

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2012

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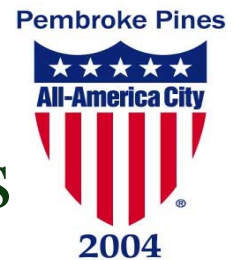
I. INTRODUCTORY SECTION

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





City of Pembroke Pines



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

Angelo Castillo, Commissioner
Jay Schwartz, Commissioner
Iris A. Siple, Commissioner

March 12, 2013

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, 2012.

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, 2012 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, 2012, 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, 2012.

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 155,239 according to the April 2012 estimate by the Florida Legislative Office of Economic and Demographic Research, making it the 2nd most populous city in Broward County, the 11th most populous in Florida, and the 148th most populous in the United States. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

The City of Pembroke Pines was incorporated on January 19, 1960, and operates under a Commission-Manager form of government. The City Commission is comprised of the Mayor, a Vice-Mayor and three other Commissioners who are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of the various advisory boards, the City Manager, the City Attorney, the Finance Director, and the Commission Auditor. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances and 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 makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are conducted to inform the taxpayers of the proposed budget, to receive their comments, and to respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for that general classification of expenditures. The City's budget is approved at the department level. The City Manager and the Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented as part of the Required Supplementary Information.

The City owns and operates 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 at a public hearing conducted by the City Commission. The adopted budgets are integrated into the accounting software system effective July 1st. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budgets, which prior to July 1st, are legally enacted through passage of a resolution. Section 5.06 of the City Charter provides that no officer, department or agency may legally expend or contract to expend the amounts in excess of the amounts appropriated for that general classification of expenditures. The budget is adopted at the school level, which is the legal level of control.

Factors Affecting Financial Condition

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

Local Economy

The City of Pembroke Pines' positioning for progress is undoubtedly ensured for periods that extend far beyond the fifty-three 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 businesses on a daily basis and encouraging international trade as well as small business enterprises. The City's strict zoning regulations and a balanced land-use plan provide for the orderly development of industrial, commercial, residential, and recreational development.

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. In a report issued in February 2013, the Florida Economic Estimating Conference Board stated "Florida growth rates are gradually returning to more typical levels. But drags are more persistent than past events, and it will take a few more years to climb completely out of the hole left by the recession."

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 2012, according to the second estimate of fourth quarter GDP which was released by the U.S Department of Commerce in February 2013. GDP rose at a 0.1% annual rate

from October through December, as compared with 3.1% for the previous quarter ending September 2012.

GDP is a broad measure of economic activity in the United States. According to the release, the deceleration in real GDP in the fourth quarter primarily reflected downturns in private inventory investment, in federal government spending, in exports, and in state and local government spending that were partly offset by an upturn in nonresidential fixed investment, a larger decrease in imports, and acceleration in personal consumption expenditures. Economists remain hopeful that GDP growth will pick back up in the January-March quarter to a 2% annual rate. The only impediment may be the across-the-board government spending cuts that that could remain in place for months.

Due to the efforts of the Federal Reserve, inflation has not posed any issues for the economy throughout the last three years. Nationwide the inflation rate, as measured by the percent change in the Consumer Price Index (CPI) for all urban consumers, increased by 1.6% in the 12 months ending in January. That is down from a 2.9% pace a year ago. Excluding the food and energy categories, core prices rose 0.3% in January. Core prices have risen 1.9% in the past year, which is also down from the 2.3% pace in the same month a year ago. The CPI for the Miami-Fort Lauderdale MSA increased 1.4% in the two months ended December 2012. Overall, a low level of inflation leaves consumers with more money to spend, which benefits the both the local and the wider economy.

The level of unemployment continues to be a critical issue in the recovery process. Even with growth quickening, progress reducing unemployment has been moderate, 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>FY2012*</u>	<u>FY2011*</u>
City of Pembroke Pines	7.4%	9.1%
Broward County	8.0%	9.7%
State of Florida	9.1%	10.8%
United States	8.3%	9.2%

* Average unemployment data for 2012 & 2011 is on a fiscal year basis October 1st through September 30th. Information may contain preliminary data.

For the entire United States, the unemployment rate was 7.9% in January 2013, which represents approximately 12.3 million people. The unemployment rate has been at or near that level since September 2012. 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%. In January 2013, the economy added 157,000 jobs.

The unemployment rate for Florida, as released by the U.S Department of Labor in January 2013, was 8.0% for December 2012, representing approximately 0.7 million people. This represents a 1.9% decline from last month and the lowest rate since November 2008. Florida's unemployment rate has now declined year-over-year for 25 consecutive months, and according to the Florida Economic Estimating Conference, Florida is expected to create more than 900,000 new jobs by 2018.

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. More jobs and ultra-low mortgage rates are helping the once-battered housing market recover.

In January 2013, total existing home sales increased 0.4% to a seasonally adjusted annual rate of 4.92 million from a downwardly revised 4.90 million in December 2012. This represents a 9.1% increase above the 4.51 million-unit pace in January 2012, according to the National Association of Realtors®.

The national median existing-home price for all housing types was \$173,600 in January, up 12.3% from January 2012, which is the 11th consecutive month of year-over-year price increases; that last occurred from July 2005 to May 2006. The January gain is the strongest since November 2005 which was 12.9% above a year earlier.

According to the National Association of Realtors®, distressed homes which include foreclosures and short sales accounted for 23% percent of January sales, down from 24% in December and 35% in January 2012. Foreclosures sold for an average discount of 20% below market value in January, while short sales were discounted by 12%.

Statewide in Florida, sales of existing homes jumped 11.7% in January to 13,679 units from a year earlier, while condominium and townhouse sales totaled 6,670 units, a 2.0% increase year over year, according to the Florida Association of Realtors. The median sales price for a single-family existing home across Florida rose 12.4% to \$145,000 in January from a year earlier while the median price for condominiums and townhouses was up 18% percent year over year to \$112,000, as stated by the Florida Realtors.

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.

The City continues to affirm its efforts to increase and encourage business investment. These efforts include, but are not limited to, continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce, and eliminating burdens on businesses by expediting the permitting process. In fiscal year 2013, the City also restructured the Planning Division into the Community and Economic Development Division, and budgeted for two additional staff positions that will boost the economic development function, and provide support to existing businesses. Many new and well-known businesses such as Wal-Mart, HH Greg, and Whole Foods, have opened their doors in Pembroke Pines. There are also many other companies and restaurants that are in the process of calling the City of Pembroke Pines their home. These are strong indications that all efforts are being made to encourage business and economic development in order to further stimulate the economy.

Long-Term Financial Planning

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

The long-term financial focus has been a shift away from growth to one of economic development and redevelopment opportunities, in order to continue to meet the City's long-term goals and objectives. The City has had to re-examine the way it does business, seeking to harness operational efficiencies while maintaining the level of services that residents have come to expect. This has been particularly difficult 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, 2013 is 6.3084, which is comprised of an operating millage of 5.6368 and a debt service millage of 0.6716. For the fiscal year ended September 30th, 2012, the City's millage rate was 6.3081, which was comprised of an operating millage of 5.6368 and a debt service millage of 0.6713. The 2013 operating millage rate, approved by the City Commission, represented a \$300 thousand or 0.5% increase in the budgeted revenues as compared to fiscal year 2012 adopted budget.

