of the City. In fiscal year 2012, the City hired fourteen (14) firefighters to provide services to the Town of Southwest Ranches. It was decided that the City would retain these firefighters as positions would be available through retirements and attrition. On March 9, 2012, the CCA filed suit against the City in federal court. The federal suit filed by CCA seeks a declaratory judgment that would compel Pembroke Pines to provide water and sewer service to the proposed detention center, based upon the claim that the City already provides those utilities to multiple clients in the immediate vicinity, including the Broward Correctional Institute, a state prison for women; the county's Southwest Regional Landfill; and Bergeron Industrial Park.

Required Supplementary Information



City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2011

<u>Fiscal Year</u>	<u>(A) Annual Required Contributions</u>	<u>Employer Contributions</u>	<u>State Contributions</u>	<u>Total Employer Contributions</u>	<u>(B) Percentage Contributed</u>
General Employees Pension Plan					
2011	\$ 3,317,993	\$ 3,317,988	\$ -	\$ 3,317,988	100%
2010	3,502,940	3,502,940	-	3,502,940	100%
2009	7,736,872	7,736,872	-	7,736,872	100%
2008	6,830,795	6,830,795	-	6,830,795	100%
2007	7,418,930	7,418,930	-	7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
City Pension Fund for Firefighters and Police Officers					
2011	\$ 23,289,867	\$ 21,020,757	\$ 2,269,110	\$ 23,289,867	100%
2010	24,538,413	22,200,904	2,337,509	24,538,413	100%
2009	21,935,003	19,505,427	2,429,576	21,935,003	100%
2008	17,795,174	15,214,031	2,581,143	17,795,174	100%
2007	14,254,450	11,812,342	2,442,108	14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
2004	4,905,659	3,654,190 (C)	1,730,676	5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
Other Post-Employment Benefits (OPEB)					
2011	\$ 8,614,000	\$ 11,003,647 (D)	\$ -	\$ 11,003,647	128%
2010	8,649,000	13,834,000 (D)	-	13,834,000	160%
2009	12,087,000	9,636,677	-	9,636,677	80%
2008	11,396,000	6,636,677	-	6,636,677	58%

(A) Actuarially determined contribution requirements.

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

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

(D) City contributed and additional \$2.3 million in FY 2011 and \$5.0 million in FY 2010 to reduce the Net OPEB Obligation.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2011

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees Pension Plan						
10/1/2010	\$ 127,665,129	\$ 142,282,483	\$ 14,617,354	89.7%	\$ 3,537,545	413.2%
10/1/2009	129,455,600	137,608,183	8,152,583	94.1%	4,088,776	199.4%
10/1/2008	131,976,740	164,002,104	32,025,364	80.5%	22,493,706	142.4%
10/1/2007	123,702,275	139,548,384	15,846,109	88.6%	21,988,709	72.1%
10/1/2006	107,426,569	123,224,221	15,797,652	87.2%	21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
City Pension Fund for Firefighters and Police Officers						
10/1/2010	\$ 280,775,729	\$ 467,205,127	\$ 186,429,398	60.1%	\$ 27,129,273	687.2%
10/1/2009	261,948,320	434,353,251	172,404,931	60.3%	27,528,175	626.3%
10/1/2008	246,182,224	412,142,825	165,960,601	59.7%	26,616,124	623.5%
10/1/2007	229,650,770	370,661,059	141,010,289	62.0%	26,610,708	529.9%
10/1/2006	205,102,670	302,916,889	97,814,219	67.7%	26,040,640	375.6%
10/1/2005	186,347,282	263,608,172	77,260,890	70.7%	24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
Other Post-Employment Benefits (OPEB)						
10/1/2010	\$ 19,642,156	\$ 121,413,000	\$ 101,770,844	16.2%	\$ 95,985,413	106.0%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	92,293,666	114.5%
10/1/2008	2,688,520	131,728,115	129,039,595	2.0%	88,914,877	145.1%
10/1/2007	-	126,392,000	126,392,000	0.0%	84,808,998	149.0%

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$61,497,695	\$61,497,695	\$61,145,632	(\$352,063)
Permits, fees and licenses	32,945,088	32,695,088	32,705,080	9,992
Intergovernmental revenue	10,627,231	11,372,728	11,427,969	55,241
Charges for services	30,034,182	30,415,713	29,743,337	(672,376)
Fines and forfeitures	1,601,700	1,601,700	1,685,888	84,188
Miscellaneous revenues	13,624,029	14,059,846	12,620,709	(1,439,137)
Total revenues	<u>150,329,925</u>	<u>151,642,770</u>	<u>149,328,615</u>	<u>(2,314,155)</u>
Expenditures				
General government services				
Administrative services	3,522,936	3,473,433	3,425,580	47,853
City attorney	854,669	854,669	847,884	6,785
City clerk	1,110,876	1,128,534	1,088,048	40,486
City manager	332,683	451,845	448,496	3,349
Finance	2,756,971	2,744,825	2,708,756	36,069
Human resources	584,786	512,501	474,298	38,203
Mayor & commission	685,413	508,983	507,710	1,273
Non-departmental	4,066,317	2,227,245	2,208,760	18,485
Public services	6,320,489	6,173,477	6,129,434	44,043
Total general government services	<u>20,235,140</u>	<u>18,075,512</u>	<u>17,838,966</u>	<u>236,546</u>
Public safety				
Administrative services	1,035,917	1,066,185	1,051,252	14,933
Fire	47,278,513	45,755,572	45,467,466	288,106
Police	48,601,163	47,268,633	47,021,360	247,273
Total public safety	<u>96,915,593</u>	<u>94,090,390</u>	<u>93,540,078</u>	<u>550,312</u>
Physical environment				
Public services	2,790,886	2,506,665	2,463,390	43,275
Total physical environment	<u>2,790,886</u>	<u>2,506,665</u>	<u>2,463,390</u>	<u>43,275</u>

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2011
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Economic environment				
Community services	\$7,586,330	\$7,424,396	\$7,158,090	\$266,306
Total economic environment	<u>7,586,330</u>	<u>7,424,396</u>	<u>7,158,090</u>	<u>266,306</u>
Human services				
Community services	855,584	1,212,523	916,310	296,213
Education	4,807,955	4,468,200	4,341,979	126,221
Total human services	<u>5,663,539</u>	<u>5,680,723</u>	<u>5,258,289</u>	<u>422,434</u>
Culture/recreation				
Parks & recreation	15,294,268	14,435,709	14,105,501	330,208
Total culture/recreation	<u>15,294,268</u>	<u>14,435,709</u>	<u>14,105,501</u>	<u>330,208</u>
Total expenditures	<u>148,485,756</u>	<u>142,213,395</u>	<u>140,364,314</u>	<u>1,849,081</u>
Excess (deficiency) of revenues over expenditures	<u>1,844,169</u>	<u>9,429,375</u>	<u>8,964,301</u>	<u>(465,074)</u>
Other financing sources (uses):				
Transfers out	(824,153)	(8,645,158)	(8,645,158)	-
Total other financing sources (uses)	<u>(824,153)</u>	<u>(8,645,158)</u>	<u>(8,645,158)</u>	<u>-</u>
Net change in fund balances	1,020,016	784,217	319,143	(465,074)
Fund balances, beginning	38,587,806	38,587,806	38,587,806	-
Fund balances, ending	<u>\$39,607,822</u>	<u>\$39,372,023</u>	<u>\$38,906,949</u>	<u>(\$465,074)</u>

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2011

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.
4. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department or a division.
 - b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
 - c. The City Commission may approve supplemental appropriations of revenues and expenditures. If this is done, adoption of an amended budget ordinance is required.
5. The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The General Fund net downward adjustment to expenditure appropriations amounted to \$6.3 million for the fiscal year ended September 30, 2011 mainly to facilitate a \$7.8 million transfer (shown as other financing uses) to the Utility Fund. This transfer compensated for the write down of the City Center investment transferred to the Utility Fund.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2011

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a \$1.3 million upward net revenue adjustment attributable mainly to:

- a. \$0.4 million – Department of Children and Families (DCF) Transitional Housing budget
- b. \$0.4 million – Assistance to Firefighters Grant (AFG)
- c. \$0.3 million – contributions
- d. \$0.2 million – provision of fire and rescue services to a neighboring town

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

All General Fund budgetary expenditure categories were below appropriations for the fiscal year ended September 30, 2011.

Combining and Individual Fund Statements and Schedules



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

- Byrne Grant
 - Equipment

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

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

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

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

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011

	Special Revenue Funds								
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by *			Florida State University Elementary
						Broward County School Board			
					Elementary	Middle	High		
Assets									
Pooled cash and cash equivalents	\$ 1,925,454	\$ -	\$ -	\$ 72,299	\$ 1,049,428	\$ 3,580,147	\$ 319,464	\$ 1,011,745	\$ 940,201
Investments:									
Marketable securities	3,111,249	-	-	-	-	-	-	-	-
Receivables:									
Franchise fees and taxes	416,943	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	29,635	19,260	67,238	10,099
Inventory	-	-	-	-	-	-	-	-	-
Due from other governments	-	15,040	-	-	-	13,497	7,579	17,915	2,588
Prepaid costs	-	-	-	-	-	-	-	-	-
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	-	-
Total assets	\$ 5,453,646	\$ 15,040	\$ -	\$ 72,299	\$ 1,049,428	\$ 3,623,279	\$ 346,303	\$ 1,096,898	\$ 952,888
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 21,098	\$ -	\$ -	\$ -	\$ -	\$ 9,493	\$ 5,018	\$ 5,651	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	4,700
Due to other funds	-	15,040	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	80,319	75,835	340,986	12,130
Deferred revenue	-	-	-	72,299	1,049,428	10,688	5,058	5,542	4,665
Total liabilities	21,098	15,040	-	72,299	1,049,428	100,500	85,911	352,179	21,495
Fund balances:									
Nonspendable									
Inventory and prepaid costs	-	-	-	-	-	-	-	-	-
Wetland Mitigation Trust	-	-	-	-	-	-	-	-	-
Restricted by									
Road and sidewalks	5,432,548	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-	-
Assigned for rent payments	-	-	-	-	-	3,522,779	260,392	744,719	931,393
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	5,432,548	-	-	-	-	3,522,779	260,392	744,719	931,393
Total liabilities and fund balances	\$ 5,453,646	\$ 15,040	\$ -	\$ 72,299	\$ 1,049,428	\$ 3,623,279	\$ 346,303	\$ 1,096,898	\$ 952,888

* As of June 30, 2011

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011
(continued)

	<u>Special Revenue Funds</u>							<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Housing and Urban Development Grant</u>	<u>Community Bus Program</u>	<u>Older Americans Act</u>	<u>Treasury Confiscated</u>	<u>Justice Confiscated</u>	<u>\$2 Police Education</u>	<u>FDLE Confiscated</u>	<u>Wetland Mitigation Trust Fund</u>	
Assets									
Pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 394,829	\$ 384,630	\$ 253,835	\$ 1,347,872	\$ -	\$ 11,279,904
Investments:									
Marketable securities	-	-	-	-	-	-	-	-	3,111,249
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	416,943
Other	-	-	-	-	-	-	48,990	-	175,222
Inventory	-	-	23,234	-	-	-	-	-	23,234
Due from other governments	1,007,903	-	144,681	-	25,439	-	-	-	1,234,642
Prepaid costs	98,875	-	-	-	-	-	-	-	98,875
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	574,475	574,475
Total assets	\$ 1,106,778	\$ -	\$ 167,915	\$ 394,829	\$ 410,069	\$ 253,835	\$ 1,396,862	\$ 574,475	\$ 16,914,544
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,260
Accrued liabilities	-	-	-	-	-	-	-	-	4,700
Due to other funds	1,106,778	-	134,875	-	-	-	-	-	1,256,693
Deposits	-	-	-	-	-	-	19,734	-	529,004
Deferred revenue	-	-	4,653	-	-	-	-	-	1,152,333
Total liabilities	1,106,778	-	139,528	-	-	-	19,734	-	2,983,990
Fund balances:									
Nonspendable									
Inventory and prepaid costs	98,875	-	23,234	-	-	-	-	-	122,109
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted by									
Road and sidewalks	-	-	-	-	-	-	-	-	5,432,548
Social services	-	-	5,153	-	-	-	-	-	5,153
Law enforcement	-	-	-	394,829	410,069	253,835	1,377,128	-	2,435,861
Wetland Mitigation	-	-	-	-	-	-	-	128,360	128,360
Assigned for rent payments	-	-	-	-	-	-	-	-	5,459,283
Unassigned	(98,875)	-	-	-	-	-	-	-	(98,875)
Total fund balances	-	-	28,387	394,829	410,069	253,835	1,377,128	574,475	13,930,554
Total liabilities and fund balances	\$ 1,106,778	\$ -	\$ 167,915	\$ 394,829	\$ 410,069	\$ 253,835	\$ 1,396,862	\$ 574,475	\$ 16,914,544

* As of June 30, 2011

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011

	Special Revenue Funds								
	Road and Bridge	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by *			
						Broward County School Board			Florida State University
						Elementary	Middle	High	Elementary
Revenues:									
Taxes	\$ 2,644,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,084,925	186,146	377,377	62,856	704,207	14,478,047	8,689,540	12,852,832	5,659,709
Charges for services	200,000	-	-	-	-	775,155	169,050	78,891	393,073
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	53,862	-	-	-	-	48,408	13,085	23,191	8,511
Contributions	-	-	-	-	-	178,062	106,666	158,979	65,400
Rental revenue	-	-	-	-	-	128,981	123,719	1,371,280	52,806
Other	97,636	-	-	-	-	391,242	343,440	532,566	125,877
Total revenues	4,080,872	186,146	377,377	62,856	704,207	15,999,895	9,445,500	15,017,739	6,305,376
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	186,146	-	62,856	-	-	-	-	-
Transportation	4,384,543	-	420,529	-	-	-	-	-	-
Economic environment	-	-	-	-	704,207	-	-	-	-
Human services	-	-	-	-	-	15,878,337	10,487,591	14,593,936	6,335,731
Total expenditures	4,384,543	186,146	420,529	62,856	704,207	15,878,337	10,487,591	14,593,936	6,335,731
Excess (deficiency) of revenues over expenditures	(303,671)	-	(43,152)	-	-	121,558	(1,042,091)	423,803	(30,355)
Other financing sources (uses):									
Transfers in	-	-	43,152	-	-	150,000	1,085,040	-	75,000
Transfers out	(571,094)	-	-	-	-	(215,000)	-	(225,000)	-
Total other financing sources (uses)	(571,094)	-	43,152	-	-	(65,000)	1,085,040	(225,000)	75,000
Net change in fund balances	(874,765)	-	-	-	-	56,558	42,949	198,803	44,645
Fund balances, beginning	6,307,313	-	-	-	-	3,466,221	217,443	545,916	886,748
Fund balances, ending	\$ 5,432,548	\$ -	\$ -	\$ -	\$ -	\$ 3,522,779	\$ 260,392	\$ 744,719	\$ 931,393

* As of June 30, 2011

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,644,449
Intergovernmental	2,931,345	302,848	861,140	-	-	-	-	-	48,190,972
Charges for services	-	-	20	-	-	-	-	-	1,616,189
Fines and forfeitures	-	-	-	98,652	68,263	43,382	221,145	-	431,442
Investment income	-	-	-	3,004	4,147	2,422	15,063	1,516	173,209
Contributions	-	-	36,022	-	-	-	-	-	545,129
Rental revenue	-	-	-	-	-	-	-	-	1,676,786
Other	-	-	-	-	-	-	-	-	1,490,761
Total revenues	<u>2,931,345</u>	<u>302,848</u>	<u>897,182</u>	<u>101,656</u>	<u>72,410</u>	<u>45,804</u>	<u>236,208</u>	<u>1,516</u>	<u>56,768,937</u>
Expenditures:									
General government	-	-	-	-	-	-	-	9,550	9,550
Public safety	-	-	-	-	-	25,018	344,295	-	618,315
Transportation	142,682	830,791	-	-	-	-	-	-	5,778,545
Economic environment	2,788,663	-	-	-	-	-	-	-	3,492,870
Human services	-	-	892,018	-	-	-	-	-	48,187,613
Total expenditures	<u>2,931,345</u>	<u>830,791</u>	<u>892,018</u>	<u>-</u>	<u>-</u>	<u>25,018</u>	<u>344,295</u>	<u>9,550</u>	<u>58,086,893</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(527,943)</u>	<u>5,164</u>	<u>101,656</u>	<u>72,410</u>	<u>20,786</u>	<u>(108,087)</u>	<u>(8,034)</u>	<u>(1,317,956)</u>
Other financing sources (uses):									
Transfers in	-	527,943	-	-	-	-	-	-	1,881,135
Transfers out	-	-	-	-	-	-	-	-	(1,011,094)
Total other financing sources (uses)	<u>-</u>	<u>527,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870,041</u>
Net change in fund balances	-	-	5,164	101,656	72,410	20,786	(108,087)	(8,034)	(447,915)
Fund balances, beginning	-	-	23,223	293,173	337,659	233,049	1,485,215	582,509	14,378,469
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,387</u>	<u>\$ 394,829</u>	<u>\$ 410,069</u>	<u>\$ 253,835</u>	<u>\$ 1,377,128</u>	<u>\$ 574,475</u>	<u>\$ 13,930,554</u>

* As of June 30, 2011

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

- **Debt Service Fund**

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

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 5,452,827	\$ 5,452,827	\$ 5,459,564	\$ 6,737
Utility taxes	1,790,715	1,790,715	1,778,293	(12,422)
Communication services tax	6,455,567	6,455,567	6,422,409	(33,158)
Permits, fees and licenses	817,511	817,511	813,440	(4,071)
Investment income	54,658	54,658	125,127	70,469
Rental revenue	12,236,040	12,395,885	12,359,632	(36,253)
Total revenues	<u>26,807,318</u>	<u>26,967,163</u>	<u>26,958,465</u>	<u>(8,698)</u>
Expenditures				
Debt service:				
Principal	8,872,500	8,872,500	8,872,500	-
Interest	17,039,957	17,179,543	17,179,540	3
Other debt service costs	530,605	781,264	779,763	1,501
Total expenditures	<u>26,443,062</u>	<u>26,833,307</u>	<u>26,831,803</u>	<u>1,504</u>
Excess (deficiency) of revenues over expenditures	<u>364,256</u>	<u>133,856</u>	<u>126,662</u>	<u>(7,194)</u>
Other financing sources:				
Transfers in	-	230,400	230,400	-
Total other financing sources	<u>-</u>	<u>230,400</u>	<u>230,400</u>	<u>-</u>
Net change in fund balances	364,256	364,256	357,062	(7,194)
Fund balances, beginning	14,117,762	14,117,762	14,117,762	-
Fund balances, ending	<u>\$ 14,482,018</u>	<u>\$ 14,482,018</u>	<u>\$ 14,474,824</u>	<u>\$ (7,194)</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, 2011

	Special Revenue Funds							
	Road and Bridge Fund				Law Enforcement Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 2,723,695	\$ 2,723,695	\$ 2,644,449	\$ (79,246)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,056,700	1,056,700	1,084,925	28,225	17,918	438,031	186,146	(251,885)
Charges for services	200,000	200,000	200,000	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	55,900	55,900	53,862	(2,038)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	50,500	50,500	97,636	47,136	-	-	-	-
Total revenues	<u>4,086,795</u>	<u>4,086,795</u>	<u>4,080,872</u>	<u>(5,923)</u>	<u>17,918</u>	<u>438,031</u>	<u>186,146</u>	<u>(251,885)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	17,918	438,031	186,146	251,885
Transportation	4,673,246	4,601,314	4,384,543	216,771	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,673,246</u>	<u>4,601,314</u>	<u>4,384,543</u>	<u>216,771</u>	<u>17,918</u>	<u>438,031</u>	<u>186,146</u>	<u>251,885</u>
Excess (deficiency) of revenues over expenditures	<u>(586,451)</u>	<u>(514,519)</u>	<u>(303,671)</u>	<u>210,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(369,848)	(571,094)	(571,094)	-	-	-	-	-
Total other financing sources (uses)	<u>(369,848)</u>	<u>(571,094)</u>	<u>(571,094)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(956,299)	(1,085,613)	(874,765)	210,848	-	-	-	-
Fund balances, beginning	<u>6,307,313</u>	<u>6,307,313</u>	<u>6,307,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,351,014</u>	<u>\$ 5,221,700</u>	<u>\$ 5,432,548</u>	<u>\$ 210,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	ADA Paratransit Program				Police Community Service Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	452,928	409,858	377,377	(32,481)	-	134,242	62,856	(71,386)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>452,928</u>	<u>409,858</u>	<u>377,377</u>	<u>(32,481)</u>	<u>-</u>	<u>134,242</u>	<u>62,856</u>	<u>(71,386)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	134,242	62,856	71,386
Transportation	420,427	420,529	420,529	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>420,427</u>	<u>420,529</u>	<u>420,529</u>	<u>-</u>	<u>-</u>	<u>134,242</u>	<u>62,856</u>	<u>71,386</u>
Excess (deficiency) of revenues over expenditures	<u>32,501</u>	<u>(10,671)</u>	<u>(43,152)</u>	<u>(32,481)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	43,152	43,152	-	-	-	-	-
Transfers out	<u>(32,501)</u>	<u>(32,481)</u>	<u>-</u>	<u>32,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(32,501)</u>	<u>10,671</u>	<u>43,152</u>	<u>32,481</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
Fiscal Year Ended September 30, 2011
(continued)

	State Housing Initiative Program				Elementary Schools Chartered by Broward County *			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,750,634	704,207	(1,046,427)	13,754,081	14,483,211	14,478,047	(5,164)
Charges for services	-	-	-	-	1,023,929	1,023,929	775,155	(248,774)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	13,400	13,400	-	(13,400)	17,458	17,458	48,408	30,950
Contributions	-	-	-	-	495,169	519,842	178,062	(341,780)
Rental revenue	-	-	-	-	114,209	114,209	128,981	14,772
Other	-	-	-	-	385,584	385,584	391,242	5,658
Total revenues	<u>13,400</u>	<u>1,764,034</u>	<u>704,207</u>	<u>(1,059,827)</u>	<u>15,790,430</u>	<u>16,544,233</u>	<u>15,999,895</u>	<u>(544,338)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	1,750,634	704,207	1,046,427	-	-	-	-
Human services	-	-	-	-	17,144,507	17,238,642	15,878,337	1,360,305
Total expenditures	<u>-</u>	<u>1,750,634</u>	<u>704,207</u>	<u>1,046,427</u>	<u>17,144,507</u>	<u>17,238,642</u>	<u>15,878,337</u>	<u>1,360,305</u>
Excess (deficiency) of revenues over expenditures	<u>13,400</u>	<u>13,400</u>	<u>-</u>	<u>(13,400)</u>	<u>(1,354,077)</u>	<u>(694,409)</u>	<u>121,558</u>	<u>815,967</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	150,000	150,000	-
Transfers out	-	-	-	-	-	(215,000)	(215,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
Net change in fund balances	13,400	13,400	-	(13,400)	(1,354,077)	(759,409)	56,558	815,967
Fund balances, beginning	-	-	-	-	3,466,221	3,466,221	3,466,221	-
Fund balances, ending	<u>\$ 13,400</u>	<u>\$ 13,400</u>	<u>\$ -</u>	<u>\$ (13,400)</u>	<u>\$ 2,112,144</u>	<u>\$ 2,706,812</u>	<u>\$ 3,522,779</u>	<u>\$ 815,967</u>

* As of June 30, 2011

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	Middle Schools Chartered by Broward County *				High School Chartered by Broward County *			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,280,217	8,721,771	8,689,540	(32,231)	12,110,001	12,754,702	12,852,832	98,130
Charges for services	356,104	356,104	169,050	(187,054)	166,182	166,182	78,891	(87,291)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	6,683	6,683	13,085	6,402	9,515	9,515	23,191	13,676
Contributions	321,996	321,996	106,666	(215,330)	546,345	564,819	158,979	(405,840)
Rental revenue	151,319	151,319	123,719	(27,600)	1,534,628	1,534,628	1,371,280	(163,348)
Other	323,440	323,440	343,440	20,000	564,485	564,485	532,566	(31,919)
Total revenues	<u>9,439,759</u>	<u>9,881,313</u>	<u>9,445,500</u>	<u>(435,813)</u>	<u>14,931,156</u>	<u>15,594,331</u>	<u>15,017,739</u>	<u>(576,592)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	11,344,630	11,385,296	10,487,591	897,705	15,372,890	15,458,715	14,593,936	864,779
Total expenditures	<u>11,344,630</u>	<u>11,385,296</u>	<u>10,487,591</u>	<u>897,705</u>	<u>15,372,890</u>	<u>15,458,715</u>	<u>14,593,936</u>	<u>864,779</u>
Excess (deficiency) of revenues over expenditures	<u>(1,904,871)</u>	<u>(1,503,983)</u>	<u>(1,042,091)</u>	<u>461,892</u>	<u>(441,734)</u>	<u>135,616</u>	<u>423,803</u>	<u>288,187</u>
Other financing sources (uses):								
Transfers in	817,000	947,653	1,085,040	137,387	-	-	-	-
Transfers out	-	-	-	-	-	(225,000)	(225,000)	-
Total other financing sources (uses)	<u>817,000</u>	<u>947,653</u>	<u>1,085,040</u>	<u>137,387</u>	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balances	(1,087,871)	(556,330)	42,949	599,279	(441,734)	(89,384)	198,803	288,187
Fund balances, beginning	217,443	217,443	217,443	-	545,916	545,916	545,916	-
Fund balances, ending	<u>\$ (870,428)</u>	<u>\$ (338,887)</u>	<u>\$ 260,392</u>	<u>\$ 599,279</u>	<u>\$ 104,182</u>	<u>\$ 456,532</u>	<u>\$ 744,719</u>	<u>\$ 288,187</u>

* As of June 30, 2011

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	Elementary School Chartered by Florida State University*				Housing and Urban Development Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,612,888	5,772,378	5,659,709	(112,669)	1,195,511	7,871,457	2,931,345	(4,940,112)
Charges for services	500,434	500,434	393,073	(107,361)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	1,935	1,935	8,511	6,576	-	-	-	-
Contributions	168,690	179,690	65,400	(114,290)	-	-	-	-
Rental revenue	48,171	48,171	52,806	4,635	-	-	-	-
Other	127,199	127,199	125,877	(1,322)	-	-	-	-
Total revenues	<u>6,459,317</u>	<u>6,629,807</u>	<u>6,305,376</u>	<u>(324,431)</u>	<u>1,195,511</u>	<u>7,871,457</u>	<u>2,931,345</u>	<u>(4,940,112)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	142,682	186,290	142,682	43,608
Economic environment	-	-	-	-	1,052,829	7,685,167	2,788,663	4,896,504
Human services	6,845,437	6,874,138	6,335,731	538,407	-	-	-	-
Total expenditures	<u>6,845,437</u>	<u>6,874,138</u>	<u>6,335,731</u>	<u>538,407</u>	<u>1,195,511</u>	<u>7,871,457</u>	<u>2,931,345</u>	<u>4,940,112</u>
Excess (deficiency) of revenues over expenditures	<u>(386,120)</u>	<u>(244,331)</u>	<u>(30,355)</u>	<u>213,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	75,000	75,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(386,120)	(169,331)	44,645	213,976	-	-	-	-
Fund balances, beginning	886,748	886,748	886,748	-	-	-	-	-
Fund balances, ending	<u>\$ 500,628</u>	<u>\$ 717,417</u>	<u>\$ 931,393</u>	<u>\$ 213,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* As of June 30, 2011

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	Community Bus Program				Older Americans Act			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	260,043	302,848	302,848	-	838,069	864,332	861,140	(3,192)
Charges for services	-	-	-	-	-	-	20	20
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	93,765	90,725	36,022	(54,703)
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>260,043</u>	<u>302,848</u>	<u>302,848</u>	<u>-</u>	<u>931,834</u>	<u>955,057</u>	<u>897,182</u>	<u>(57,875)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	662,392	830,791	830,791	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	931,834	955,057	892,018	63,039
Total expenditures	<u>662,392</u>	<u>830,791</u>	<u>830,791</u>	<u>-</u>	<u>931,834</u>	<u>955,057</u>	<u>892,018</u>	<u>63,039</u>
Excess (deficiency) of revenues over expenditures	<u>(402,349)</u>	<u>(527,943)</u>	<u>(527,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,164</u>	<u>5,164</u>
Other financing sources (uses):								
Transfers in	402,349	527,943	527,943	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>402,349</u>	<u>527,943</u>	<u>527,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	5,164	5,164
Fund balances, beginning	-	-	-	-	23,223	23,223	23,223	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,223</u>	<u>\$ 23,223</u>	<u>\$ 28,387</u>	<u>\$ 5,164</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	Treasury Confiscated				Justice Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	3,246	98,652	95,406	-	77,636	68,263	(9,373)
Investment income	1,300	1,300	3,004	1,704	1,300	1,300	4,147	2,847
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>1,300</u>	<u>4,546</u>	<u>101,656</u>	<u>97,110</u>	<u>1,300</u>	<u>78,936</u>	<u>72,410</u>	<u>(6,526)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	263,329	-	263,329	20,358	255,394	-	255,394
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>263,329</u>	<u>-</u>	<u>263,329</u>	<u>20,358</u>	<u>255,394</u>	<u>-</u>	<u>255,394</u>
Excess (deficiency) of revenues over expenditures	<u>1,300</u>	<u>(258,783)</u>	<u>101,656</u>	<u>360,439</u>	<u>(19,058)</u>	<u>(176,458)</u>	<u>72,410</u>	<u>248,868</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,300	(258,783)	101,656	360,439	(19,058)	(176,458)	72,410	248,868
Fund balances, beginning	293,173	293,173	293,173	-	337,659	337,659	337,659	-
Fund balances, ending	<u>\$ 294,473</u>	<u>\$ 34,390</u>	<u>\$ 394,829</u>	<u>\$ 360,439</u>	<u>\$ 318,601</u>	<u>\$ 161,201</u>	<u>\$ 410,069</u>	<u>\$ 248,868</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Special Revenue Funds							
	\$2 Police Education				FDLE Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	55,265	66,829	43,382	(23,447)	-	53,829	221,145	167,316
Investment income	1,100	1,100	2,422	1,322	8,400	8,400	15,063	6,663
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>56,365</u>	<u>67,929</u>	<u>45,804</u>	<u>(22,125)</u>	<u>8,400</u>	<u>62,229</u>	<u>236,208</u>	<u>173,979</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	55,265	186,038	25,018	161,020	199,373	1,427,393	344,295	1,083,098
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>55,265</u>	<u>186,038</u>	<u>25,018</u>	<u>161,020</u>	<u>199,373</u>	<u>1,427,393</u>	<u>344,295</u>	<u>1,083,098</u>
Excess (deficiency) of revenues over expenditures	<u>1,100</u>	<u>(118,109)</u>	<u>20,786</u>	<u>138,895</u>	<u>(190,973)</u>	<u>(1,365,164)</u>	<u>(108,087)</u>	<u>1,257,077</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,100	(118,109)	20,786	138,895	(190,973)	(1,365,164)	(108,087)	1,257,077
Fund balances, beginning	233,049	233,049	233,049	-	1,485,215	1,485,215	1,485,215	-
Fund balances, ending	<u>\$ 234,149</u>	<u>\$ 114,940</u>	<u>\$ 253,835</u>	<u>\$ 138,895</u>	<u>\$ 1,294,242</u>	<u>\$ 120,051</u>	<u>\$ 1,377,128</u>	<u>\$ 1,257,077</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2011
(continued)

	Permanent Fund			
	Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	3,000	3,000	1,516	(1,484)
Contributions	-	-	-	-
Rental revenue	-	-	-	-
Other	-	-	-	-
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>1,516</u>	<u>(1,484)</u>
Expenditures:				
General government	16,500	16,500	9,550	6,950
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>16,500</u>	<u>16,500</u>	<u>9,550</u>	<u>6,950</u>
Excess (deficiency) of revenues over expenditures	<u>(13,500)</u>	<u>(13,500)</u>	<u>(8,034)</u>	<u>5,466</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(13,500)	(13,500)	(8,034)	5,466
Fund balances, beginning	582,509	582,509	582,509	-
Fund balances, ending	<u>\$ 569,009</u>	<u>\$ 569,009</u>	<u>\$ 574,475</u>	<u>\$ 5,466</u>

FIDUCIARY FUND TYPES

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

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

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

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

City of Pembroke Pines, Florida
Combining Statement of Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
September 30, 2011

	General Employees <u>Pension</u>	Firefighters and Police Officers <u>Pension</u>	Other Post- Employment <u>Benefits</u>	<u>Totals</u>
Assets				
Cash and short-term investments	\$ -	\$ 20,519,307	\$ 225,128	\$ 20,744,435
Receivables				
Accrued interest and dividends	-	1,003,166	-	1,003,166
Other	<u>7,539</u>	<u>897,203</u>	<u>2,048,518</u>	<u>2,953,260</u>
Total receivables	<u>7,539</u>	<u>1,900,369</u>	<u>2,048,518</u>	<u>3,956,426</u>
Investments, at fair value				
U.S. Government securities	-	16,666,296	-	16,666,296
Corporate bonds	-	65,332,200	-	65,332,200
Common stocks	-	128,108,889	-	128,108,889
Foreign bonds	-	1,698,444	-	1,698,444
Domestic equity fund	-	37,032,421	-	37,032,421
International equity fund	-	19,704,749	-	19,704,749
Real estate fund	-	16,462,022	-	16,462,022
Mutual funds	<u>111,620,570</u>	<u>-</u>	<u>24,865,014</u>	<u>136,485,584</u>
Total investments	<u>111,620,570</u>	<u>285,005,021</u>	<u>24,865,014</u>	<u>421,490,605</u>
Capital Assets:				
Property and equipment, net	<u>-</u>	<u>423,240</u>	<u>-</u>	<u>423,240</u>
Total capital assets	<u>-</u>	<u>423,240</u>	<u>-</u>	<u>423,240</u>
 Total assets	 <u>111,628,109</u>	 <u>307,847,937</u>	 <u>27,138,660</u>	 <u>446,614,706</u>
 Liabilities				
DROP participants payable	-	72,313,983	-	72,313,983
Reserve for health insurance claims	-	-	739,911	739,911
Accounts payable	<u>-</u>	<u>207,617</u>	<u>104,233</u>	<u>311,850</u>
Total liabilities	<u>-</u>	<u>72,521,600</u>	<u>844,144</u>	<u>73,365,744</u>
 Net Assets				
Net assets held in trust for benefits	<u>\$ 111,628,109</u>	<u>\$ 235,326,337</u>	<u>\$ 26,294,516</u>	<u>\$ 373,248,962</u>