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 \$112.2 million or 73.2% of total General Fund expenditures of the 2013 Adopted Budget. Over the past few years cost reductions were achieved through early retirements, eliminating vacancies, negotiated reductions to benefit packages for both new and existing employees, the outsourcing of various City positions to an external contractor, and the postponement of capital expenditures.

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. 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. During fiscal year 2013, the City underwent two rating agency reviews. On November 27, 2012, Moody's Investors Service affirmed the A1 rating on the City of Pembroke Pines' (FL) Capital Improvement Revenue Bonds, affecting \$38.8 million of outstanding rated parity debt obligations, and on January 31, 2013 Fitch Ratings affirmed its AA rating for the City of Pembroke Pines General Obligation Bonds, Series 2005 and 2007.

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 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 2012 is \$38.3 million which is 25% of budgeted expenditures and falls within the established policy guidelines. This reflects an increase of \$2.1 million over last year. It was the City's demonstrated ability to increase fund balance and manage spending that facilitated Fitch's AA G.O. Bond rating.

Another relevant financial policy is the City's five year Capital Improvement Program. Over the last three years during the economic downturn, the City has postponed spending for some major capital items. In fiscal year 2013, the General Fund and Utility Fund adopted budgets with operating deficits of \$3.6 million and \$8.2 million, respectively. These deficits were partially attributable to budgeted capital expenditures of \$2.9 million and \$8.1 million respectively. The City will utilize reserves to bridge these budgetary gaps.

Additionally, the City has commissioned a utility rate study that will incorporate current and future capital needs of the Utility Fund. This rate study is expected to be completed within the next couple of months.

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

Major Initiatives

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

On January 13, 2005, the City Commission decided to undertake a bold initiative in the City, which has been dubbed the "Building Our Future Program". On March 8, 2005, the registered voters of the City passed a bond referendum authorizing the City to issue up to \$100.0 million in 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. 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 148 projects were approved by the City Commission relating to the "Building Our Future Program". As of December 2012, 98 projects were fully completed, 5 projects were in the construction phase, 6 projects were in the design/planning phase, 4 projects had not yet begun, 13 projects were re-allocated and 22 projects were eliminated. The current budget is \$96.5 million (the difference between the current budget and the \$90.0 million borrowed is due mainly to interest earned). Of the \$96.5 million, \$81.8 million or 84.8% has been spent or allocated to projects as of December 31, 2012.

The City is excited to commence the implementation of Phase 1 of the City wide streetscape program. Phase 1 of the streetscape program, which is funded by the 2005 GO bonds, is a \$1.5 million project based upon recently created citywide streetscape design guidelines. The Citywide streetscape design guidelines were created through a collaborative effort between citizens, Commission and Board members, staff, and design professional Miller Legg and Associates. The guidelines provide the City's conceptual designs for entry features, landscape and hardscape elements, and signs on rights-of-ways throughout the City.

Streetscape improvements enhance and update the City's infrastructure in a cost-effective manner as well as provide the City with much needed identity at its borders. The streetscape plan is an ongoing project with full cost to implement estimated at over \$7.5 million dollars. The City Commission will implement Phase 1 with proceeds from the GO bonds. Scope of work, additional costs, and funding sources for future phases of this project will be determined by the City Commission at a later date. Phase 1 construction is expected to be completed within the next year.

Some other major GO Bond projects that are in progress include the expansion of additional soccer fields at the West Pines Soccer Park. The total cost of this project is estimated at \$1.5 million to be completed by July 2013.

This will allow the City to expand its soccer program which has had to turn away residents due to limited capacity. Also in progress is the design/build of the Charter High School football stadium, this project is near completion at a total cost of \$2.5 million. The stadium will include a 1,620 Sq ft restroom/concession building, bleachers with a seating capacity of 2,262, and four sports lighting poles. The project is estimated to be completed by August 2013.

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. 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 is taking place in two phases, with “Phase I 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 first phase of the project is underway and nearing completion. An initial estimate of the annual revenues to be generated by the City is \$1.1 million once the entire project is completed.

October 3, 2012, City Commission approved the sale of approximately 11 acres at City Center to Related Development Group LLC for \$9.5 million. Related Development LLC, intends to build 365 market rate multi-family units on the property. It is estimated that the City will receive additional annual revenues of approximately \$0.4 million as a result of this sale.

The City has also been involved in other real estate transactions in order to encourage economic development as well as provide additional services to the residents of the City. On October 3, 2012, the City Commission approved an agreement for the purchase of approximately 43 acres of property from Weekley Bros. Leasing Ltd. for a purchase price of \$10,050,042. The purchase price includes the property plus roadway improvements along the property's western boundary. The property is generally located south of Griffin Road east of SW 208th Avenue. Weekley will construct a two lane paved roadway on 208th Ave from Griffin Road south to 54th Place. This will provide residents north of Sterling Road with access to Griffin Road, which they never had previously. On February 20, 2013 the Commission then approved the sale of this property to Discovery Schools Incorporated for a price of \$10,135,000. The site will be developed as a charter school for grades 6-12, serving approximately 2,000 students in a maximum 3-story building. The property will also be the site for forty three (43) dwelling units with private access. The estimated closing is based on the terms of the Agreement.

On October 3, 2012, the City Commission approved the sale of approximately 4 acres south of City Hall to Goray Development Company for the development of a 136 sleeping room Assisted Living Facility. The sale price of the property is \$3.7 million. The applicant has until March 2013, to perform due diligence. It is estimated that this project will bring additional annual revenues to the City of approximately \$122,000.

In relation to the City's soccer facilities, on March 6, 2013, the City approved entering into a ten year agreement with Soccer Town for the conversion of two of the four hockey rinks at Walter C. Young into a soccer center with artificial surface for soccer play. All construction expenses would be paid for by the vendor and the City would receive 2.5% of revenue in years 1 and 2 and 10% of revenue thereafter with a minimum annual guarantee of \$4,500. Soccer Town will offer hourly rental, tournament play and soccer camps/after-school programs.

On August 1, 2012, Commission approved the construction of the new Police Training Facility at 1201 SW 208 Avenue, Pembroke Pines, FL 33029. The facility is progressively under construction and its completion is projected for the summer of 2013. The new facility will serve as the main facility for all of the firearms qualifications and training for over 230 certified officers, reserve officers and school resource officers. The facility will be outfitted with a computerized force-use simulator. This new Training Lab simulator will allow for sworn employees to attend in-service training, which encompasses numerous State mandated courses to keep officer certifications and qualifications current. Handgun qualifications consist of live-fire and computer generated simulator courses whereby officers use training, judgment, and appropriate levels of force to diffuse dangerous situations. The cost of the training facility is approximately \$730,000, and will be funded by the Florida Department of Law Enforcement (FDLE) confiscated funds.

Another significant project that the City is involved with is the Pembroke Road/I-75 Overpass. On April 25, 2003 a contract was signed between Broward County, the City of Miramar and the City of Pembroke Pines to construct Pembroke Road between S.W. 136th Avenue and S.W. 160th Avenue, including the Pembroke Road Overpass. In July 2007, the County notified the Florida Department of Transportation (FDOT), Pembroke Pines, and Miramar of the need to reduce the project limits from S.W. 160th Avenue to Silver Shores Boulevard (on the western end) and from S.W. 136th Avenue to S.W. 145th Avenue (on the eastern side) in order to meet budget constraints. On June 6, 2012 the First Amendment to the Agreement for the Pembroke Road Improvements was approved by the City Commission. This agreement reduced the scope of the project and clarified the responsibilities of all parties. The City of Pembroke Pines and the City of Miramar are each contributing \$0.9 million (\$180,000 per year for the next five years), towards the cost of this project.

All other funding for this project will come from Broward County and the Florida Department of Transportation. Most of the project funding will come from developer's contributions to off-set traffic impacts caused by new projects. The Florida Department of Transportation recently took responsibility for constructing only the bridge portion of the overpass. The bridge will now be constructed as part of the managed lanes being constructed in the center of I-75. The Florida Department of Transportation requested proposals to design, permit and construct the I-75 managed lanes in February 2013 and is scheduled to award the project in July 2013. As a result, the exact timetable for the construction of the bridge will not be available until late July 2013. Broward County will now construct only the east and west extensions of Pembroke Road up to the bridge. The road improvement project being constructed by Broward County is scheduled to begin construction in December 2013 and be completed by April 2015.

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, 2011.

This was the twenty-seventh 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, 2011. The City of Pembroke Pines has received this award consecutively for fifteen 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, 2012. This is the ninth consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004.

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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

List of City Officials

City Commission:

Frank C. Ortis, Mayor

Carl Shechter, Vice Mayor – District 1

Jay Schwartz, Commissioner– District 2

Iris Siple, Commissioner – District 3

Angelo Castillo, Commissioner– District 4

City Manager:

Charles F. Dodge LLC

City Attorney:

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

City Clerk:

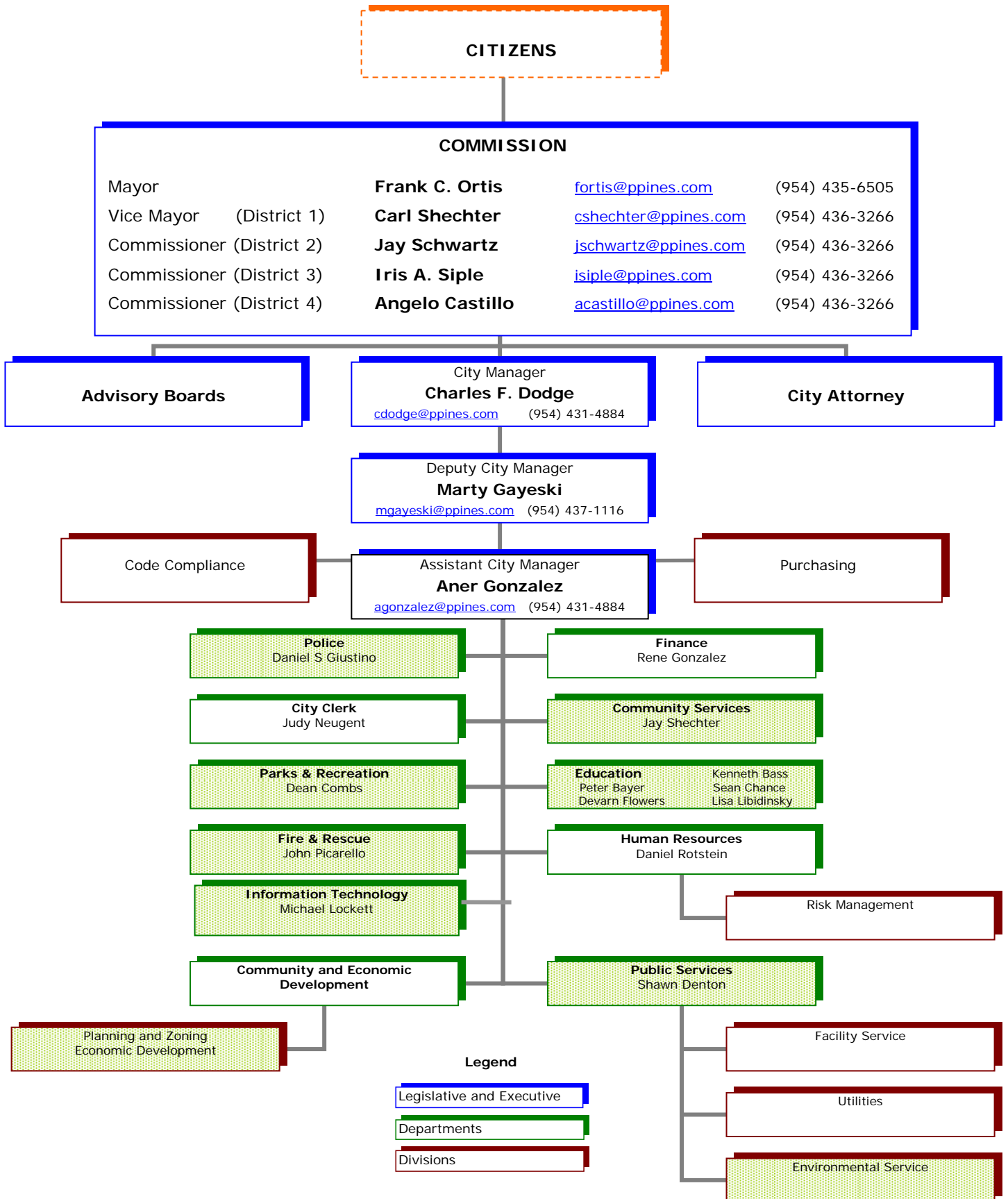
Judith A. Neugent

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, 2012, 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 64% of the total net position and 67% 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, 2012, 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 12, 2013, 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.

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 133 through 138, 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 139 through 155 and the schedule of expenditures of federal awards, state financial assistance projects and local awards on pages 197 through 200 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



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, 2012. 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 and deferred outflows of resources of the City of Pembroke Pines exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$357.4 million (*net position*), as compared with \$338.4 million for the previous fiscal year. Of this amount, \$87.6 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$19.0 million (5.6%) during the current fiscal year. Included in the total net position is the governmental net position which increased by \$18.2 million (15.1%), and the business-type net position, which increased by \$0.8 million (0.4%).
- At the end of the current fiscal year, unrestricted net position of the City's governmental activities had a surplus of \$17.5 million, or 8.0% of total governmental activities expenses. The unrestricted net position of the business-type activities was \$70.1 million, or 171.4% 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 \$106.2 million, an increase of \$12.9 million (13.8%) in comparison with the prior year. Approximately \$38.2 million (36.0%) of this total amount is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

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

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

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

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/wastewater operations, and interest on long-term debt.

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 139-142 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 135-138. 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.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

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

The notes to the basic financial statements can be found on pages 35-132 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.