City of Pembroke Pines, Florida
Combining Statement of Changes in Fiduciary Net Assets
Pension and Other Post-Employment Benefits (OPEB) Trust Funds
Fiscal Year Ended September 30, 2011

	<u>General Employees Pension</u>	<u>Firefighters and Police Officers Pension</u>	<u>Other Post- Employment Benefits</u>	<u>Totals</u>
Additions				
Contributions:				
Plan members	\$ 252,766	\$ 2,886,632	\$ 702,574	\$ 3,841,972
Employee buybacks	-	133,333	-	133,333
Employer	3,317,988	21,020,757	11,003,647	35,342,392
State	-	2,269,110	-	2,269,110
Total contributions	<u>3,570,754</u>	<u>26,309,832</u>	<u>11,706,221</u>	<u>41,586,807</u>
Investment income (loss)	1,625,520	(4,039,092)	(637,228)	(3,050,800)
Less investment expenses	34,645	1,634,577	-	1,669,222
Net investment income (loss)	<u>1,590,875</u>	<u>(5,673,669)</u>	<u>(637,228)</u>	<u>(4,720,022)</u>
Other additions:				
Specific stop loss and medical claims recovery	-	-	508,702	508,702
Other income	-	48,038	-	48,038
Total other additions	<u>-</u>	<u>48,038</u>	<u>508,702</u>	<u>556,740</u>
Total additions	<u>5,161,629</u>	<u>20,684,201</u>	<u>11,577,695</u>	<u>37,423,525</u>
Deductions				
Benefit payments and insurance premiums	8,691,131	20,391,405	5,037,779	34,120,315
Refunds of contributions	(8,281)	28,025	-	19,744
Administrative expenses	89,671	512,492	187,556	789,719
Total deductions	<u>8,772,521</u>	<u>20,931,922</u>	<u>5,225,335</u>	<u>34,929,778</u>
Change in net assets	(3,610,892)	(247,721)	6,352,360	2,493,747
Net assets, beginning	<u>115,239,001</u>	<u>235,574,058</u>	<u>19,942,156</u>	<u>370,755,215</u>
Net assets, ending	<u>\$ 111,628,109</u>	<u>\$ 235,326,337</u>	<u>\$ 26,294,516</u>	<u>\$ 373,248,962</u>

AGENCY FUNDS

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

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

City of Pembroke Pines, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2011

	<u>Balance</u> <u>September 30,</u> <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2011</u>
General Agency Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,538,277	\$ 92,305,146	\$ 92,060,981	\$ 2,782,442
Accounts receivable	-	425	292	133
Total assets	<u>\$ 2,538,277</u>	<u>\$ 92,305,571</u>	<u>\$ 92,061,273</u>	<u>\$ 2,782,575</u>
Liabilities:				
Accrued liabilities	\$ 2,538,277	\$ 89,071,194	\$ 88,826,896	\$ 2,782,575
Due to other funds	-	3,236,085	3,236,085	-
Total liabilities	<u>\$ 2,538,277</u>	<u>\$ 92,307,279</u>	<u>\$ 92,062,981</u>	<u>\$ 2,782,575</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 28,177,531	\$ 28,177,531	\$ -
Accounts receivable	1,864,382	19,262,819	19,181,009	1,946,192
Total assets	<u>\$ 1,864,382</u>	<u>\$ 47,440,350</u>	<u>\$ 47,358,540</u>	<u>\$ 1,946,192</u>
Liabilities:				
Accounts payable	\$ 1,864,382	\$ 19,552,031	\$ 19,470,221	\$ 1,946,192
Total liabilities	<u>\$ 1,864,382</u>	<u>\$ 19,552,031</u>	<u>\$ 19,470,221</u>	<u>\$ 1,946,192</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,538,277	\$ 120,482,677	\$ 120,238,512	\$ 2,782,442
Accounts receivable	1,864,382	19,263,244	19,181,301	1,946,325
Total assets	<u>\$ 4,402,659</u>	<u>\$ 139,745,921</u>	<u>\$ 139,419,813</u>	<u>\$ 4,728,767</u>
Liabilities:				
Accounts payable	\$ 1,864,382	\$ 19,552,031	\$ 19,470,221	\$ 1,946,192
Accrued liabilities	2,538,277	89,071,194	88,826,896	2,782,575
Due to other funds	-	3,236,085	3,236,085	-
Total liabilities	<u>\$ 4,402,659</u>	<u>\$ 111,859,310</u>	<u>\$ 111,533,202</u>	<u>\$ 4,728,767</u>

III. STATISTICAL SECTION

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



STATISTICAL SECTION

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

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

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

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STATISTICAL SECTION

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

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

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

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

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

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 116,772,277	\$ 112,598,736	\$ 114,619,737	\$ 108,374,146	\$ 95,504,416	\$ 100,395,349	\$ 103,142,455	\$ 102,055,175	\$ 98,775,229	\$ 96,015,470
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625	27,778,800	27,477,286
Unrestricted	7,431,859	14,649,585	2,836,562	1,504,644	3,898,185	(11,556,042)	(15,795,579)	(16,635,595)	(5,662,804)	(2,761,804)
Total governmental activities net assets	\$ 143,117,206	\$ 146,138,927	\$ 142,853,868	\$ 128,698,738	\$ 116,410,958	\$ 114,629,145	\$ 115,377,109	\$ 114,054,205	\$ 120,891,225	\$ 120,730,952
Business-type activities										
Invested in capital assets, net of related debt	\$ 153,811,331	\$ 154,941,053	\$ 152,461,927	\$ 148,774,481	\$ 143,262,982	\$ 143,935,636	\$ 153,389,446	\$ 152,797,781	\$ 149,327,456	\$ 142,748,564
Restricted	-	-	-	-	-	-	-	-	-	9,365,311
Unrestricted	79,795,388	82,017,074	31,828,371	83,683,180	83,495,955	76,910,616	65,919,119	63,917,539	65,709,435	65,552,970
Total business-type activities net assets	\$ 233,606,719	\$ 236,958,127	\$ 184,290,298	\$ 232,457,661	\$ 226,758,937	\$ 220,846,252	\$ 219,308,565	\$ 216,715,320	\$ 215,036,891	\$ 217,666,845
Primary government										
Invested in capital assets, net of related debt	\$ 270,583,608	\$ 267,539,789	\$ 267,081,664	\$ 257,148,627	\$ 238,767,398	\$ 244,330,985	\$ 256,531,901	\$ 254,852,956	\$ 248,102,685	\$ 238,764,034
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625	27,778,800	36,842,597
Unrestricted	87,227,247	96,666,659	34,664,933	85,187,824	87,394,140	65,354,574	50,123,540	47,281,944	60,046,631	62,791,166
Total primary government net assets	\$ 376,723,925	\$ 383,097,054	\$ 327,144,166	\$ 361,156,399	\$ 343,169,895	\$ 335,475,397	\$ 334,685,674	\$ 330,769,525	\$ 335,928,116	\$ 338,397,797

City of Pembroke Pines, Florida

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

Expenses	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Governmental activities:										
General government (7)	\$ 20,085,237	\$ 19,804,913	\$ 21,245,245	\$ 21,438,009	\$ 23,008,076	\$ 23,303,062	\$ 23,235,940	\$ 20,915,269	\$ 19,647,193	\$ 17,927,195
Public safety (1) (7)	54,363,115	59,919,473	64,769,067	75,037,886	115,482,598	88,982,854	102,967,033	102,368,029	93,568,314	94,585,886
Physical environment	3,184,132	3,740,853	3,788,410	3,612,466	3,997,835	4,123,318	3,654,027	3,108,385	2,684,192	2,583,101
Transportation (2)	5,785,707	5,486,631	5,725,790	12,013,824	8,243,716	12,845,956	11,950,528	16,653,981	9,989,922	9,509,801
Economic environment	2,154,679	2,754,664	2,774,502	3,064,478	4,715,450	7,559,297	10,717,579	10,984,230	13,329,473	11,846,539
Human services (3)	24,138,249	36,142,870	43,531,313	49,160,396	50,152,084	54,110,736	53,871,577	56,340,121	54,656,396	57,265,615
Culture/Recreation	14,640,884	15,269,764	16,875,139	18,447,037	19,673,548	20,948,154	21,576,740	20,744,104	18,316,771	17,921,567
Interest on long-term debt	6,722,426	7,694,630	11,349,415	13,765,458	15,728,258	16,823,152	17,996,176	18,753,360	19,166,448	18,391,348
Total governmental activities expenses	131,074,429	150,813,798	170,058,881	196,539,554	241,001,565	228,696,529	245,969,600	249,867,479	231,358,709	230,031,052
Business-type activities:										
Public safety	-	-	19,241	48,130	273,616	4,100	-	-	-	-
Water utility services	3,843,161	3,917,274	4,050,643	4,421,132	5,088,235	5,318,837	5,318,791	4,933,388	4,318,216	4,596,991
Sewer/wastewater services	8,590,253	8,974,311	8,873,928	9,600,254	9,970,132	12,271,389	13,080,744	10,742,197	10,946,520	11,947,362
Water-sewer combined services	17,112,758	19,865,795	22,821,895	22,917,382	25,887,741	26,104,176	24,812,790	25,614,616	24,764,738	24,365,791
Total business-type activities expenses	29,546,172	32,757,380	35,765,707	36,986,898	41,219,724	43,698,502	43,212,325	41,290,201	40,029,474	40,910,144
Total primary government expenses	\$ 160,620,601	\$ 183,571,178	\$ 205,824,588	\$ 233,526,452	\$ 282,221,289	\$ 272,395,031	\$ 289,181,925	\$ 291,157,680	\$ 271,388,183	\$ 270,941,196
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 14,881,020	\$ 14,889,651	\$ 15,307,054	\$ 16,210,579	\$ 15,318,437	\$ 15,166,539	\$ 14,295,201	\$ 16,026,118	\$ 16,049,045	\$ 17,819,949
Public safety	17,614,392	15,535,883	14,630,803	16,612,089	19,436,165	19,897,138	28,386,165	28,257,835	28,399,794	28,600,551
Physical environment	1,625	2,413	2,593	560	120	600	1,075	-	158	-
Transportation	3,075,107	1,223,166	1,220,800	235,650	285,684	315,033	355,227	358,348	174,676	200,000
Economic environment	1,288,795	1,321,006	1,328,939	1,996,031	4,316,254	4,642,437	4,974,853	6,211,809	6,782,391	6,753,571
Human services (3)	18,950,247	28,432,894	36,713,012	38,929,127	40,293,116	47,785,824	51,655,776	49,472,143	49,638,630	52,159,157
Culture/Recreation	3,799,282	4,030,889	3,854,108	4,112,009	3,962,945	3,702,140	4,759,467	4,797,806	4,129,033	4,214,764
Interest on long-term debt	3,456,284	6,081,203	8,328,253	8,217,168	8,996,692	10,070,967	9,602,414	10,906,060	12,014,252	12,359,630
Operating grants and contributions (4)	3,630,457	3,222,313	4,866,288	6,803,875	34,437,431	7,557,767	10,489,392	14,653,685	9,984,812	8,702,595
Capital grants and contributions	4,120,865	2,978,244	512,573	1,109,677	304,636	6,671,291	11,914,221	5,483,163	2,294,865	748,394
Total governmental activities program revenues	70,818,074	77,717,662	86,764,423	94,226,765	127,351,480	115,809,736	136,433,791	136,166,967	129,467,656	131,558,611
Business-type activities:										
Charges for services:										
Water utility services	11,286,813	13,010,984	14,033,949	14,188,320	14,775,105	15,372,828	16,310,543	18,042,310	18,015,418	20,160,031
Sewer/wastewater services (5)	11,514,216	13,423,668	18,145,972	14,633,008	15,277,785	15,338,034	15,422,017	19,150,659	18,689,072	20,872,045
Water-sewer combined services	186,556	150,584	185,963	141,794	147,947	346,881	136,225	109,946	98,253	128,124
Operating grants and contributions	-	114,859	19,241	42,113	151,310	10,066	-	-	192,400	-
Capital grants and contributions (6)	11,743,301	7,877,097	3,176,882	712,820	1,577,331	2,471,676	7,307,004	717,144	680,553	1,494,661
Total business-type activities program revenues	34,730,886	34,577,192	35,562,007	29,718,055	31,929,478	33,539,485	39,175,789	38,020,059	37,675,696	42,654,861
Total primary government program revenues	\$ 105,548,960	\$ 112,294,854	\$ 122,326,430	\$ 123,944,820	\$ 159,280,958	\$ 149,349,221	\$ 175,609,580	\$ 174,187,026	\$ 167,143,352	\$ 174,213,472

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

City of Pembroke Pines, Florida

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Net (expense)/revenue:										
Governmental activities	\$ (60,256,355)	\$ (73,096,136)	\$ (83,294,458)	\$ (102,312,789)	\$ (113,650,085)	\$ (112,886,793)	\$ (109,535,809)	\$ (113,700,512)	\$ (101,891,053)	\$ (98,472,441)
Business-type activities	5,184,714	1,819,812	(203,700)	(7,268,843)	(9,290,246)	(10,159,017)	(4,036,536)	(3,270,142)	(2,353,778)	1,744,717
Total primary government net expense	<u>\$ (55,071,641)</u>	<u>\$ (71,276,324)</u>	<u>\$ (83,498,158)</u>	<u>\$ (109,581,632)</u>	<u>\$ (122,940,331)</u>	<u>\$ (123,045,810)</u>	<u>\$ (113,572,345)</u>	<u>\$ (116,970,654)</u>	<u>\$ (104,244,831)</u>	<u>\$ (96,727,724)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984	\$ 2,665,536	\$ 5,264,984	\$ 5,520,777	\$ 5,482,360	\$ 5,459,564
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378	47,104,494	47,077,737	46,044,021	47,224,460	45,839,333
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442	9,722,816	9,939,667	10,012,094	10,710,284	10,832,358
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674	7,060,041	7,359,061	8,524,622	7,748,084	7,359,807
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350	2,442,108	2,581,143	2,429,576	2,337,509	2,269,110
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233	2,739,055	2,785,670	2,696,917	2,633,187	2,644,449
Local business tax (8)	2,466,261	2,549,602	2,643,082	2,583,227	2,792,926	3,075,143	3,316,948	3,307,733	3,191,395	3,045,727
Franchise fees	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631	15,105,140	15,294,804	16,378,799	14,712,823	14,959,851
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754	13,503,386	12,563,396	11,229,891	11,171,464	11,808,190
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544	766,762	595,174	1,320,308	218,254	420,658
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389	6,910,527	3,505,189	4,912,870	3,298,253	1,418,618
Gain on sale of capital assets	-	66,534	122,097	-	-	9,972	-	-	-	29,621
Transfer out (9)	-	-	-	-	-	-	-	-	-	(7,775,118)
Total governmental activities	<u>68,565,401</u>	<u>76,117,857</u>	<u>79,781,920</u>	<u>88,157,659</u>	<u>101,362,305</u>	<u>111,104,980</u>	<u>110,283,773</u>	<u>112,377,608</u>	<u>108,728,073</u>	<u>98,312,168</u>
Business-type activities:										
Investment earnings (losses) not restricted (9)	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457	4,222,049	2,488,373	665,173	665,360	(6,891,075)
Miscellaneous revenues	-	6	-	142	99,618	23,947	10,476	11,723	9,989	1,194
Gain on sale of capital assets	510	5,223	2,000	469	9,447	336	-	-	-	-
Transfer in (9)	-	-	-	-	-	-	-	-	-	7,775,118
Total business-type activities	<u>4,029,709</u>	<u>1,531,596</u>	<u>1,115,253</u>	<u>1,856,835</u>	<u>3,591,522</u>	<u>4,246,332</u>	<u>2,498,849</u>	<u>676,896</u>	<u>675,349</u>	<u>885,237</u>
Total primary government	<u>\$ 72,595,110</u>	<u>\$ 77,649,453</u>	<u>\$ 80,897,173</u>	<u>\$ 90,014,494</u>	<u>\$ 104,953,827</u>	<u>\$ 115,351,312</u>	<u>\$ 112,782,622</u>	<u>\$ 113,054,504</u>	<u>\$ 109,403,422</u>	<u>\$ 99,197,405</u>
Change in Net Assets										
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)	\$ (1,781,813)	\$ 747,964	\$ (1,322,904)	\$ 6,837,020	\$ (160,273)
Business-type activities	9,214,423	3,351,408	911,553	(5,412,008)	(5,698,724)	(5,912,685)	(1,537,687)	(2,593,246)	(1,678,429)	2,629,954
Total primary government	<u>\$ 17,523,469</u>	<u>\$ 6,373,129</u>	<u>\$ (2,600,985)</u>	<u>\$ (19,567,138)</u>	<u>\$ (17,986,504)</u>	<u>\$ (7,694,498)</u>	<u>\$ (789,723)</u>	<u>\$ (3,916,150)</u>	<u>\$ 5,158,591</u>	<u>\$ 2,469,681</u>

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

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

(9) In FY 2011, the General Fund transferred \$7.8 million to offset the effect of interest written off, related to the Investment in City Center.