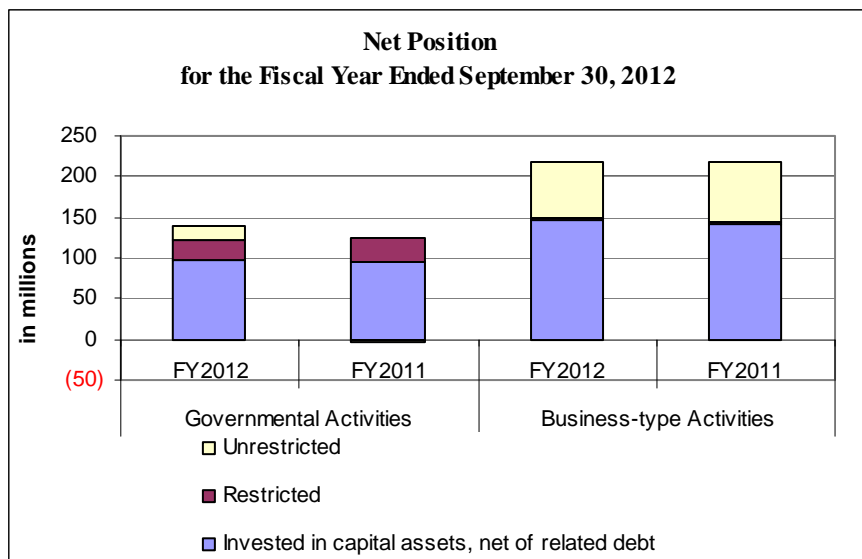
Required supplementary information can be found on pages 133-138 of this report.

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 139-142 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$357.4 million at the close of the most recent fiscal year, which represents a 5.6% increase compared to last year's net position of \$338.4 million. By far the largest portion of the City's net position, \$244.1 million (68.3%), 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, net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$25.7 million (7.2%), represents resources that are subject to external restrictions on how they may be used. This balance decreased by approximately \$4.1 million (-13.8%), which was mainly attributable to a \$1.6 million decrease in the business-type activities restricted net position 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 position for the last two fiscal years is summarized, in millions, as follows:

	Net Position (in millions) **					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011(a)	2012	2011(a)
Current and other assets	\$ 94.7	\$ 86.7	\$ 67.8	\$ 66.9	\$ 162.5	\$ 153.6
Restricted assets	43.9	45.4	10.4	12.3	54.3	57.7
Negative net pension obligation	58.0	58.7	2.4	2.7	60.4	61.4
Unamortized bond issue costs	4.9	5.2	-	-	4.9	5.2
Capital assets, not being depreciated	66.1	66.1	10.5	8.7	76.6	74.8
Capital assets, being depreciated, net	282.5	291.8	142.3	139.3	424.8	431.1
Total assets	<u>550.1</u>	<u>553.9</u>	<u>233.4</u>	<u>229.9</u>	<u>783.5</u>	<u>783.8</u>
Total Deferred outflows of resources - interest rate swaps	13.4	11.2	-	-	13.4	11.2
Long-term liabilities	388.7	404.3	12.2	12.8	400.9	417.1
Other liabilities	22.5	28.9	2.7	(0.6)	25.2	28.3
Total liabilities	<u>411.2</u>	<u>433.2</u>	<u>14.9</u>	<u>12.2</u>	<u>426.1</u>	<u>445.4</u>
Total Deferred inflows of resources - interest rate swaps	13.4	11.2	-	-	13.4	11.2
Invested in capital assets, net of related debt	96.4	96.0	147.7	142.7	244.1	238.7
Restricted	25.0	27.5	0.7	2.3	25.7	29.8
Unrestricted	17.5	(2.8)	70.1	72.7	87.6	69.9
Total net position	<u>\$ 138.9</u>	<u>\$ 120.7</u>	<u>\$ 218.5</u>	<u>\$ 217.7</u>	<u>\$ 357.4</u>	<u>\$ 338.4</u>

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

(a) - FY2011 restricted and unrestricted net assets of the business-type activities restated for comparative purposes.

In both fiscal year 2012 and 2011, the City continued to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate business-type activities. However, in fiscal year 2011, governmental activities had a deficit of \$2.8 million in unrestricted net position.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Governmental activities. Net position of the City's governmental activities increased by 15.0% (\$18.2 million) from \$120.7 million in the last fiscal year to \$138.9 million in the current fiscal year.

Changes in Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for services	\$118.0	\$122.1	\$41.9	\$41.2	\$159.9	\$163.3
Operating grants & contributions	6.7	8.7	-	-	6.7	8.7
Capital grants & contributions	1.6	0.7	1.0	1.5	2.6	2.2
General Revenues:						
Property taxes	51.1	51.3	-	-	51.1	51.3
Utility taxes	11.2	10.8	-	-	11.2	10.8
Communications services tax	7.5	7.4	-	-	7.5	7.4
Insurance premium taxes	2.3	2.3	-	-	2.3	2.3
Local option gas tax	2.7	2.6	-	-	2.7	2.6
Franchise fees	14.6	15.0	-	-	14.6	15.0
Local business tax	3.2	3.0	-	-	3.2	3.0
Intergovernmental - unrestricted	12.5	11.8	-	-	12.5	11.8
Investment earnings (losses) - not restricted	2.1	1.4	1.5	(6.9)	3.6	(5.5)
Other miscellaneous	0.7	0.5	-	-	0.7	0.5
Total revenues	<u>234.2</u>	<u>237.6</u>	<u>44.4</u>	<u>35.8</u>	<u>278.6</u>	<u>273.4</u>
Expenses:						
General government services	18.2	17.9	-	-	18.2	17.9
Public safety	91.0	94.6	-	-	91.0	94.6
Physical environment	2.5	2.6	-	-	2.5	2.6
Transportation	8.8	9.5	-	-	8.8	9.5
Economic environment	11.4	11.8	-	-	11.4	11.8
Human services	52.0	57.3	-	-	52.0	57.3
Culture/recreation	17.0	17.9	-	-	17.0	17.9
Interest on long-term debt	17.8	18.4	0.4	-	18.2	18.4
Water utility services	-	-	4.7	4.6	4.7	4.6
Sewer/wastewater services	-	-	12.6	11.9	12.6	11.9
Water-sewer combined service	-	-	23.2	24.4	23.2	24.4
Total expenses	<u>218.7</u>	<u>230.0</u>	<u>40.9</u>	<u>40.9</u>	<u>259.6</u>	<u>270.9</u>
Increase (decrease) in net position before transfers	15.5	7.6	3.5	(5.1)	19.0	2.5
Transfers	2.7	(7.8)	(2.7)	7.8	-	-
Increase (decrease) in net position	<u>18.2</u>	<u>(0.2)</u>	<u>0.8</u>	<u>2.7</u>	<u>19.0</u>	<u>2.5</u>
Net position, beginning	120.7	120.9	217.7	215.0	338.4	335.9
Net position, ending	<u>\$138.9</u>	<u>\$120.7</u>	<u>\$218.5</u>	<u>\$217.7</u>	<u>\$357.4</u>	<u>\$338.4</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 Transfers:

Revenues from Governmental activities decreased by approximately \$3.4 million (-1.4%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, decreased overall by \$5.2 million (-4.0%), and general revenues increased by \$1.8 million (1.7%). Program revenues showed a \$4.1 million decrease in charges for services, a \$2.0 million decrease in operating grants and contributions, and a \$0.9 million increase in capital grants and contributions.

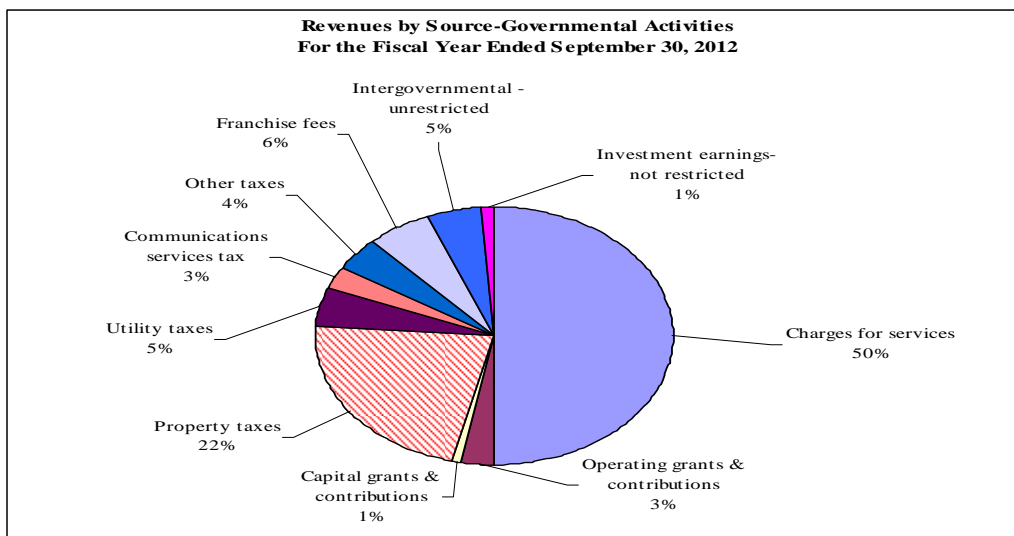
Charges for services are intended to fully recover the costs of providing those services. The decrease in charges for services of \$4.1 million (-3.4%) was mainly attributable to a \$4.7 million decrease in revenues related to the operation of the City’s charter schools. Fiscal year 2011 revenues were supported by one-time federal revenues such as the Education Jobs Funding for \$1.0 million. Additionally the rental charges the City received from the Charter Schools decreased by \$1.4 million over last year. This rental charge is used to pay debt service on related bonds. Charges for services also decreased as a result of a \$1.1 million decline in administrative fees charged to other functions. However, these decreases were offset by an increase in charges of \$2.3 million for a contract with the Town of Southwest Ranches to provide fire services, and a \$0.9 million increase in revenues related to the City’s red-light camera program.

Operating grants and contributions decreased by \$2.0 million. This decrease a result of a \$1.3 million Federal Aid – Highway Program grant received by the City in fiscal year 2011; and a \$0.4 million decrease in revenues earned in fiscal year 2012 for grants pertaining to economic environment from the U.S. Department of Housing and Urban Development (HUD).

Capital grants and contributions increased by \$0.9 million, mainly as a result of a \$1.3 million increase in contribution in aid of construction to the Capital Projects Fund, which was offset by a \$0.2 million decrease in local grant revenue for capital outlay that was received in fiscal year 2011.

General revenues increased by \$1.8 million (1.7%). The main contributing factors to this increase were a \$0.7 million increase each in intergovernmental-unrestricted and investment earnings-not restricted. Investment earnings-not restricted increased over last year due to an increase in the investment balances invested in longer-term securities. The interest rate environment remains low for fixed income securities.

In fiscal year 2012, governmental activities had a transfer of \$2.7 million from the business-type activities. This comprised of a \$3.5 million of capital transfer from the Utility Fund to the Road & Bridge and was offset by a \$0.8 million transfer from the Community Development Block Grant (CDBG) fund to the Utility Fund.



City of Pembroke Pines, Florida

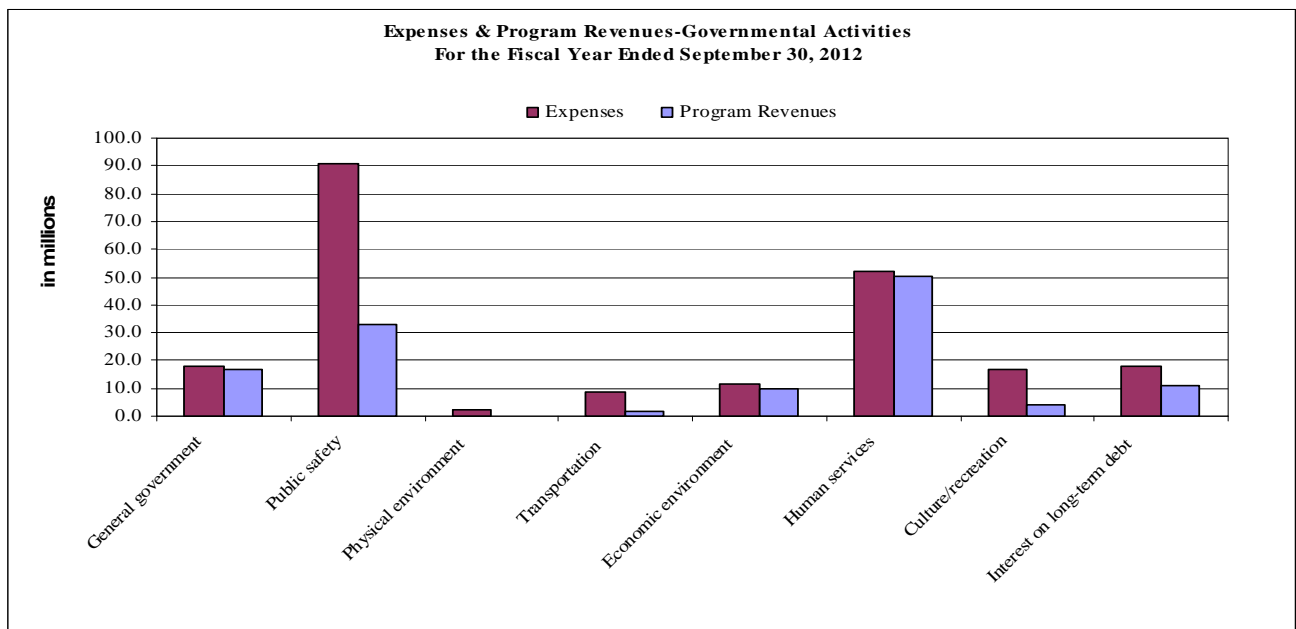
Management's Discussion and Analysis

Expenses:

Governmental activity expenses decreased by \$11.3 million (-4.9%) over last year. This decrease took place in all governmental functions/programs except general government services which increased by \$0.3 million (1.7%).

Major decreases in expenses occurred in public safety which decreased by \$3.6 million (-3.8%), human services which decreased by \$5.3 million (-9.2%), and culture and recreation which decreased by \$0.9 million (-5.0%).

The \$11.3 million decrease in expenses was mainly attributable to a \$9.9 million decrease in personnel costs including benefits, a \$0.7 million decrease in operating expenses, and a \$0.6 million decrease in expenses related to interest on long-term debt. Of the \$9.9 million decrease in personnel costs, salaries for full-time employees declined by \$1.2 million and \$0.6 million for part-time employees. The majority of the decrease in expenses came from benefit costs which declined by \$7.9 million resulting from a \$4.2 million decrease in health insurance costs, a \$3.8 million decrease in workers compensation expenses, and a \$1.2 million decrease in the retirement contributions to the Florida Retirement System (FRS) on behalf of the Charter School employees.