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

Fiscal Year	Property Taxes levied for:				Insurance Premium Taxes (1)	Local Option Gas Taxes (1)	Local Business Tax (3)	Total
	Debt Service	General Purposes	Utility Taxes	Communications Services Tax				
2002	\$ -	\$25,230,301	\$8,530,503	\$7,094,762	\$1,233,840	\$2,598,699	\$2,466,261	\$47,154,366
2003	-	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933
2004	-	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852
2005	-	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464
2006	2,825,984 (2)	39,709,378	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	2,665,536	47,104,494	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	5,264,984	47,077,737	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210
2009	5,520,777	46,044,021	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740
2010	5,482,360	47,224,460	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	5,459,564	45,839,333	10,832,358	7,359,807	2,269,110	2,644,449	3,045,727	77,450,348

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

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

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

City of Pembroke Pines, Florida
Fund Balances of Governmental Funds (3)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003 (1)</u>	<u>2004 (2)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund										
Nonspendable	\$ 78,926	\$ 151,398	\$ 540,988	\$ 180,185	\$ 233,842	\$ 359,358	\$ 452,203	\$ 412,405	\$ 306,832	\$ 397,064
Assigned	1,703,458	962,277	2,887,984	6,200,843	3,507,638	2,551,332	2,179,327	2,127,635	2,125,767	2,419,331
Unassigned	15,126,525	26,136,892	25,133,258	26,137,809	28,611,752	30,828,040	31,325,893	34,142,847	36,155,207	36,090,554
Total general fund	<u>\$ 16,908,909</u>	<u>\$ 27,250,567</u>	<u>\$ 28,562,230</u>	<u>\$ 32,518,837</u>	<u>\$ 32,353,232</u>	<u>\$ 33,738,730</u>	<u>\$ 33,957,423</u>	<u>\$ 36,682,887</u>	<u>\$ 38,587,806</u>	<u>\$ 38,906,949</u>
All other governmental funds										
Nonspendable	\$ 471,240	\$ 487,465	\$ 555,349	\$ 534,841	\$ 558,410	\$ 552,616	\$ 580,746	\$ 548,675	\$ 522,613	\$ 568,224
Restricted	17,009,881	16,658,147	28,631,934	52,159,551	38,070,444	72,041,927	54,257,562	48,659,777	50,012,752	48,481,747
Assigned	4,179,886	4,530,094	3,651,101	2,332,232	1,108,380	1,208,597	5,338,482	5,039,130	5,116,328	5,459,283
Unassigned	(1,398,748)	(13,577,160)	(358,369)	(54,125)	(73,501)	(74,455)	(79,850)	(30,250)	(53,275)	(98,875)
Total all other governmental funds	<u>\$ 20,262,259</u>	<u>\$ 8,098,546</u>	<u>\$ 32,480,015</u>	<u>\$ 54,972,499</u>	<u>\$ 39,663,733</u>	<u>\$ 73,728,685</u>	<u>\$ 60,096,940</u>	<u>\$ 54,217,332</u>	<u>\$ 55,598,418</u>	<u>\$ 54,410,379</u>

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

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

(3) Fund balances for fiscal years 2002 - 2010 restated to conform with GASB Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues										
Taxes	\$ 47,154,365	\$ 51,764,934	\$ 55,144,852	\$ 59,081,464	\$ 66,927,985	\$ 74,809,193	\$ 78,325,210	\$ 78,535,740	\$ 79,327,279	\$ 77,450,347
Special assessments	8,465,016	8,099,749	7,998,798	8,194,372	8,299,540	8,468,562	17,602,253	19,734,363	21,015,296	20,633,100
Permits, fees and licenses	14,947,419	15,011,340	14,719,053	17,592,755	21,021,458	22,185,099	20,801,798	18,508,763	15,009,358	15,390,067
Intergovernmental	32,960,088	40,117,149	46,663,998	50,899,822	81,112,119	59,130,835	64,894,563	65,065,938	61,513,829	61,421,335
Charges for services	20,485,835	22,584,114	23,259,471	24,989,138	24,836,751	26,284,799	27,467,164	29,477,979	29,126,538	31,359,527
Fines and forfeitures	1,280,456	1,248,016	882,780	958,626	1,364,608	1,426,849	1,475,291	1,594,585	1,879,569	2,117,330
Investment income	2,207,098	1,719,456	1,018,094	2,223,782	4,764,002	6,840,257	3,015,860	4,035,447	2,780,298	1,233,115
Contributions	1,186,811	241,082	236,906	1,773,367	487,008	6,696,257	11,366,688	5,660,901	986,077	691,235
Rental revenue	7,589,890	10,736,905	14,183,345	15,345,787	18,498,842	19,888,637	19,799,580	23,125,797	24,895,496	25,629,636
Other	195,282	1,556,028	1,473,464	1,338,585	1,426,743	1,734,635	1,920,227	2,360,034	1,675,016	1,720,201
Total revenues	<u>136,472,260</u>	<u>153,078,773</u>	<u>165,580,761</u>	<u>182,397,698</u>	<u>228,739,056</u>	<u>227,465,123</u>	<u>246,668,634</u>	<u>248,099,547</u>	<u>238,208,756</u>	<u>237,645,893</u>
Expenditures										
General government	18,590,168	19,455,762	25,858,854	26,862,617	23,624,343	22,515,991	21,511,476	19,597,106	20,337,005	18,187,343
Public safety	57,402,925	59,672,849	133,594,581	69,464,940	110,276,174	86,971,602	94,765,020	98,221,869	97,825,714	94,158,393
Physical environment	3,185,017	3,918,738	4,373,793	3,531,434	3,917,975	4,025,954	3,584,401	2,955,500	2,731,465	2,463,390
Transportation	4,105,968	3,736,102	4,608,285	10,365,168	8,689,081	26,343,989	29,135,640	15,465,192	7,524,769	6,569,318
Economic environment	2,304,252	2,740,721	20,264,192	18,235,896	6,406,373	26,728,564	10,869,712	9,027,377	12,107,775	10,659,737
Human services	51,041,052	45,622,226	42,221,480	45,094,806	46,032,389	50,611,995	60,872,921	55,052,389	51,917,155	53,925,104
Culture and recreation	16,674,222	15,826,371	19,228,390	18,611,509	18,454,015	39,322,524	24,075,681	25,565,490	16,349,527	17,944,585
Debt service:										
Principal	4,325,353	3,958,424	3,971,425	3,855,000	5,035,000	5,255,000	5,830,000	7,140,000	7,950,000	8,872,500
Interest	5,360,537	7,066,243	8,012,377	13,581,146	15,770,383	16,021,994	18,754,792	17,812,377	17,408,607	17,179,540
Other debt service costs	1,477,904	239,789	2,716,813	897,238	22,694	2,422,368	1,853,595	416,391	563,783	779,763
Total expenditures	<u>164,467,398</u>	<u>162,237,225</u>	<u>264,850,190</u>	<u>210,499,754</u>	<u>238,228,427</u>	<u>280,219,981</u>	<u>271,253,238</u>	<u>251,253,691</u>	<u>234,715,800</u>	<u>230,739,673</u>
Excess (deficiency) of revenues over expenditures	(27,995,138)	(9,158,452)	(99,269,429)	(28,102,056)	(9,489,371)	(52,754,858)	(24,584,604)	(3,154,144)	3,492,956	6,906,220
Other financing sources (uses)										
Transfers in	1,576,893	542,117	4,469,516	1,536,782	1,413,924	1,695,484	3,148,839	2,153,600	909,154	2,111,535
Transfers out	(1,576,893)	(542,117)	(4,469,516)	(1,536,782)	(1,413,924)	(1,695,484)	(3,148,839)	(2,153,600)	(909,154)	(9,886,652)
Bonds issued	71,570,000	-	124,736,467	54,910,000	-	144,574,999	72,135,000	-	8,545,700	-
Premium (discount) on bonds	(363,592)	-	-	(358,853)	-	3,067,996	-	-	-	-
Current bond refunding	-	-	-	-	-	-	(7,910,000)	-	-	-
Payment to refunded bond escrow agent	(19,792,421)	-	-	-	(5,985,000)	(59,437,687)	(53,053,448)	-	(8,752,651)	-
Total other financing sources (uses)	<u>51,413,987</u>	<u>-</u>	<u>124,736,467</u>	<u>54,551,147</u>	<u>(5,985,000)</u>	<u>88,205,308</u>	<u>11,171,552</u>	<u>-</u>	<u>(206,951)</u>	<u>(7,775,117)</u>
Net change in fund balances	<u>\$ 23,418,849</u>	<u>\$ (9,158,452)</u>	<u>\$ 25,467,038</u>	<u>\$ 26,449,091</u>	<u>\$ (15,474,371)</u>	<u>\$ 35,450,450</u>	<u>\$ (13,413,052)</u>	<u>\$ (3,154,144)</u>	<u>\$ 3,286,005</u>	<u>\$ (868,897)</u>
Debt service as a percentage of noncapital expenditures	9.0%	7.8%	6.1%	10.1%	9.3%	11.0%	11.5%	10.8%	11.3%	12.1%

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utility Taxes</u>	<u>Communications Services Tax (1)</u>	<u>Insurance Premium Taxes</u>	<u>Local Option Gas Taxes</u>	<u>Local Business Tax (2)</u>	<u>Total</u>
2002	\$ 25,230,301	\$ 8,530,503	\$ 7,094,762	\$ 1,233,840	\$ 2,598,699	\$ 2,466,261	\$ 47,154,366
2003	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933
2004	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852
2005	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464
2006	42,535,362	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	49,770,030	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193
2008	52,342,721	9,939,667	7,359,061	2,581,143	2,785,670	3,316,948	78,325,210
2009	51,564,798	10,012,094	8,524,622	2,429,576	2,696,917	3,307,733	78,535,740
2010	52,706,820	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	51,298,897	10,832,357	7,359,807	2,269,110	2,644,449	3,045,727	77,450,347

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

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

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

Fiscal Year Ended September 30	Assessment Value		Less:				Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
	Real Property	Personal Property	Tax-Exempt Properties(1)	Personal Exemptions(2)	Capped Differential(3)	V.A.B. Adjustments (4)				
2002	\$ 7,259,698,260	\$ 319,983,517	\$ 353,757,395	\$ 1,046,873,320	\$ 228,088,840	\$ 66,883,039	\$ 5,884,079,183	4.4597	\$ 7,579,681,777	100.00%
2003	8,353,286,540	325,524,641	385,820,960	1,093,126,650	660,162,890	99,433,357	6,440,267,324	4.5990	8,678,811,181	100.00%
2004	9,893,613,820	326,666,763	467,318,917	1,137,266,930	1,273,239,600	91,310,573	7,251,144,563	4.5990	10,220,280,583	100.00%
2005	11,264,982,620	341,697,566	556,966,799	1,152,257,400	1,831,872,990	53,852,583	8,011,730,414	4.5990	11,606,680,186	100.00%
2006	13,270,318,770	335,740,322	632,642,006	1,170,867,380	2,773,394,220	52,508,365	8,976,647,121	4.9265	13,606,059,092	100.00%
2007	16,778,736,280	366,721,537	781,881,297	1,170,127,780	4,554,450,930	46,195,039	10,592,802,771	4.8596	17,145,457,817	100.00%
2008	18,897,931,150	354,767,117	1,088,601,100	1,251,591,080	5,197,289,590	(41,518,535)	11,756,735,032	4.6397	19,252,698,267	100.00%
2009	17,477,224,530	371,437,004	1,185,181,305	2,211,645,023	3,664,549,250	51,004,352	10,736,281,604	4.9630	17,848,661,534	100.00%
2010	14,350,984,240	376,229,179	1,301,379,660	2,165,825,895	1,665,617,130	41,890,096	9,552,500,638	5.7200	14,727,213,419	100.00%
2011	12,227,149,400	370,605,893	1,369,374,188	2,067,960,606	739,111,603	26,651,836	8,394,657,060	6.3660	12,597,755,293	100.00%

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

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

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead, additional \$25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents and disabled veterans' homestead discount.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index. Per Florida Statutes 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year. Per Florida Statute 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year. Per Florida Statute 193.621, the reassessed value may not be greater than its market value as salvage.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA.
- (5) Total direct tax rate includes debt service millage as follows: 0.3275-FY2006, 0.2606-FY2007, 0.4672-FY2008, 0.5318-FY2009, 0.5951-FY2010 and 0.6780-FY2011 .
- (6) Includes tax-exempt property.

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

Fiscal Year	City of Pembroke Pines			Broward County				School Board				Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Capital Projects Millage	Debt Service Millage	Total County Millage	General Fund Millage	Capital Outlay Millage	Debt Service Millage	Total School Millage		
2002	4.4597	-	4.4597	6.4443	0.2234	0.7328	7.4005	6.3590	2.0000	0.3951	8.7541	2.9104	23.5247
2003	4.5990	-	4.5990	6.2752	0.3933	0.6965	7.3650	6.5410	2.0000	0.3415	8.8825	2.8007	23.6472
2004	4.5990	-	4.5990	6.3146	0.2919	0.5815	7.1880	6.1240	2.0000	0.2936	8.4176	2.8611	23.0657
2005	4.5990	-	4.5990	6.1905	0.2926	0.5399	7.0230	6.0140	2.0000	0.2555	8.2695	2.7347	22.6262
2006	4.5990	0.3275	4.9265	5.9838	0.3104	0.4888	6.7830	5.8410	2.0000	0.2213	8.0623	2.6086	22.3804
2007	4.5990	0.2606	4.8596	5.4054	0.2379	0.4228	6.0661	5.6790	2.0000	0.1897	7.8687	2.4728	21.2672
2008	4.1725	0.4672	4.6397	4.7471	0.1418	0.3979	5.2868	5.4770	2.0000	0.1714	7.6484	2.1800	19.7549
2009	4.4312	0.5318	4.9630	4.7471	0.1418	0.4256	5.3145	5.6670	1.7500	-	7.4170	2.2252	19.9197
2010	5.1249	0.5951	5.7200	4.7612	0.1277	0.5000	5.3889	5.9310	1.5000	-	7.4310	2.3560	20.8959
2011	5.6880	0.6780	6.3660	5.0399	0.0622	0.4509	5.5530	6.1310	1.5000	-	7.6310	2.4013	21.9513

Source: Broward County Property Appraiser.

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

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

<u>Taxpayer</u>	<u>2011 Collection Year</u>			<u>2002 Collection Year</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed</u>		<u>Total Taxable</u>	<u>Assessed</u>		<u>Total Taxable</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
SPUSV5 Pembroke Pines LLC	\$ 144,862,700	1	1.76%	\$ -	-	-
Pembroke Lakes Mall LTD	118,647,380	2	1.44%	91,810,560	1	1.56%
AD Pembroke Land Company LLC	68,776,510	3	0.84%	-	-	-
EQR-SWN Line Financing Limited	52,355,690	4	0.64%	-	-	-
Prudential Insurance Co. of America	42,972,540	5	0.52%	40,264,220	3	0.68%
WRI JT Pembroke Commons LP	39,844,470	6	0.48%	28,959,840	8	0.49%
Taplin Falls Ltd.	39,600,000	7	0.48%	32,337,020	5	0.55%
Westfork Tower LLC	39,000,000	8	0.47%	30,743,500	7	0.52%
CP Pembroke Pines LLC	37,049,040	9	0.45%	-	-	-
MIG/Pines Development LTD	33,474,090	10	0.41%	-	-	-
Pasadena Place Associates	-	-	-	65,177,600	2	1.11%
Marquesa Apartment Corporation	-	-	-	38,776,730	4	0.66%
KLS Flamingo Land Trust	-	-	-	31,655,350	6	0.54%
Pembroke Cove Apartments LLC	-	-	-	25,638,910	9	0.44%
Merry Land & Invest Co. Inc.	-	-	-	25,028,270	10	0.43%
Totals	\$ 616,582,420		7.49%	\$ 410,392,000		6.98%

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2004	\$ 33,348,014	\$32,255,971	96.7%	\$ 69,596	\$ 32,325,567	96.9%
2005	36,845,948	35,493,585	96.3%	28,278	35,521,863	96.4%
2006	41,283,600	39,684,572	96.1%	102,492	39,787,064	96.4%
2007	48,716,300	46,954,319	96.4%	96,722	47,051,041	96.6%
2008	49,054,977	47,021,192	95.9%	197,454	47,218,646	96.3%
2009	47,574,611	45,833,741	96.3%	98,827	45,932,568	96.5%
2010	48,955,611	47,093,237	96.2%	307	47,093,544	96.2%
2011	47,748,809	45,707,333	95.7%	-	45,707,333	95.7%

Source: Broward County Property Appraiser

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

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

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

Fiscal Year	Governmental Activities				Business- Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Certificates of Indebtedness	Utility Bonds			
2002	\$ -	\$ 148,722,040	\$ -	\$ -		\$ 148,722,040	3.19%	\$ 1,027
2003	-	145,197,940	-	-		145,197,940	3.00%	979
2004	-	266,387,937	-	-		266,387,937	5.12%	1,771
2005	46,641,200	270,527,999	-	-		317,169,199	7.45%	2,100
2006	45,625,776	260,693,946	-	-		306,319,722	7.11%	2,018
2007	87,417,966	300,894,270	-	-		388,312,236	9.41%	2,540
2008	85,968,632	306,910,737	-	-		392,879,369	10.06%	2,613
2009	84,278,691	301,719,994	-	-		385,998,685	*	2,553
2010	82,528,051	296,203,708	-	-		378,731,759	*	2,447
2011	80,716,685	289,413,450	-	-	12,300,000	382,430,135	*	2,469

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

(1) See Schedule of Demographic and Economic Statistics on page 167 for personal income and population data.