City of Pembroke Pines, Florida

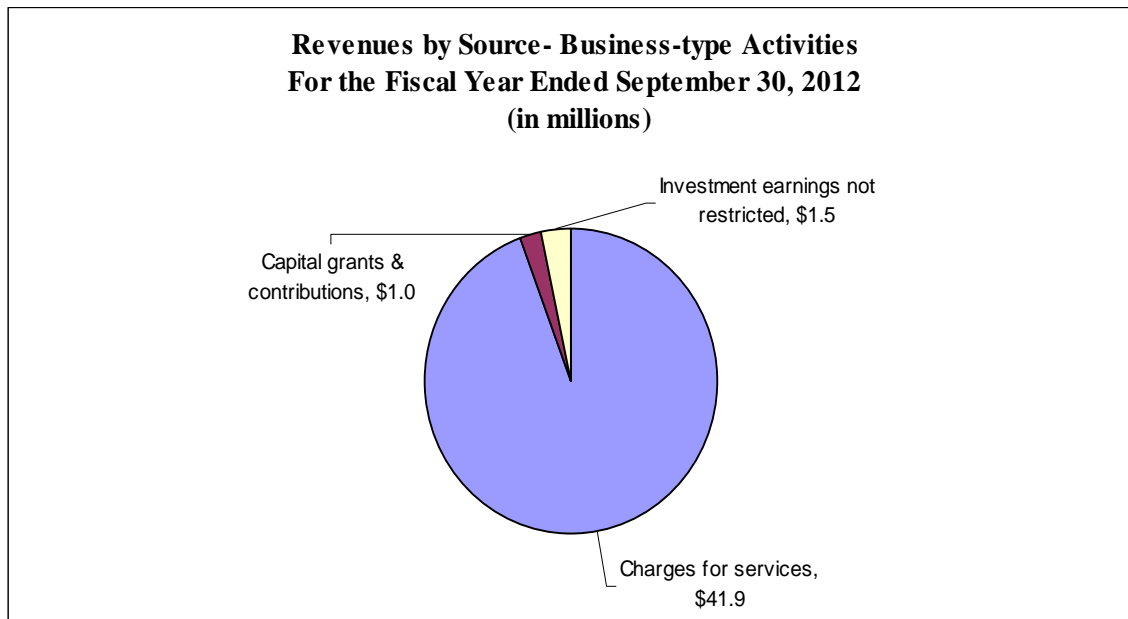
Management's Discussion and Analysis

Business-type activities. The net position of the City's business-type activities increased by \$0.8 million (0.4%) from \$217.7 million in the last fiscal year to \$218.5 million in the current fiscal year.

Revenues and Transfers:

Revenues from business-type activities excluding transfers increased over last year by \$8.6 million (24.0%). The main factor contributing to this was an increase of \$8.4 million in investment earnings, not restricted. Last years loss of \$6.9 million was a result of \$7.1 million of interest written off from Investment in Real Estate. This year the investment earnings was a positive \$1.5 million.

Charges for services increased by \$0.7 million (1.7%) as a result of a 3.16% increase in water and sewer rates for all residential and commercial properties. This increase in rates was based on the annual Consumer Price Index (CPI) adjustment.



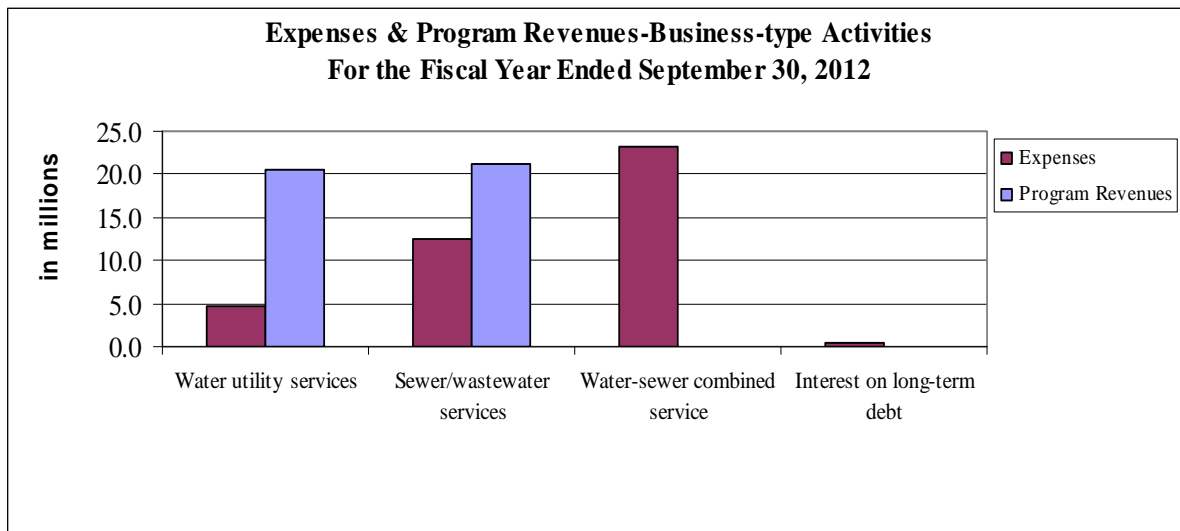
City of Pembroke Pines, Florida

Management's Discussion and Analysis

Expenses:

Expenses of the business-type activities remained constant at \$40.9 million. This was attributable to an increase in interest on long-term debt of \$0.4 million, an increase in water utility services of \$0.1 million and a \$0.7 million increase in sewer/wastewater services water-sewer combined services but was offset by a \$1.2 million decrease in water-sewer combined services. The decrease of \$1.2 million in the water-sewer combined service was attributable to a \$0.6 million decrease in administrative fees charged to that division and a \$0.3 million savings in insurance costs.

Overall for the business-type activities, personnel costs including benefits decreased by \$0.3 million as a result of a \$0.3 million decrease in full-time salaries and related benefits, as the City continued to utilize contractual positions. The increase in contractual services was \$0.6 million.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

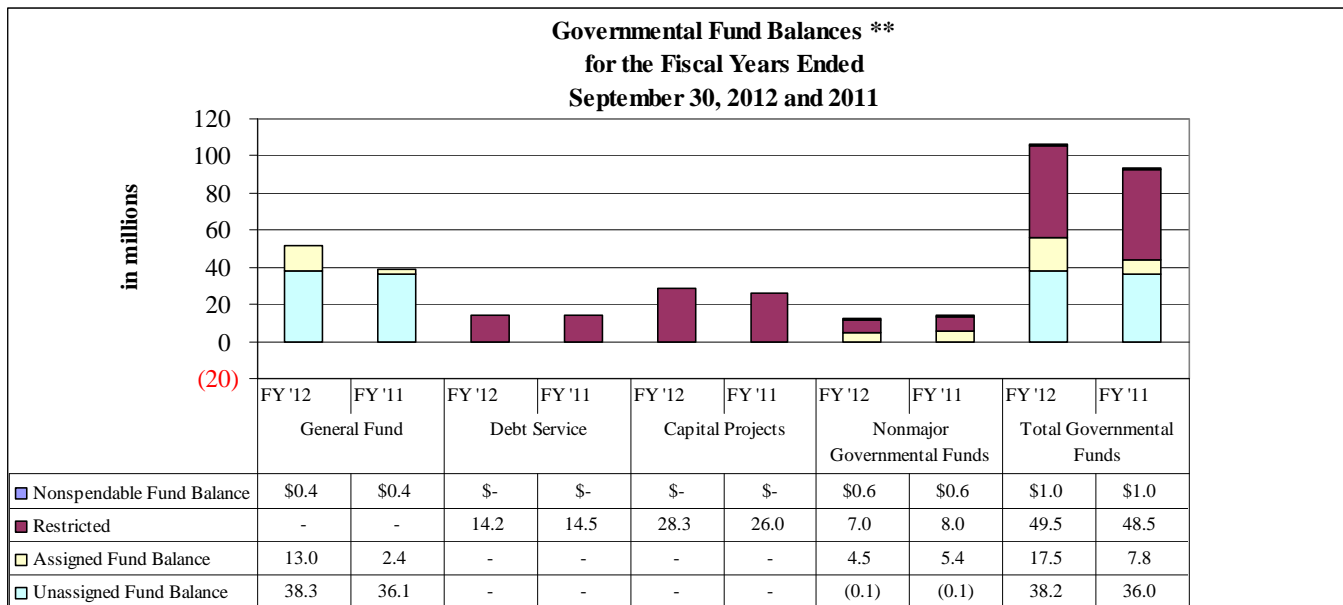
Financial Analysis of the City's Governmental Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Pembroke Pines itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Commission.

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$106.2 million, an increase of \$12.9 million in comparison with the \$93.3 million prior year balance. Overall governmental fund assets increased by \$6.1 million, and liabilities decreased by \$6.8 million.

Approximately \$38.2 million (36.0%) 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, rent payments and subsequent year's budget.



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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The General Fund

The General Fund is the 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 \$38.3 million, as compared with \$36.1 million in the prior year. For fiscal year 2012, unassigned fund balance represents 27.6% of total general fund expenditures, while total fund balance represents 37.2% of the same amount. Assigned fund balance increased from \$2.4 million to \$13.0 million, the majority of which is assigned for the subsequent year's budget for technology upgrades.

General Fund Revenues:

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

<u>Revenue Sources</u>	General Fund Revenues (in millions) **					
	2012 Amount	Percent of Total	2011 Amount	Percent of Total	Increase (Decrease) From 2011	Percentage Increase (Decrease)
Property taxes	\$45.7	30%	\$45.9	31%	(\$0.2)	-%
Utility taxes	9.4	6%	9.1	6%	0.3	3%
Communications services tax	1.1	1%	0.9	1%	0.2	22%
Other taxes	5.5	3%	5.3	4%	0.2	4%
Special assessments	20.8	14%	20.6	13%	0.2	1%
Permits, fees and licenses	11.6	8%	12.1	8%	(0.5)	(4)%
Intergovernmental	11.8	8%	11.4	8%	0.4	4%
Charges for services	31.3	20%	29.7	20%	1.6	5%
Fines and forfeitures	2.5	2%	1.7	1%	0.8	47%
Investment income	1.2	1%	0.4	0%	0.8	200%
Rental revenues	11.1	7%	11.6	8%	(0.5)	(4)%
Other revenues	0.7	0%	0.6	0%	0.1	17%
Total revenues	\$152.7	100%	\$149.3	100%	\$3.4	2%

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

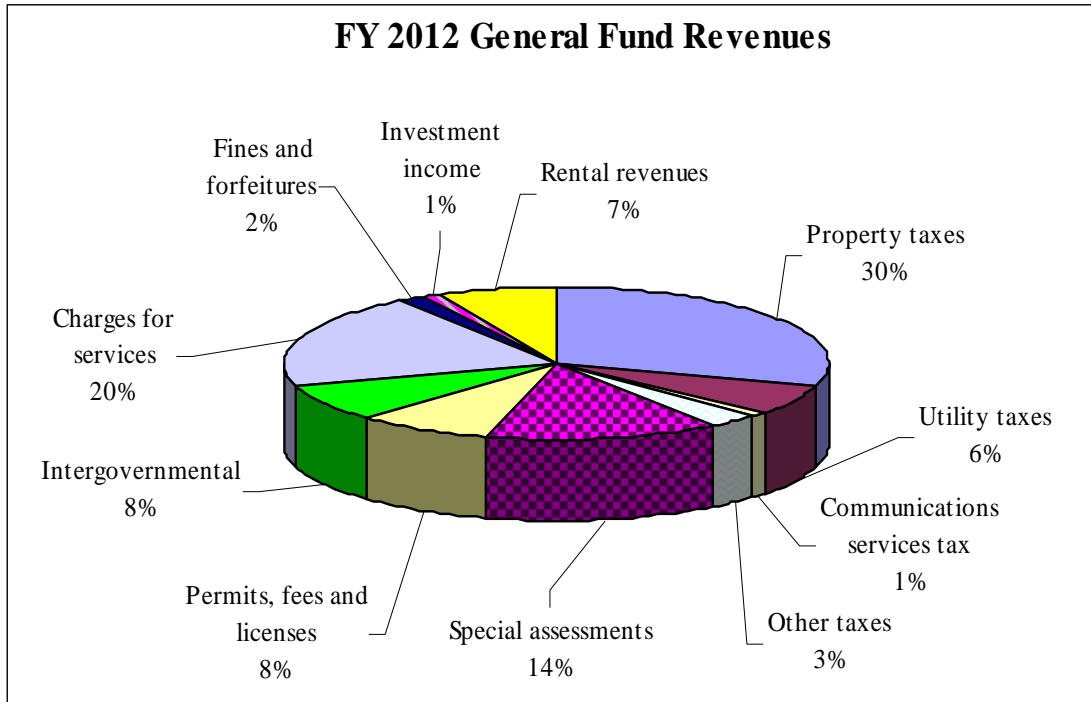
Compared to the prior fiscal year, total General Fund revenues increased by \$3.4 million or 2.0% in fiscal year 2012. This was mainly attributable to a \$1.6 million increase in charges for services, and a \$0.8 million increase for both fines and forfeitures and investment income. All other revenues combined increased by \$0.2 million.