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

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

* Information not available.

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

Fiscal Year	General Obligation Bonds	Amounts Available in Debt Service		Total	Percentage of Estimated Actual Taxable Value(1) of Property	Per Capita(2)
		<u>Fund for Payment of Principal</u>	<u>Interest</u>			
2002	\$ -	\$ -	\$ -	\$ -	-	\$ -
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	46,641,200	-	-	46,641,200	0.40%	309
2006	45,625,776	-	112,347	45,625,776	0.34%	301
2007	87,417,966	-	68,568	87,417,966	0.51%	572
2008	85,968,632	-	569	85,968,632	0.45%	572
2009	84,278,691	-	12,171	84,278,691	0.47%	557
2010	82,528,051	-	50,204	82,528,051	0.56%	533
2011	80,716,685	-	65,201	80,716,685	0.64%	521

Notes:

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 158 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 167.

City of Pembroke Pines, Florida

Direct and Overlapping Governmental Activities Debt As of September 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Broward County	\$ 356,215,000	6.54%	\$ 23,296,461
South Florida Water Management District	512,640,714	6.54%	33,526,703
Other debt			
Broward County	402,185,000	6.54%	26,302,899
School Board of Broward County	1,995,072,000	6.54%	130,477,709
South Florida Water Management District	30,745,000	6.54%	2,010,723
South Broward Hospital District	553,273,404	6.54%	<u>36,184,081</u>
Subtotal, overlapping debt			251,798,576
City of Pembroke Pines, direct debt			370,130,135
Total direct and overlapping debt (2)			<u><u>\$ 621,928,711</u></u>

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

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

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

(2) Includes all governmental activities debt.

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Electric Franchise Fees (2)				
2002	\$ 5,902,581	\$ 1,085,000	\$ 2,531,539	1.63
2003	6,509,589	1,135,000	2,480,394	1.80
2004	7,001,743	1,185,000	2,431,283	1.94
2005	7,448,243	1,235,000	2,497,603	2.00
2006	8,958,121	1,280,000	2,428,471	2.42
2007	9,184,098	1,125,000	2,969,187	2.24
2008	9,176,429	1,635,000	4,014,338	1.62
2009	9,208,118	1,695,000	3,768,469	1.69
2010	8,401,468	2,295,000	3,588,054	1.43
2011	8,339,055	2,167,500	3,412,868	1.49
Revenue Bonds Secured by Electric Public Service Tax (3)				
2002	\$ 7,334,212	\$ 2,840,000	\$ 1,745,793	1.60
2003	7,647,870	2,365,000	2,096,800	1.71
2004	7,612,895	1,425,000	2,011,198	2.22
2005	7,931,137	1,475,000	3,336,527	1.65
2006	8,084,904	1,530,000	3,586,996	1.58
2007	8,093,581	1,590,000	3,236,221	1.68
2008	8,220,016	1,665,000	3,337,808	1.64
2009	8,124,202	1,730,000	3,269,248	1.63
2010	8,840,661	1,805,000	3,197,138	1.77
2011	8,788,593	2,715,000	3,110,026	1.51
Revenue Bonds Secured by Charter School total revenues and Early Development Center lease payments (4)				
2002	\$ 17,321,219	\$ -	\$ -	-
2003	27,573,569	-	2,488,935	11.08
2004	34,035,981	175,000	2,486,421	12.79
2005	36,922,829	1,115,000	2,467,971	10.31
2006	38,008,056	1,145,000	2,433,869	10.62
2007	43,925,966	1,190,000	2,394,806	12.25
2008	48,332,426	1,225,000	2,781,566	12.06
2009	46,318,931	-	2,641,369	17.54
2010	45,749,766	300,000	2,708,780	15.21
2011	48,459,697	300,000	2,834,899	15.46

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (5)				
2002	\$ -	\$ -	\$ -	-
2003	-	-	-	-
2004	7,787,772	-	1,086,099	7.17
2005	8,040,474	-	4,832,776	1.66
2006	8,431,668	-	4,832,776	1.74
2007	8,469,829	405,000	4,828,220	1.62
2008	8,854,262	1,045,000	4,799,152	1.52
2009	10,200,595	1,690,000	4,738,133	1.59
2010	9,388,292	1,765,000	4,662,033	1.46
2011	9,189,255	1,845,000	4,579,520	1.43

Revenue Bonds Secured by **Net Revenues of the Consolidated Utility System (6)**

2011	\$ 7,458,921	\$ -	\$ 391,080	19.07
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Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable.
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities.
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **Charter School total revenues and Early Development Center lease payments** are total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds.
- (5) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.
Water Public Service Taxes are taxes levied within the corporate limits of the City on the purchase of water service.
- (6) **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance.
Gross Revenues are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details.)
Cost of Operations and Maintenance are current expenses for the operation, maintenance and repair of the System, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.
Renewal, Replacement and Improvement Fund is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

City of Pembroke Pines, Florida

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income(2)	Median Age(3)	Percent with a bachelor's degree or higher(3)	School Enrollment(4)	Unemployment Rate(5)
2002	144,792	4,666,936	32,232	35.8	29.8%	24,523	4.3%
2003	148,280	4,841,342	32,650	38.1	32.2%	23,212	4.1%
2004	150,435	5,199,034	34,560	37.8	32.2%	24,280	3.5%
2005	151,045	4,259,016	28,197	37.8	32.3%	24,759	3.3%
2006	151,786	4,307,231	28,377	37.5	30.4%	23,497	2.9%
2007	152,888	4,125,224	26,982	39.3	29.8%	23,239	3.0%
2008	150,380	3,904,466	25,964	40.8	28.9%	24,907	5.2%
2009	151,193	3,895,639	25,766	39.4	31.2%	25,678	7.4%
2010	154,750	4,425,850	28,600	39.1	32.9%	25,826	9.5%
2011	154,889	*	*	*	*	26,478	9.1%

Data sources:

- (1) Years 2002 - 2006 are estimates from the University of Florida's Statistical Abstract. Years 2007 & 2008 are estimates from the City's Planning Department. Years 2009 and 2011 are estimates from the University of Florida. Year 2010 is the 2010 US Census.
 - (2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis. Years 2008 and on are from US Census Bureau, American Community Survey Profile
 - (3) US Census Bureau, American Community Survey Profile - Pembroke Pines.
 - (4) Grades 1 -12, Broward County School Board, twentieth day report.
 - (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY 2002-2010 represent the average for 12 months ending September 30th. Unemployment rate for FY 2011 is obtained from US Census Bureau
- * Information not available.

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

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>
Memorial Health Systems	3,480	1	4.17%	1,095		1.60%
City of Pembroke Pines	958	2	1.15%	1,589		2.33%
Wal Mart Pembroke Pines	610	3	0.73%	N/A		N/A
Publix	450	4	0.54%	N/A		N/A
Target	266	5	0.32%	N/A		N/A
Macy's	249	7	0.30%	N/A		N/A
Cintas Corporation	200	6	0.24%	N/A		N/A
Claire's Corporation	200	8	0.24%	N/A		N/A
Winn Dixie	161	9	0.19%	N/A		N/A
Bed Bath Beyond/Buy Buy Baby	160	10	0.19%	N/A		N/A

(1) Source - City of Pembroke Pines Economic Development Division & Corporate Human Resources Departments.
Includes full-time and part-time employees.

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

N/A - information not available

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

Function	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government services	145.50	143.50	141.50	141.50	141.00	140.00	114.50	98.00	80.00	78.50
Public safety:										
Police										
Sworn	216.00	233.00	230.00	236.00	242.00	250.00	247.00	241.00	231.00	231.00
Non-sworn and grant positions	77.00	83.00	93.00	93.00	91.00	84.50	77.00	65.50	63.50	56.50
Fire and rescue	249.00	250.00	250.00	250.00	259.00	259.00	266.50	270.50	266.50	270.50
Building	80.00	80.00	68.50	65.50	59.50	57.50	52.50	11.50	*	*
Code enforcement	12.00	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Physical environment	30.00	29.00	28.50	28.00	27.00	27.00	13.00	12.00	8.50	8.00
Transportation	31.00	30.00	32.00	32.50	32.11	31.30	26.90	8.00	6.00	6.00
Economic environment	2.00	2.00	2.00	4.00	2.00	4.00	4.00	3.50	2.50	2.50
Human services:										
Early development centers	128.00	121.00	123.00	117.50	117.50	118.50	115.50	110.50	116.00	113.50
Community services	27.25	29.75	30.75	30.75	29.25	31.25	26.75	4.50	2.50	2.50
SW multipurpose center	23.75	23.75	22.75	21.75	22.64	23.45	26.35	*	*	*
Charter schools	240.50	262.24	449.00	446.99	461.50	473.00	477.00	499.00	489.50	491.50
Culture and recreation	236.50	235.50	229.50	231.50	236.50	239.50	195.00	164.50	135.00	138.00
Water-sewer combined service	136.00	124.00	124.50	125.00	125.00	125.00	85.50	65.00	40.00	40.00
Total	<u>1,634.50</u>	<u>1,658.74</u>	<u>1,837.00</u>	<u>1,835.99</u>	<u>1,858.00</u>	<u>1,875.00</u>	<u>1,738.50</u>	<u>1,564.50</u>	<u>1,452.00</u>	<u>1,449.50</u>

* The City utilized contracted employees.

Source: City of Pembroke Pines, Florida Annual Budget.

City of Pembroke Pines, Florida

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public safety										
Police										
Number of calls answered	103,242	97,297	106,772	78,376	97,790	100,480	100,040	119,574	96,831	90,643
Felony arrests	2,875	4,171	2,064	1,564	1,068	n/a	1,295	1,354	1,164	1,074
Traffic accidents	4,222	4,803	4,980	5,192	5,125	5,152	5,058	5,038	5,002	4,878
Traffic/parking/red light citations	31,269	26,692	28,346	38,268	42,575	46,797	51,847	55,896	45,883	60,018
False alarm citations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	262	1,937
Fire/ambulance rescue										
Number of EMS calls answered	15,896	17,159	17,528	18,204	18,638	18,726	18,146	18,448	18,193	18,470
Number of fire calls answered	314	288	318	288	274	224	230	201	205	214
Building permits issued	10,140	9,171	9,457	10,991	16,996	10,837	7,110	4,835	5,267	5,611
Physical environment										
Maintained rights of ways (miles)	510	520	550	575	575	576	466	466	466	466
Landscaping and irrigation (miles)	112	120	140	155	165	165	157	160	160	160
Transportation										
Traffic guardrails installed (linear feet)	4,000	200	200	-	500	-	-	-	-	-
Sidewalks replaced (linear feet)	14,440	4,000	4,500	2,000	11,700	2,200	17,758	10,501	15,962	13,785
Curbing installed (linear feet)	5,000	5,000	1,000	500	600	143	-	1,000	-	-
Number of trips - Community Bus program	26,945	41,299	131,205	182,518	195,610	201,292	197,223	180,000	205,947	206,425
Human services										
Charter schools										
Average student class size	25	25	25	25	25	25	25	25	23	23.5
Number of students enrolled	4,189	4,600	5,172	5,194	5,289	5,295	5,426	5,499	5,537	5,628
Culture/recreation										
Number of sports leagues	38	43	49	42	51	55	39	41	41	41
Number of tennis memberships	213	215	217	233	217	137	169	174	174	167
Water-sewer combined service										
Number of water accounts	43,977	44,785	44,036	44,161	44,644	44,997	45,586	42,819	42,526	46,401
Sewer mains rehabilitated (linear feet)	12,000	27,300	11,500	9,802	2,200	12,000	4,600	5,250	5,000	4,500
Average daily consumption (millions of gallons)	11.92	12.93	13.02	12.39	12.54	12.61	11.66	11.5	12.5	11.3

Source: Various City Departments

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

City of Pembroke Pines, Florida

Capital Asset Statistics by Function

Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	365	365	365	365	365	365	365	310	308	281
Fire/ambulance rescue:										
Stations	5	6	6	6	6	6	6	6	6	6
Fire trucks / engines	10	13	13	13	13	13	9	9	9	10
Other trucks	0	0	0	0	1	1	1	1	1	2
Fire ladders	3	4	4	4	4	4	4	4	4	4
Fire rescue ambulances	9	11	11	11	11	11	12	12	12	12
Physical environment										
Water:										
Water mains (miles)	478	478	489	489	489	489	489	489	489	489
Fire hydrants	3,952	3,952	4,121	4,121	4,121	4,121	4,121	4,121	4,121	4,121
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sewer:										
Sanitary sewers (miles)	392	397	397	399	400	401.9	402	402	403	403
Storm sewers (miles)	215	215	226	226	226	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	7.69	7.69	7.69	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	444	450	460	462	460	460	479	465	465	465
Economic environment										
Senior housing units	190	190	190	584	584	584	804	804	804	804
Transitional living units	0	0	0	0	0	24	19	21	21	21
Human services										
City operated charter schools										
Elementary School	1	1	2	5	4	4	4	4	4	4
Middle School	1	1	2	3	2	2	2	2	2	2
High School	1	1	1	2	1	1	1	1	1	1
Culture/recreation										
Parks acreage	294	294	302	302	302	357	418	421	421	421
Parks	26	26	29	29	29	29	30	30	31	31
Swimming pools	7	7	8	8	8	8	7	7	6	6
Tennis courts	50	50	50	50	50	50	50	50	50	50
Recreation centers	5	5	5	5	6	6	6	6	4	4
Football/Soccer fields	12.5	12.5	12.5	12.5	15	15	19	19	19	19
Basketball courts	17	17	17	17	20.5	20.5	21.5	21.5	21.5	21.5
Playgrounds	20	20	20	20	21	19	20	20	20	20

City of Pembroke Pines, Florida

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

September 30, 2011

Property Assessed Value:

Estimated Actual Taxable Value	\$12,597,755,293
Less: Property and Personal Exemptions	(3,437,334,794)
Homestead Assessment Differential ⁽¹⁾	(666,336,890)
Nonhomestead Residential Property Differential ⁽²⁾	(256,110)
Certain Residential and Nonresidential Real Property Differential ⁽²⁾	(38,249,300)
Agricultural Differential ⁽³⁾	(34,164,750)
Pollution Control Devices Differential ⁽⁴⁾	(104,553)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(26,651,836)
Final Taxable Value	\$ 8,394,657,060

Outstanding Debt:

City's direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)	\$ 125,919,856
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Revenue Bonds:

Public Improvement Revenue Bonds, Series 2001	2,715,000
Taxable Communications Services Tax Revenue Bonds, Series 2003A	37,185,000
Taxable Communications Services Tax Revenue Bonds, Series 2004	45,910,000
Public Improvement Revenue Bonds, Series 2004A	19,665,000
Public Improvement Revenue Bonds, Series 2004B	15,610,000
Public Improvement Revenue Refunding Bonds, Series 2006	27,645,000
Capital Improvement Revenue Refunding Bonds, Series 2006	41,110,000
Capital Improvement Revenue Bonds, Series 2007	25,755,000
Charter School Revenue Bonds, Series 2008	63,195,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	8,040,000
Capital Improvement Revenue Refunding Bonds, Series 2010	8,443,200
Consolidated Utility system Revenue Bonds, Series 2010	12,300,000
Total outstanding revenue bonds	307,573,200

General Obligation Bonds:

General Obligation Bonds, Series 2005	41,135,000	
General Obligation Bonds, Series 2007	40,080,000	
Total General Obligation Bonds subject to debt limitation	81,215,000	
Total outstanding debt	388,788,200	
Less: Reserve for debt service	(9,761,467)	
Net total outstanding debt	\$ 379,026,733	
Legal debt margin		\$ 44,704,856

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

(2) Per F.S. 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year.

(3) Per F.S. 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year.

(4) Per F.S. 193.621, the reassessed value may not be greater than its market value as salvage.

City of Pembroke Pines, Florida

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

September 30, 2011
(continued)

Legal Debt Limit:

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

Debt Management Policies:

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

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

A. Target Limitations on Unlimited Tax General Obligation Indebtedness. The City shall, as a matter of policy, conduct its finances so that the amount of direct unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 1.5% of the City's total taxable assessed valuation.

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2011
(continued)

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

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

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2011
(continued)

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

Covenants:

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

Public Improvement Revenue Bonds, Series 2001

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

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

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

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

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

Public Improvement Revenue Refunding Bonds, Series 2006

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

City of Pembroke Pines, Florida

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

**September 30, 2011
(continued)**

Capital Improvement Revenue Refunding Bonds, Series 2006

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

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

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

Charter School Revenue Bonds, Series 2008

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

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008

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

Capital Improvement Revenue Refunding Bonds, Series 2010

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

Consolidated Utility System Revenue Bonds, Series 2010

Additional Parity Obligations shall be issued after the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period") adjusted as provided in Resolution No. 3287, is equal to and not less than one hundred twenty percent (120%) of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on all existing and proposed Additional Parity Obligations.

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Public Service Tax

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

			Debt Service Requirements (1)								
Fiscal Year	Pledged Revenues	%	1993 Public Improvement Revenue Bonds	1998 Public Improvement Revenue Bonds	2001 Public Improvement Revenue Bonds	2004A Public Improvement Revenue Bonds	2004B Public Improvement Revenue Bonds	2006 Public Improvement Revenue Refunding Bonds	Total	Coverage	
	(2)	Change	(3)	(4)		(5)	(5)	(5) (6)			
2002	\$ 7,334,212	6.7%	\$ 3,027,475	\$ 1,134,175	\$ 424,143	\$ -	\$ -	\$ -	\$ 4,585,793	1.60	
2003	7,647,870	4.3%	2,424,125	1,134,175	903,500	-	-	-	4,461,800	1.71	
2004	7,612,895	-0.5%	-	1,889,160	1,547,038	-	-	-	3,436,198	2.22	
2005	7,931,137	4.2%	-	1,893,045	1,538,850	838,565	541,067	-	4,811,527	1.65	
2006	8,084,904	1.9%	-	1,890,245	1,539,963	928,873	757,915	-	5,116,996	1.58	
2007	8,093,581	0.1%	-	1,428,608	1,254,775	928,873	757,915	456,050	4,826,221	1.68	
2008	8,220,016	1.6%	-	959,545	973,625	928,873	757,915	1,382,850	5,002,808	1.64	
2009	8,124,202	-1.2%	-	960,210	970,000	928,873	757,915	1,382,250	4,999,248	1.63	
2010	8,840,661	8.8%	-	-	963,500	928,873	757,915	2,351,850	5,002,138	1.77	
2011	8,788,593	-0.6%	-	-	965,800	1,396,748	1,116,528	2,345,950	5,825,026	1.51	

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 8,788,593
Combined Maximum Annual Debt Service (7)	5,819,799
Coverage	1.51

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

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Franchise Fees

Public Improvement Refunding Revenue Bonds, Series 1992; Capital Improvement Revenue Bonds, Series 1993;
 Capital Improvement Revenue Bonds, Series 1999;
 Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center);
 Capital Improvement Revenue Refunding Bonds, Series 2006;
 Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007; and
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008
 Capital Improvement Revenue Refunding Bonds, Series 2010;

Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1992	1993	1999	2005	2006	2007	2008	2010	Total	Coverage
			Public Improvement Refunding Revenue Bonds (3)	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds	Variable Rate Capital Imp. Revenue Bonds (4) (5)	Capital Improvement Revenue Refunding Bonds (4) (6)	Capital Improvement Revenue Bonds (4)	Variable Rate Capital Imp. Revenue Refunding Bonds (4)	Capital Improvement Revenue Refunding Bonds (4)		
2002	\$ 5,902,581	-3.7%	\$ 506,673	\$ 520,943	\$ 2,588,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,616,539	1.63
2003	6,509,589	10.3%	504,210	523,457	2,587,727	-	-	-	-	-	3,615,394	1.80
2004	7,001,743	7.6%	-	520,357	3,095,926	-	-	-	-	-	3,616,283	1.94
2005	7,448,243	6.4%	-	521,683	3,098,253	112,667	-	-	-	-	3,732,603	2.00
2006	8,958,121	20.3%	-	363,585	3,093,400	251,486	-	-	-	-	3,708,471	2.42
2007	9,184,098	2.5%	-	-	2,394,515	287,439	984,856	427,377	-	-	4,094,187	2.24
2008	9,176,429	-0.1%	-	-	1,692,750	303,076	2,425,412	1,211,462	16,638	-	5,649,338	1.62
2009	9,208,118	0.3%	-	-	1,694,340	-	2,416,613	1,211,463	141,053	-	5,463,469	1.69
2010	8,401,468	-8.8%	-	-	752,820	-	3,372,712	1,716,163	41,359	-	5,883,054	1.43
2011	8,339,055	-0.7%	-	-	-	-	3,372,713	1,715,163	57,560	434,932	5,580,368	1.49

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 8,339,055
Combined Maximum Annual Debt Service (7)	6,188,275
Maximum Debt Service Coverage	1.35

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

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

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

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

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

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

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

The 2008 Variable Rate Capital Improvement Revenue Refunding Bonds' maximum annual debt service was based on the five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10, which was 2.0079%.

(8) A portion was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2006, and the outstanding balance was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2010.

City of Pembroke Pines, Florida

Debt Service Coverage - Charter School Revenues (1)

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

Fiscal Year	Pledged Revenues (3)	% Change	Debt Service Requirements (2)			Total	Coverage
			2001A Charter School Revenue Bonds (4) (5)	2001B Charter School Revenue Bonds (4) (5)	2008 Charter School Revenue Bonds (4)		
2002	\$17,321,219	N/A	\$ -	\$ -	\$ -	\$ -	N/A
2003	27,573,569	59.2%	1,730,664	758,271	-	2,488,935	11.08
2004	34,035,981	23.4%	1,534,578	1,126,843	-	2,661,421	12.79
2005	36,922,829	8.5%	2,126,479	1,456,492	-	3,582,971	10.31
2006	38,008,056	2.9%	2,123,846	1,455,023	-	3,578,869	10.62
2007	43,925,966	15.6%	2,123,519	1,461,287	-	3,584,806	12.25
2008	48,332,426	10.0%	2,120,934	1,455,183	430,449	4,006,566	12.06
2009	46,318,931	-4.2%	-	-	2,641,369	2,641,369	17.54
2010	45,749,766	-1.2%	-	-	3,008,780	3,008,780	15.21
2011	48,459,697	5.9%	-	-	3,134,899	3,134,899	15.46

Coverage of Estimated Combined Maximum Annual Debt Service:

Total pledged revenues for the most recent fiscal year.	\$48,459,697
Combined Maximum Annual Debt Service (6)	5,760,036
Maximum Debt Service Coverage	8.41

- (1) This schedule is based on the Charter Schools' fiscal year which is July 1 through June 30.
- (2) Excludes paying agent fees; includes variable rate bond fees and SWAP settlements.
- (3) Pledged revenues consist of total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds.
- (4) No statistics are available prior to the year of bond issuance.
- (5) Refunded by the Charter School Revenue Bonds, Series 2008.
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year. The 2008 Charter School Revenue Bonds' maximum annual debt service was based on 1.05% which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10, which was 0.16% + the 0.89% Direct Purchase spread to the bondholder for a three year term from May 17, 2011.

City of Pembroke Pines, Florida

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

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

Fiscal Year	Pledged Revenues	%	Debt Service Requirements (1)			
			2003A Taxable Communications Services Tax Revenue Bonds	2004 Taxable Communications Services Tax Revenue Bonds	Total	Coverage
	(2)	Change	(3)	(3)		
2004	\$7,787,772	N/A	\$ 1,086,099	\$ -	\$ 1,086,099	7.17
2005	8,040,474	3.2%	2,384,120	2,448,656	4,832,776	1.66
2006	8,431,668	4.9%	2,384,120	2,448,656	4,832,776	1.74
2007	8,469,829	0.5%	2,384,120	2,849,100	5,233,220	1.62
2008	8,854,262	4.5%	2,995,314	2,848,838	5,844,152	1.52
2009	10,200,595	15.2%	2,991,658	3,436,475	6,428,133	1.59
2010	9,388,292	-8.0%	2,990,764	3,436,269	6,427,033	1.46
2011	9,189,255	-2.1%	2,992,332	3,432,188	6,424,520	1.43

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$ 9,189,255
Combined Maximum Annual Debt Service (4)	6,420,170
Maximum Debt Service Coverage	1.43

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues is greater than or equal to 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2011, Communications Services Tax revenues was 1.15 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and was less than the 1.30 required coverage ratio.
- (3) No statistics are available prior to the year of bond issuance.
- (4) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

City of Pembroke Pines, Florida

Debt Service Coverage - Net Revenues of the Consolidated Utility System

Consolidated Utility System Revenue Bonds, Series 2010

Debt Service Requirement and
Reserve for Renewal, Replacement, and Improvement
(RR & I) Requirement

<u>Fiscal Year</u>	<u>Pledged Revenues</u>	<u>% Change</u>	<u>Debt Service Requirement</u>	<u>Reserve for Renewal, Replacement, and Improvement (RR & I) Requirement</u>	<u>Total Requirement</u>	<u>Debt Service Coverage</u>	<u>Debt Service and RR&I Coverage</u>
(2)	(1)		(3)				
2011	\$7,458,921	N/A	\$ 391,080	\$ 1,593,554	\$1,984,634	19.07	3.76

Coverage of Estimated Combined Maximum Annual Debt Service:

Net Revenues of the Consolidated Utility System - Most Recent Fiscal Year	\$7,458,921
Maximum Annual Debt Service (3)	1,059,355
Maximum Debt Service Coverage	7.04

(1) Pledged revenues consist of net revenues of the Consolidated Utility System.

(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details.)

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

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

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2011

Governmental Activities															Business-type Activities	Total Primary Government
Type of Bonds	Police Annex, Parks & Other Improvements	Firefighters Pension	Police Officers & General Employees Pension	Senior Housing Project Tower 1	Senior Project Tower 2	Housing Projects & Refunding	Capital Refunding	Refunding	Various Capital Projects & Refunding	Senior Housing Project Tower 3	Various Capital Projects	Refunding & New Charter School Projects	Refunding Susan B. Anthony Center 2005 Bonds	Refunding	Consolidated Utility System Project	
Revenue	Public Improv.	Taxable Comm. Services Tax	Taxable Comm. Services Tax	Public Improv.	Public Improv.			Public Improv. Refunding	Capital Improv. Refunding	Capital Improv.		Charter School	Variable Rate Cap Improv. Refunding	Capital Improv. Refunding	Consolidated Utility System	
General Obligation						General Obligation					General Obligation	*	**			
Fiscal Y/E Sep 30	Series 2001	Series 2003A	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2006	Series 2006	Series 2007	Series 2007	Series 2008	Series 2008	Series 2010	Series 2010	Total Debt Service/ Principal	
2012	\$ 966,265	\$ 2,991,214	\$ 3,428,956	\$ 1,391,741	\$ 1,113,343	\$ 2,794,252	\$ 2,348,450	\$ 3,370,312	\$ 1,713,362	\$ 2,680,988	\$ 968,535	\$ 91,480	\$ 701,192	\$ 1,024,769	\$ 25,584,859	
2013	964,425	2,987,409	3,426,181	1,390,110	1,114,136	2,794,438	2,349,150	3,365,513	1,715,663	2,681,787	758,382	161,435	705,714	1,059,355	25,473,698	
2014	960,210	2,985,768	3,423,431	1,391,610	1,113,879	2,797,377	2,348,050	3,373,012	1,716,962	2,680,075	757,338	161,435	704,418	1,058,950	25,472,515	
2015	-	2,985,994	3,426,731	1,391,397	1,112,423	2,797,828	3,294,550	3,370,675	1,717,263	2,678,075	756,294	309,929	702,021	1,058,530	25,601,710	
2016	-	2,982,935	3,420,763	1,389,735	1,109,678	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	757,073	311,867	703,538	1,058,096	25,583,392	
2017	-	2,981,445	3,420,331	1,391,835	1,110,760	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	756,028	323,604	703,784	1,057,647	25,599,467	
2018	-	2,981,222	3,416,813	1,387,732	1,110,587	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	760,426	330,091	707,676	1,057,182	25,601,024	
2019	-	2,977,119	3,415,088	1,386,942	1,109,059	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	752,100	336,376	705,234	1,056,701	25,584,483	
2020	-	2,978,838	3,414,919	1,389,365	1,110,701	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	749,244	342,461	706,283	1,056,203	25,590,108	
2021	-	2,976,078	3,412,881	1,384,763	1,105,656	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	751,823	343,395	706,141	1,055,687	25,578,395	
2022	-	2,973,692	3,408,578	1,383,263	1,109,294	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	750,773	359,078	708,345	1,055,153	25,592,708	
2023	-	2,971,381	3,404,791	1,384,831	1,106,253	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	1,882,808	369,409	708,938	1,054,601	26,723,695	
2024	-	2,963,995	3,406,134	1,383,844	1,106,125	2,796,707	-	3,366,363	1,713,100	2,678,875	2,157,720	374,490	707,946	1,054,029	23,709,328	
2025	-	2,966,088	3,397,481	1,380,725	1,104,125	2,795,945	-	3,250,153	1,716,300	2,680,650	2,026,736	384,319	827,893	1,053,438	23,583,853	
2026	-	2,962,210	3,397,212	1,379,750	1,105,500	2,797,208	-	3,249,963	1,717,287	2,679,500	2,061,926	393,848	827,123	1,052,826	23,624,353	
2027	-	2,957,212	3,389,875	1,380,625	1,105,125	2,795,282	-	3,245,028	1,716,038	2,680,425	3,575,603	398,125	829,084	-	24,072,422	
2028	-	2,955,648	3,386,500	1,379,250	1,103,000	2,795,170	-	1,148,687	1,713,375	2,683,200	4,692,437	417,052	-	-	22,274,319	
2029	-	2,952,069	3,386,563	1,375,625	1,099,125	2,796,745	-	1,142,569	1,713,750	2,683,400	4,822,476	430,526	-	-	22,402,848	
2030	-	2,946,177	3,384,669	1,374,625	1,098,375	2,799,270	-	1,144,750	1,716,250	2,679,800	4,936,315	438,649	-	-	22,518,880	
2031	-	2,942,524	3,380,556	1,376,000	1,100,500	2,797,520	-	1,140,125	1,715,750	2,682,400	5,049,304	456,370	-	-	22,641,049	
2032	-	2,935,662	3,378,831	1,374,625	1,095,500	2,796,495	-	1,138,694	1,717,125	2,680,725	4,876,126	468,640	-	-	22,462,423	
2033	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-	1,715,250	2,679,775	4,999,515	480,508	-	-	21,448,717	
2034	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-	1,715,000	2,684,313	5,140,327	496,924	-	-	21,590,287	
2035	-	-	-	1,368,375	1,091,625	2,795,375	-	-	1,716,125	2,683,863	5,305,130	512,838	-	-	15,473,331	
2036	-	-	-	-	-	-	-	-	1,713,500	5,478,425	5,463,641	533,200	-	-	13,188,766	
2037	-	-	-	-	-	-	-	-	1,716,875	-	5,628,399	552,960	-	-	7,898,234	
2038	-	-	-	-	-	-	-	-	-	-	5,805,356	567,168	-	-	6,372,524	
2039	-	-	-	-	-	-	-	-	-	-	585,823	-	-	-	585,823	
Total debt service	\$ 2,890,900	\$ 68,219,597	\$ 78,267,484	\$ 33,175,768	\$ 26,526,644	\$ 67,110,947	\$ 36,638,825	\$ 59,238,557	\$ 44,595,019	\$ 69,827,138	\$ 76,941,835	\$ 10,932,000	\$ 11,655,330	\$ 15,813,167	\$ 601,833,211	
Principal outstanding FY 2011	\$ 2,715,000	\$ 37,185,000	\$ 45,910,000	\$ 19,665,000	\$ 15,610,000	\$ 41,135,000	\$ 27,645,000	\$ 41,110,000	\$ 25,755,000	\$ 40,080,000	\$ 63,195,000	\$ 8,040,000	\$ 8,443,200	\$ 12,300,000	\$ 388,788,200	

* Based on the 1.05% interest rate which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10, which was 0.16% + the 0.89% Direct Purchase spread to the bondholder for a three year term from May 17, 2011.

** Based on the 2.0079% five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10.

City of Pembroke Pines, Florida
SCHEDULE OF INSURANCE IN FORCE - FISCAL YEAR ENDED SEPTEMBER 30, 2011

<u>Current Provider</u>	<u>Policy Number</u>	<u>Effective Dates</u>	<u>Description of Coverages or Services</u>	<u>Limits</u>	<u>Annual Premiums/Fees</u>
Hartford Life and Accident Ins. Co.	21ETB-012917	10/01/11-10/01/12	Police & Firefighters Accidental Death & Dismemberment 3-year Policy	\$59,694 in the line of duty or fresh pursuit; \$179,083 unlawful and intentional death	\$13,497
Zurich-American Insurance Co	BM596972101	10/01/11-10/01/12	Equipment Breakdown-Boiler & Mach	\$50,000,000 limit; \$1,000 deductible	11,930
Zurich-American Insurance Co	BM596972201	10/01/11-10/01/12	Equipment Breakdown-covers only the W.C. Young Human Resource Center	\$50,000,000 limit; \$1,000 deductible	886
Illinois Union Insurance	PEPG19851345002	10/01/11-10/01/12	Comprehensive General Liability - 3rd Party Liab.;Auto Liab.;Work.Comp.; Empl. Benefits Liab.-Claims Made; Crime - Money & Securities, Deposits Forgery and Employee Dishonesty	Limit \$850,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work.Comp.& Employer Liab. \$150,000 Excess \$350,000 SIR per occurrence; Police & Fire \$250,000 Excess \$350,000 per occur; \$1,850,000 annual aggregate excess the SIR	374,318
Florida Division of Workers' Comp.	-	10/01/11-10/01/12	Workers' Compensation	State Self-Insurer Annual Assessment	23,636
Florida Municipal Insurance Trust	FMIT # 0470	10/01/11-10/01/12	Buildings and Personal Property	\$25,000 deduct. \$259.5MM bldg; \$17.7MM pers. Stoploss \$1,031,991 on property & \$75,000 autos. Total loss limitation of \$100MM on real property	1,444,335
Florida Municipal Insurance Trust	FMIT # 0470	prior years	Buildings and Personal Property	Returned premiums from audits on prior years.	(453,512)
Gallagher Bassett Services, Inc	1000900117	10/1/11-10/01/12	Service & Consulting Fees and Costs	Prior years actual claims filed over deposit est.- \$9,228; Annual Contract Service Fees-\$162,819	210,000
New York Marine & Gen. Ins. Co.	MW100585	10/1/11-10/01/12	Excess Workers' Compensation and Employers Liability Indemnity	\$1,000,000 each accident;\$1,000,000 employee liab.& \$500K-\$600K retention each occurrence \$1,000,000 annual maximum limit of indemnity	231,751
Travelers Casualty & Surety Company	105688499	10/1/11-09/30/12	Public Employees Dishonesty, including Faithful Performance	\$2,400,000 Limit per Loss,Excess \$100,000 Ded., \$75,000 Excess, \$25,000 Self Insured Retention	5,622
Travelers Casualty & Surety Company	104038463	3/1/11-3/01/12	Crime policy for Charles F.Dodge,LLC	\$50K ea.City Mgr.& Asst.City Mgr;\$5K ea.ded.	831
The Hartford Insurance Co. of the SE	21BSBFF8821	12/10/10-12/10/11	Public Officials Surety Bond	\$100,000 Limit - Covers Finance Director	340
American Bankers Insurance Co.	MAY10FLOOD8OR	5/16/11-5/16/12	Flood - Various City locations	Limits/premiums vary for each location. Deductibles on each-\$500 bldg. & \$500 contents	24,074
National Fire & Marine Insurance Co.	72LPS009760	10/01/11-10/01/12	Liability - Six Special Use Facilities	\$1MM/occurrence;\$2MM/aggregate-\$1,000 ded.	8,288
United Medical Resources (UMR)	Group No. 100001	10/1/11-9/30/12	Administrative fees / stop loss broker	-	662,000
United Medical Resources (UMR)	Group No. 100001	10/1/11-9/30/12	EPO/ PPO - Reinsurance carrier is Combined Insurance Co. of America	Individual max. \$250,000; Max. City exposure for annual loss per employee is \$12,036	448,000
Life Insurance - the Guardian	470452	10/1/11-9/30/12	Employees life insurance and AD&D	1 x base annual salary-maximum \$100,000	256,000
Commerce and Industry Insurance Co.	FPL808464409	11/26/10-11/26/11	40 Fuel Storage Tanks- 3rd-Party Liab.	\$2MM each / \$2MM aggregate; \$25,000 ded.	13,538
Mt. Hawley Insurance Company	MGL0171972	6/25/11-6/25/12	General Liability-Walter C. Young Resource Center and the Southwest Regional Library at Academic Village	\$2,000,000 General Aggregate; \$1,000,000 each occurrence; \$1,000 deductible each claim (*net of \$4,984 paid by County & School Board)	8,963
National Union Fire Ins.of Pittsburgh	CSH0006991	9/2/11-9/1/12	Youth Soccer Accidental Death&Dism	\$500,000 Medical Maximum; \$10,000 death/dism.	5,909
Lloyd's of London	J117347	10/01/11-10/01/12	Terrorism - Property	\$5,000,000 Limit / Excess / ded . \$100,000	15,150
Lloyd's of London	J117347	10/01/11-10/01/12	Terrorism - General Liability	\$5MM / \$10MM Limit / Excess / ded. \$25,000	9,174
Florida Dept. of Children & Families	Agreement with State of Florida	10/01/11-10/01/12	Fire Insurance and Fire Safety Inspection Fees - Forman Health Park	Buildings' actual cash value as determined by Florida - replacement cost less depreciator	27,147
Special Purpose Policies & Services	Various	Various	Cobra adm.fees; Professional Liability; Hazardous Cleanup; Other Post-Employment Benefits Actuary Services	Premiums:Cobra Fees - \$2000; Dive Team Instructor - \$588; OPEB Actuary Services-\$18,500	21,088
Westchester Fire Insurance Company	DONG23642360004	04/01/11-10/01/12	Employee Theft	Limit \$75,000 Ded. \$25,000	1,739

**City of Pembroke Pines, Florida
School Enrollment**

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
College/University: (1)										
Broward College										
Pines Center -Academic Village	1,188	1,288	1,350	1,701	2,610	2,591	1,451	2,369	2,028	2,120
South Campus	8,290	8,913	8,854	9,068	9,938	9,489	12,259	14,267	13,895	13,768
Florida International University - Pines Center	-	-	-	-	-	-	-	1,827	1,602	1,482
Total College/University Enrollment	<u>9,478</u>	<u>10,201</u>	<u>10,204</u>	<u>10,769</u>	<u>12,548</u>	<u>12,080</u>	<u>13,710</u>	<u>18,463</u>	<u>17,525</u>	<u>17,370</u>
High Schools: (2)										
Pembroke Pines Charter High School	1,214	1,608	1,578	1,591	1,691	1,703	1,716	1,695	1,721	1,738
Flanagan	5,401	3,701	3,267	3,146	3,063	3,172	3,100	3,212	3,241	3,164
Somerset Academy Charter High School	-	-	305	477	542	593	552	602	708	751
West Broward High School	-	-	-	-	-	-	1,926	2,561	2,695	2,777
Somerset Conservatory	-	-	-	-	-	-	-	-	-	91
Total High School Enrollment	<u>6,615</u>	<u>5,309</u>	<u>5,150</u>	<u>5,214</u>	<u>5,296</u>	<u>5,468</u>	<u>7,294</u>	<u>8,070</u>	<u>8,365</u>	<u>8,521</u>
Middle Schools: (2)										
Pines Middle School	1,423	1,452	1,487	1,463	1,343	1,461	1,542	1,655	1,754	1,519
Silver Trail Middle	2,329	2,423	1,555	1,695	1,785	1,745	1,756	1,695	1,666	1,474
Walter C. Young	1,487	1,841	1,885	1,899	1,874	1,945	1,853	1,707	1,488	1,405
Somerset Academy Charter Middle School	-	-	620	661	654	604	608	693	798	835
Pembroke Pines Charter Middle School (West/Central)	1,189	1,192	1,099	1,204	1,198	1,199	1,203	1,218	1,239	1,287
Franklin Academy	-	-	-	-	-	-	-	-	-	419
Total Middle School Enrollment	<u>6,428</u>	<u>6,908</u>	<u>6,646</u>	<u>6,922</u>	<u>6,854</u>	<u>6,954</u>	<u>6,962</u>	<u>6,968</u>	<u>6,945</u>	<u>6,939</u>
Elementary Schools: (2)										
Pembroke Pines	844	850	816	803	664	690	653	617	613	594
Pembroke Lakes	858	841	861	854	772	730	720	737	690	622
Pines Lakes	965	1,020	1,058	965	837	853	823	820	795	733
Pasadena Lakes	914	881	843	837	818	725	722	725	763	719
Palm Cove	1,087	1,124	1,136	1,154	1,031	961	908	926	926	857
Chapel Trail	1,410	1,309	1,270	1,231	1,153	1,043	1,026	948	927	810
Silver Palms	1,434	1,169	1,081	1,067	1,014	912	915	874	816	669
Panther Run	986	952	982	940	791	780	726	724	686	620
Lakeside	1,196	1,049	1,057	1,024	958	885	875	858	858	835
Somerset Academy Charter Elementary	-	-	875	932	899	825	801	831	861	886
Pembroke Pines Charter Elem (East/West/Central)	1,786	1,800	1,895	1,799	1,800	1,793	1,872	1,930	1,926	1,924
Pembroke Pines/FSU Charter Elementary	-	-	610	615	610	620	610	650	655	678
Dolphin Bay Elementary(3)	-	-	-	402	-	-	-	-	-	-
Franklin Academy	-	-	-	-	-	-	-	-	-	792
Kidz Choice Charter	-	-	-	-	-	-	-	-	-	124
Charter School of Excellence @ Davie 2	-	-	-	-	-	-	-	-	-	155
Total Elementary School Enrollment	<u>11,480</u>	<u>10,995</u>	<u>12,484</u>	<u>12,623</u>	<u>11,347</u>	<u>10,817</u>	<u>10,651</u>	<u>10,640</u>	<u>10,516</u>	<u>11,018</u>

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

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

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

City of Pembroke Pines, Florida

Property Value and Construction (1)

Last Ten Fiscal Years

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>		
2002	10,140	9,117	\$ 45,421,312	1,005	\$ 152,912,991	18	\$ 9,069,036	\$ 207,403,339	\$ 7,579,681,777
2003	9,170	8,792	54,660,725	361	40,571,126	17	14,659,667	109,891,518	8,678,811,181
2004	9,457	8,939	52,063,598	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583
2005	10,991	10,761	73,078,888	214	17,326,438	16	26,553,469	116,958,795	11,606,680,186
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817
2008	7,411	7,365	95,057,849	27	1,939,720	19	42,172,649	139,170,218	19,252,698,267
2009	6,318	6,289	62,524,850	24	2,106,616	5	4,331,001	68,962,467	17,848,661,534
2010	5,274	5,205	64,069,445	66	6,585,866	3	2,409,185	73,064,496	14,727,213,419
2011	6,939	6,662	37,295,528	202	18,600,807	75	265,336,362	321,232,697	12,597,755,293

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

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

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

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 8th largest in the country with an estimated population of 5.7 million. The population of Pembroke Pines is currently estimated at 154,889 which is the second largest city in Broward County and the tenth largest city in Florida. During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25-square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area as well as a major cruise ship port. South of the City is the City of Miramar with its notable Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of five senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The Opa-locka Airport, a full Fixed-Base Operator (FBO) service Executive Airport located in North Miami-Dade County is about a 30-minute drive south of the City. Other full service FBOs include the Boca Raton Airport which is about a one hour drive northeast of Pembroke Pines, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in Pembroke Pines by the U. S. Navy in 1943 as a World War II training field, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into the Atlantic Ocean beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of approximately 460 miles of paved and signalized roadways, in addition to bike paths and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa via the Alligator Alley which crosses the Florida peninsula connecting the Atlantic Ocean east coast with the Gulf of Mexico west coast. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

City of Pembroke Pines, Florida

General Information

Parks & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the five recreation centers. Programs include such diverse activities as art, music, baseball, softball, football, volleyball, basketball, swimming, tennis, soccer, roller-hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing.

Located throughout the City are 31 fully developed recreation facilities covering more than 975 acres. In addition, three public golf courses are located within the City besides the City-owned and renovated 18-hole Pembroke Lakes Golf and Racquet Club. The other three are the Hollybrook Golf and Tennis Club, the Flamingo Lakes Country Club located in Century Village at Pembroke Pines, and the Grand Palms Golf and Country Club Resort. In August 2002, the City purchased 57 acres in western Pembroke Pines which has been developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. Cultural arts programs are available at the City's River of Grass ArtsPark and the Fletcher Art and Cultural Center. A number of the residential developments in the community are also served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. The park hosts 20,000 visitors every year who attend the annual KISS Country 99.9 FM's Chili Cook-off and Concert. Of special interest to the public is the City-owned Chapel Trail Nature Preserve consisting of 459 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

Medical Facilities

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

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

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

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University, two charter middle schools and one charter high school that serve approximately 5,627 students. Of this total, the FSU charter school students include 678 in elementary school; the other three elementary schools have 1,924 students; the two middle schools 1,287 students; and the high school 1,738 students. These facilities offer smaller class sizes, and complement the already existing public education

City of Pembroke Pines, Florida

General Information

system provided through the Broward County School Board. In addition to the City's charter schools, within the City are fourteen elementary schools, seven middle schools and six other high schools. This also includes Somerset Academy, a charter school system operated by Academica Corp. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

In addition to this, the City also offers post-secondary as well as post-graduate education. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus. The Academic Village is a unique multi-building facility located on Sheridan Street west of Interstate 75, and also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs. The campus of the Venezuelan-administered Jose Maria Vargas University is located in the Senator Howard C. Forman Human Services Campus. Keiser College also operates its Pembroke Pines branch campus with a 30,000-square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City. Two schools in the nearby adjacent City of Miramar are DeVry University which offers a variety of Certificate Programs, Associate, Bachelor and Master's Degrees; and a branch of the Puerto Rican Ana G.Mendez University, a private school that serves bilingual students in a 30,000-square foot building at the Miramar Park of Commerce just south of Pembroke Pines.

The City is served by three County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Arts and Culture

The City promotes arts and cultural activities for its citizens. The City maintains a Glass Gallery in the City Hall lobby programming public art exhibitions of local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board and often include special opening exhibit programs accompanied by music and dance performances. An Artists' Colony complex has been developed through the renovation of an existing structure located in the Senator Howard C. Forman Human Services Campus. The facility named *Studio 18 in the Pines* contains rental studios and gallery space consisting of 18 inside studios, 5 outside studios, a jewelry studio and a ceramics studio. The City also provides space for theatrical performances at the *Susan B. Katz Memorial Auditorium*, a 450-seat auditorium located in the Academic Village for the *Pembroke Pines Theatre of the Performing Arts* - a local theatrical group that stages numerous outstanding performances, including Broadway musicals. Special events are provided to the City's residents through the Parks & Recreation Department and include annual events such as *Kids Konnection*; the *Art Festival in the Pines* which is conducted in the River of Grass Arts Park; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year. The Pembroke Pines Historical Museum is located in the Village Community Center on the City's east side, and has opened a new and expanding World War II exhibit. Artifacts are displayed from donations by the City's Second World War veterans, and from two archeology digs on the City's North Perry Airport which served as an outlying field of the Miami Naval Air Station from 1943 until 1945. Each year, the city underwrites nine free outdoor jazz performances that feature local jazz musicians. It also hosts an annual, two-day, outdoor arts celebration that features the work of nearly 100 artists and attracts more than 15,000 visitors each year.

Communications

All principal television networks are received within the City with broadcast stations in Boynton Beach, Fort Lauderdale, Hollywood, Miami, Miramar, Palm Beach Gardens, and West Palm Beach. Cable television is provided to the entire City by Comcast and BellSouth Entertainment, Inc. The City has its

City of Pembroke Pines, Florida

General Information

own informational cable channel that televises all Commission meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, www.ppines.com. On the web site, information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual and monthly financial statements are available.

Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores, including Dillard's, JCPenney, Macy's and Sears plus approximately 135 more stores and restaurants. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex contains approximately 70 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities. The City is the executive office headquarters for Claire's Stores, Inc., an international retail chain which owns, franchises or joint ventures approximately 3,369 stores selling costume jewelry and fashion accessories. Pembroke Pines is also the administrative headquarters for Decorator Industries, Inc., a publicly-held Corporation (Amex: DII) who designs, manufactures and sells various interior furnishings to the recreational vehicle, manufactured housing and hospitality industries. The company has six manufacturing plants and approximately 275 employees across the United States.

The dynamics of the growth of commercial and residential activities in Pembroke Pines and its surrounding area has resulted in at least seven hotels offering a variety of hospitality suites. Within the City is the Grand Palms Golf and Country Club Resort at Pines Boulevard just west of Interstate I-75 offering upscale lodgings, as well as the Hampton Inn Hotel just east of Interstate I-75 and Sheridan and the adjacent newly-built all-suite Holiday Inn Express Hotel & Suites. Just to the south, east of Interstate I-75 at Miramar Parkway in adjacent Miramar, are the Courtyard by Marriott, the Residence Inn by Marriott, the Hilton Garden Inn and the Wingate by Wyndham.

Awards and Acknowledgments

Throughout the years, the City of Pembroke Pines has received numerous awards, and accolades. Below is a list and brief description of some of these noteworthy achievements:

- ◇ **2002 – Charter Schools accredited** by the Southern Association of Colleges and Schools
- ◇ **2002 - Finalist - Harvard University Innovations In American Government.**
- ◇ **2004 - National Civic League's All-America City Award** – Academic Village, Senior Center & Youth Programs
- ◇ **2004** – Named Best Integrated City by the Associated Press.
- ◇ **2004 - Florida League of Cities' Innovations Showcase Award** – Pembroke Pines Charter School System
- ◇ **2004 - Distinguished Budget Presentation Award** to Pembroke Pines Charter School System for FY beginning July 1, 2004 by the Government Finance Officers Association.
- ◇ **2005 - US Conference of Mayors' Outstanding Achievement Award** – Pembroke Pines Charter School System.
- ◇ **2005 –Excellence Award** for Category II cities (150,000-199,000) from the Florida Recreation & Parks Association.
- ◇ **2005 - America's Promise, the Alliance for Youth 100 Best Communities Award** for Young People.

City of Pembroke Pines, Florida

General Information

- ◇ **2006** – Named to *Money/CNN* listing of “**Best Places to Live**” in America (one of only four Florida communities).
- ◇ **2006** – **City of Excellence Award, Mayor of the Year, City Spirit Award (Senior Affordable Housing & Services), City Finance Official of the Year** by the Florida League of Cities.
- ◇ **2007** – **Charter School of the Year** by the Center for Education Reform.
- ◇ **2007** – **City Employee of the Year**, by the Florida League of Cities.
- ◇ **2007** – **Municipal Excellence Silver Award** - Senior Solutions: Comprehensive Services & Affordable Housing for Seniors by the National League of Cities.
- ◇ **2007** – **NatureScape Emerald Special Achievement Award** from the Broward County Environmental Protection and Growth Management Department.
- ◇ **2009** – ***BusinessWeek’s Best Places in the United States to Raise Your Kids – Ranked #1 in Florida***, based on school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.
- ◇ **2009** - **Gold Seal of Excellence** - Pembroke Pines Charter Elementary School West Campus by the Florida Consortium of Public Charter Schools– for student academic achievement and meeting rigorous and comprehensive operations criteria, including parent involvement, staff retention, compliance, financial management and governing board performance.
- ◇ **2009** - **Broward County Disability Awareness Award** – Miracle League Baseball Field & Program. Children and young adults with disabilities play baseball, regardless of their abilities, at the Price Park Miracle League Field. The synthetic turf field accommodates wheelchairs and other assistive devices and Price Park has adapted restrooms and fencing.
- ◇ **2009** – **Blue Ribbon School** designation, awarded to Pembroke Pines Charter Middle School by the U.S Department of Education. For 27 years, Blue Ribbon Schools’ have been recognized for their stellar test scores and large strides in the classroom.
- ◇ **2010** – **Florida Communities for a Lifetime** - a statewide initiative that assists Florida cities, towns and counties in planning and implementing improvements that benefit their residents, youthful or elder. The Communities for a Lifetime Bureau is comprised of the following focus areas: Housing, Transportation, Employment, Health and Wellness, Volunteerism, and Intergenerational Programs.
- ◇ **2010** – **Finalist for the 2010 Awards for Municipal Excellence** by the National League of Cities (NLC). The NLC selects 40 city programs from across the country as finalists. The City was selected for its revitalization efforts at the Senator Howard C. Forman Human Services Campus. The various projects are a result of innovative public-private partnerships involving the City, the State, for-profit and non-profit agencies.
- ◇ **2010** – ***BusinessWeek’s Best Places in the United States to Raise Your Kids – Ranked #1 in Florida***, based on school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.

City of Pembroke Pines, Florida

General Information

- ◇ **2012 – On January 19, 2012, the City of Pembroke Pines received three awards** from the Aging & Disability Resource Center of Broward County (ADRC). Jay Shechter, Director of Community Services and Housing was awarded the Project Personality of the Year, the City of Pembroke Pines, received the 30-year Full Fair Share Contribution award, and City Attorney Samuel S. Goren Esq., was named the volunteer of the year.
- ◇ **2012 – Mayor Frank Ortis received the Public Leadership in the Arts Award** from the U.S. Conference of Mayors and Americans for the Arts, America's leading nonprofit organization for advancing the arts and arts education.

IV. COMPLIANCE SECTION



City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2011

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant 2005	14.218	B05MC120040	\$ 1,030,251	\$ 19,132
Community Development Block Grant 2006	14.218	B06MC120040	925,720	69,789
Community Development Block Grant 2007	14.218	B07MC120040	920,848	124,184
Community Development Block Grant 2008	14.218	B08MC120040	883,925	52,935
Community Development Block Grant 2009	14.218	B09MC120040	884,500	232,136
Community Development Block Grant 2010	14.218	B10MC120040	951,210	609,541
ARRA -Community Development Block Grant 2009	14.218	B09MY120040	240,099	20,430
Neighborhood Stabilization Program (NSP2008)	14.218	B-08-MN-12-0022	4,398,575	1,525,793
Neighborhood Stabilization Program (NSP2010)	14.218	B-11-MN-12-0022	2,330,542	244,560
Sub-total	14.218			<u>2,898,500</u>
Pass-Through Broward County				
HOME Investment Partnerships Program 2007	14.239	N/A	218,420	155
HOME Investment Partnerships Program 2009	14.239	N/A	244,300	28,667
HOME Investment Partnerships Program 2010	14.239	N/A	244,300	3,975
Sub-total	14.239			<u>32,797</u>
Community Development Block Grant Disaster Recovery Initiative Supplemental	14.228	08DB-03-11-16-01-A06	464,101	46
Sub-total	14.228			<u>46</u>
Total U.S. Department of Housing and Urban Development				<u>2,931,343</u>
U.S. Department of Justice				
Bulletproof Vest Partnership Program (BVP) 2010	16.607	2010-BO-BX-1005-1434	11,120	6,613
Pass-Through the Office of the Attorney General				
Victim of Crime Act Grant (VOCA) 2010	16.575	V10036	17,918	17,875
Pass-Through Broward County Sheriff's Office				
Byrne Justice Assistance Grant 2009	16.738	2009-DJ-BX-1425	35,984	3,036
Byrne Justice Assistance Grant 2010	16.738	2010-DJ-BX-0414	34,345	8,091
Sub-total	16.738			<u>11,127</u>
ARRA -Byrne Justice Assistance Grant 2009	16.804	2009-SB-B9-3324	155,853	51,729
Total U.S. Department of Justice				<u>87,344</u>
U.S. Department of Agriculture				
Pass-Through Florida Department of Education				
School Breakfast Program	10.553	01-0363	76,583	76,583
National School Lunch Program	10.555	01-0363	505,123	505,123
Pass-Through Florida Department of Agriculture & Consumer Services				
NSLP Non-Cash Assistance (Commodities)	10.569	2040	106,754	106,754
Total U.S. Department of Agriculture				<u>\$ 688,460</u>
U.S. Department of Education				
Pass Through the Florida State University				
Individuals with Disabilities Education Act (IDEA)	84.027A	686-2631A-1CB01	72,185	72,185
Pass Through the School Board of Broward County				
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2631A-1CB01	36,417	30,204
Sub-total	84.027A			<u>102,389</u>
Pass Through the School Board of Broward County				
Career and Technical Education-Basic Grants to States-Carl D. Perkins Career	84.048	060-1611A-1CS01	22,260	21,223
ARRA -State Fiscal Stabilization Fund-Race-to-the-Top incentive Grant	84.395A	060-RL111-1C301	57,812	57,752
Pass Through the Florida State University				
ARRA -State Fiscal Stabilization Fund-Education Stabilization Fund	84.394	371-5911S-1CZ01	216,647	205,214
ARRA -Education Jobs Fund	84.410	686-54110-1C002	143,953	141,789
Pass Through the Florida State University				
ARRA -State Fiscal Stabilization Fund-Government Services Fund	84.397	371-5921S-1CZ01	4,325	4,119
Pass-Through Florida Department of Education				
ARRA - State Fiscal Stabilization Fund-Appropriated Equipment Assistance	84.397	06F-5921S-1RZE1	6,565	6,281
Sub-total	84.397			<u>10,400</u>
Total U.S. Department of Education				<u>538,767</u>

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2011

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
<i>U.S. Department of Homeland Security</i>				
Assistance to Firefighters Grant (AFG 2010)	97.044	EMW-2010-FO-02932	\$ 442,531	\$ 379,705
Sub-total	97.044			<u>379,705</u>
<i>Pass-Through Florida Division of Emergency Management</i>				
Urban Area Strategic initiative (UASI 2007)	97.067	08DS-62-11-16-02-296	431,175	429
Urban Area Strategic initiative (UASI 2009)	97.067	11DS-32-11-16-02-017	391,509	140,855
Sub-total	97.067			<u>141,284</u>
				<u>520,989</u>
<i>U.S. Department of Health and Human Services</i>				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Older Americans Act- IIIB - 2010	93.044	JA010-10-2010	351,315	9,685
Older Americans Act- IIIB - 2011	93.044	JA-011-10-2011	351,315	328,798
Sub-total	93.044			<u>338,483</u>
Older Americans Act- IIIE - 2010	93.052	JA010-10-2010	93,215	49,732
Older Americans Act- IIIE - 2011	93.052	JA-011-10-2011	93,215	68,585
Sub-total	93.052			<u>118,317</u>
Energy Assistance -2011	93.568	JP010-10-2011	32,467	15,059
Energy Assistance -2012	93.568	JP011-10-2012		887
Sub-total	93.568			<u>15,946</u>
<i>Pass-Through Florida Department of Children and Families</i>				
Chafee Foster Care Independence Program-Transitional Housing-2010-2011	93.674	JJ214	128,159	81,011
Chafee Foster Care Independence Program-Transitional Housing-2011-2012	93.674	JJ214	128,159	25,632
Sub-total	93.674			<u>106,643</u>
<i>Pass-Through Nova Southeastern University</i>				
Geriatric Education Centers	93.969	IUB4HP19211-01-00	3,040	3,040
<i>Total U.S. Department of Health and Human Services</i>				<u>582,429</u>
<i>U.S. Department of Energy</i>				
ARRA -Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	SC0003363	1,321,700	333,848
<i>Total U.S. Department of Energy</i>	81.128			<u>333,848</u>
<i>Executive Office of the President</i>				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G10MI0001A	30,000	26,988
<i>Total Executive Office of the President</i>	95.001			<u>26,988</u>
<i>U.S. Department of Transportation</i>				
<i>Pass-Through the State of Florida Department of Transportation</i>				
Highway Planning and Construction-175 Interchange at Pines Blvd	20.205	AP607	10,652,808	1,268,545
<i>Total U.S. Department of Transportation</i>				<u>1,268,545</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 6,978,713</u>

N/A - not available or not applicable.

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards

Fiscal Year Ended September 30, 2011

(Continued)

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
Florida Department of Elder Affairs				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Local Services Program -2011	65.009	JL010-10-2011	\$ 254,388	\$ 199,830
Local Services Program -2012	65.009	JL011-10-2012	231,154	<u>69,462</u>
Sub-total	65.009			<u>269,292</u>
Senior Center Fixed Capital Outlay	65.013	MOU-XQ876	200,000	<u>200,000</u>
Total Florida Department of Elder Affairs				<u>469,292</u>
Florida Housing Finance Agency				
My Safe Florida Home Program	43.002	CF050	50,000	<u>3,752</u>
	43.002			<u>3,752</u>
State Housing Initiatives Partnership (S.H.I.P.) - F/Y07-08	52.901	N/A	1,374,821	331,423
State Housing Initiatives Partnership (S.H.I.P.) - F/Y08-09	52.901	N/A	1,349,270	<u>369,033</u>
Sub-total	52.901			<u>700,456</u>
Total Florida Housing Finance Agency/ Sub-total				<u>704,208</u>
Florida Department of Health				
State EMS County Grant	64.005	09-OMETs-8161-01	4,429	<u>4,429</u>
Total Florida Department of Health				<u>4,429</u>
TOTAL EXPENDITURES OF STATE PROJECTS				<u>\$ 1,177,929</u>
<u>Local Awards/Program Title</u>				
Broward County Local Awards				
Broward County Transit Grant	N/A	N/A	302,848	302,848
OAA Older American Act-Broward Cash Match - 2010	N/A	JA010-10-2010	43,868	25,688
OAA Older American Act-Broward Cash Match - 2011	N/A	JA-011-10-2011	43,868	7,830
Broward County Safe parks Program Grant	N/A		6,650	6,650
<i>Pass-through Lucanus developmental Center, Inc.</i>				
ADA/Paratransit Program	N/A	N/A	377,377	377,377
Total Broward County Local Awards				<u>720,393</u>
TOTAL EXPENDITURES OF LOCAL AWARDS				<u>720,393</u>

N/A - not available or not applicable.

CITY OF PEMBROKE PINES, FLORIDA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE PROJECTS AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

NOTE A – BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards includes the federal, state and local grant activity of the City of Pembroke Pines, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida (the "City"), as of and for the year ended September 30, 2011, which collectively comprise the City of Pembroke Pines' basic financial statements and have issued our report thereon dated March 9, 2012. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 63% of the total net assets and 55% of the total revenues of the fiduciary fund totals. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Pembroke Pines' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

To the Honorable Mayor, City Commissioners
and City Manager

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, City Commission, City management and the applicable regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 9, 2012





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

Compliance

We have audited the compliance of the City of Pembroke Pines, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and Chapter 10.550, Rules of the Auditor General that could have direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2011. The City's major federal programs and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and the Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, City of Pembroke Pines complied, in all material respects, with the compliance referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2011.

To the Honorable Mayor, City Commissioners
and City Manager

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Internal Control Over Compliance

The management of City of Pembroke Pines, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program and state financial assistance projects to determine our auditing procedures for the purpose of expressing our opinion on compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program and state financial assistance projects on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal programs and state financial assistance projects will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, City Commission, City management and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

March 9, 2012



**CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Pembroke Pines, Florida.
2. There were no significant deficiencies relating to the audit of the basic financial statements reported in the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The audit did not disclose noncompliance that is material to the financial statements.
3. There were no significant deficiencies relating to the audit of the major federal programs and state financial assistance projects reported in the independent auditors' report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.
4. The auditors' report on compliance for the major federal programs and State financial assistance projects for the City of Pembroke Pines, Florida expresses an unqualified opinion.
5. Audit findings relative to the major federal programs and State financial assistance projects for the City of Pembroke Pines, Florida are reported in Parts C and D. of this Schedule.
7. The programs tested as major programs include:

<u>Federal Programs</u>	<u>CFDA No.</u>	<u>Amount</u>
Community Development Block Grant/ Entitlement Grant	14.218	\$ 2,898,500
Child Nutrition Cluster	10.553/10.555	581,706
ARRA – Education Jobs Fund	84.410	141,789
Assistance to Firefighter Grant	97.044	379,705
Special Program for Aging – Title IIIB	93.044	338,483
ARRA – Energy Efficiency and Conservation Block Grant Program	81.128	<u>333,848</u>
		<u>\$ 4,674,031</u>

<u>State Programs</u>	<u>CSFA No.</u>	<u>Amount</u>
State Housing Initiatives Partnership (SHIP) Program	52.901	<u>\$ 700,456</u>
		<u>\$ 700,456</u>

Dollar threshold to distinguish Type A and Type B Programs \$300,000

8. The City of Pembroke Pines, Florida, was determined to be a low-risk audit pursuant to OMB Circular A-133.

CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(Continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS AUDIT

NONE

D. OTHER ISSUES

1. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or State financial assistance projects.
2. No corrective action plan is required because there were no findings required to be reported under the federal or State Single Audit Acts.



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Honorable Mayor, City Commissioners
and City Manager
City of Pembroke Pines, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pembroke Pines, Florida (the "City"), as of and for the year ended September 30, 2011, which collectively comprise the City of Pembroke Pines' basic financial statements and have issued our report thereon dated March 9, 2012. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 63% of the total net assets and 55% of the total revenues of the fiduciary fund totals. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amount included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 9, 2012, should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters described in Rule 10.554(1)(i) as required by the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the basic financial statements of the City of Pembroke Pines, Florida, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

To the Honorable Mayor, City Commissioners
and City Manager

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Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Pembroke Pines, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

March 9, 2012



LETTER TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

NONE

II. STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

NONE

**LETTER TO MANAGEMENT
(CONTINUED)**

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

1. Unless otherwise required to be reported in the auditors' report on internal control over financial reporting and on compliance and other matters or schedule of finding and questioned costs, the management letter shall include, but not be limited to a statement as to whether or not corrective actions have been taken to address significant findings and recommendations in the preceding annual financial audit report pursuant to Rule 10.557(3)(b)2. There were no recommendations made in the preceding annual financial audit.
2. The City of Pembroke Pines complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. There were no significant findings and recommendations to improve the City's financial management, accounting procedures, and internal control for the fiscal year ended September 30, 2011.
4. There were no violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or were likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.
5. Based on our professional judgment, we may report on the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (a) violations of provisions of contract or grant agreements, fraud, illegal acts, or abuse (b) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
6. The City of Pembroke Pines, Florida was incorporated in accordance with House Bill No. 1413 on June 20, 1960. There are no component units related to the City.
7. The City of Pembroke Pines has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.
8. The annual financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1) (a), Florida Statutes agrees with the September 30, 2011 financial audit report.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.