Charges for services increased by \$1.6 million mainly as a result of a \$2.5 million contract with the Town of Southwest Ranches to provide fire services. This contract has been terminated and will no longer be available in the following fiscal year. This was offset by a \$1.1 million decrease in administrative fees charged to other departments. Fines and forfeitures increased by \$0.8 million as a result of revenues earned from the City's red-light camera program. Investment earnings also increased by \$0.8 million as a result of increased investment balances, although interest rates earned for fixed income investments remain low.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Property tax revenues decreased slightly by \$0.2 million as the City adopted an operating millage rate of 5.6368 mills which is a decrease of 0.0512 mills. The millage rate for FY2011 was 5.6880. In fiscal year 2012 final actual taxable values were only 0.2% higher than in fiscal year 2011.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

General Fund Expenditures:

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

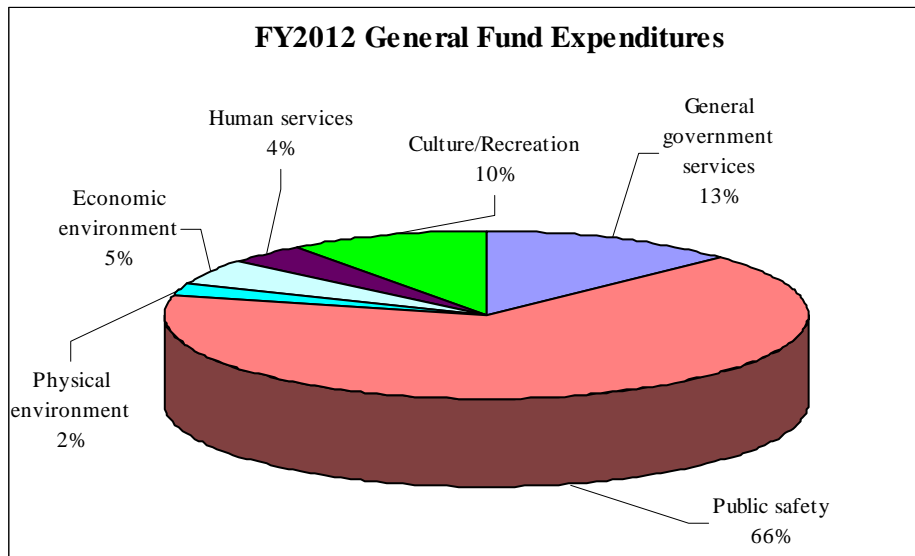
General Fund Expenditures (in millions) **

	2012 Amount	Percent of Total	2011 Amount	Percent of Total	Increase (Decrease) From 2011	Percentage Increase (Decrease)
Expenditures:						
General government services	\$ 17.7	13%	\$ 17.8	13%	\$ (0.1)	(1)%
Public safety	93.2	66%	93.5	66%	(0.3)	- %
Physical environment	2.4	2%	2.5	2%	(0.1)	(4)%
Economic environment	7.0	5%	7.2	5%	(0.2)	(3)%
Human services	5.2	4%	5.3	4%	(0.1)	(2)%
Culture/Recreation	13.3	10%	14.1	10%	(0.8)	(6)%
Total expenditures	\$ 138.8	100%	\$ 140.4	100%	\$ (1.6)	(1)%

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

In fiscal year 2012, total General Fund expenditures decreased by \$1.6 million or -1.0% compared to the prior year. This is a continuing trend in the General Fund expenditures, it reported a \$6.2 million decrease in fiscal year 2011, and a \$1.0 million decrease in fiscal year 2010. These decreases have been a result of deliberate efforts on the part of the City to curtail spending.

Overall salary expenditures, remained flat and increased minimally by \$0.1 million, while benefit costs declined by \$2.8 million. The decline in benefit cost was mainly attributable to a \$1.0 million decrease in health insurance costs, a \$0.7 million decrease in workers compensation, and a \$1.9 million decrease in the City's contribution to the Other Post Employment Benefit (OPEB) Plan. In fiscal year 2011, the City contributed an additional \$2.3 million to the plan to eliminate the net OPEB obligation. The decrease in benefit costs were offset by a \$1.0 million increase in the City's pension contribution. Of this amount \$0.6 million related to the Police and Fire Pension Plan, and a \$0.4 million for the General Employees Pension Plan.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund decreased by \$0.3 million (-2.1%) as compared with 2011 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 \$28.3 million in the Capital Projects Fund is restricted. The \$2.3 million increase from last year is mainly attributable to a decline in spending related to the General Obligation Bonds and various other construction projects being undertaken by the City.

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

Unrestricted net position at the end of the year for the Utility Fund amounted to \$69.6 million compared to \$65.6 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 \$2.7 million or 1.8% above the final budget due mostly to overages in the following categories:

- **Fines and forfeitures** - \$1.1 million overage mainly attributable to \$1.5 million for red zone infractions, which was not budgeted. This overage was partially offset by a \$0.5 million shortfall in court fines & forfeitures.
- **Permits, fees and licenses** - \$0.7 million budget overage due principally to only a portion of property owners taking advantage of the discount for early payment of fire assessment.
- **Taxes** - \$0.6 million budget overage consisted primarily of \$0.3 million each in property tax and communications services tax. The overage in property tax is associated with only some property owners taking advantage of the early payment discount.

Expenditures

Actual expenditures excluding transfers to other funds were \$10.4 million or 7% below final budget due largely to budget savings in the following functions:

- **Public Safety** - \$5.0 million budget savings included principally \$4.6 million in salaries and benefits, of which health insurance accounted for 66%. In addition, there were \$1.0 million in unspent appropriations for motor vehicles, which were carried over to fiscal year 2013. These were partially offset by \$1.0 million of unbudgeted expense associated with contractual services for the Red Light Camera Program.
- **General Government Services** - \$3.0 million budget savings consisted primarily of \$1.9 million in non-personnel related operating expenses (mainly property/liability insurance of \$0.9 million and repairs and maintenance of \$0.4 million) and \$0.9 million in salary and benefits, of which health insurance accounted for 45%.
- **Culture and recreation** - \$1.1 million budget savings consisted mainly of \$0.7 million in personnel cost, primarily health insurance at \$0.4 million, and \$0.3 million in a myriad of non-personnel operating line items including \$0.1 million in operating supplies as well as \$0.1 million in repairs and maintenance.
- **Human services** - \$0.5 million budget savings included \$0.1 million in unspent appropriations for the transitional housing grant, which were carried forward to fiscal year 2013. In addition, there was \$0.4 million in unexpended appropriations for the Early Development Centers mainly as a result of unmet enrollment expectations.

Fund balance was originally projected to decrease by \$2.2 million, and subsequent budget amendments reduced the unfavorable change to \$0.3 million. However, the actual change in fund balance was a favorable \$12.8 million, which resulted in a \$13.1 million favorable variance from the final budget. This variance consisted of revenue overages and budget savings. A synopsis of the latter includes mainly:

- **Compensation and Benefits** - \$6.6 million with the largest portion being health insurance at \$4.0 million and workers' compensation at \$1.0 million, both of which resulted mainly from lower than expected claims.
- **Non-personnel Operating** - \$2.8 million of which the most significant savings were \$1.0 million in property and liability insurance (due largely to lower than anticipated claims) followed by \$0.5 million in repairs and maintenance.
- **Capital** - \$1.0 million that is almost entirely associated with motor vehicles and that was carried over to the fiscal year 2013.

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, 2012, amounted to \$501.4 million (net of accumulated depreciation), compared with \$505.8 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 -0.9%.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Capital assets, not being depreciated:						
Land	\$65.6	\$65.6	\$3.0	\$3.0	\$68.6	\$68.6
Construction in progress	0.5	0.5	7.5	5.6	8.0	6.1
Total capital assets, not being depreciated	66.1	66.1	10.5	8.6	76.6	74.7
Capital assets, being depreciated, net						
Buildings	192.7	197.7	30.2	30.9	222.9	228.6
Improvements other than buildings	78.0	81.3	110.0	108.2	188.0	189.5
Machinery and equipment	8.8	9.6	2.1	0.2	10.9	9.8
Infrastructure	2.9	3.1	-	-	2.9	3.1
Intangibles	0.1	0.1	-	-	0.1	0.1
Total capital assets, being depreciated, net	282.5	291.8	142.3	139.3	424.8	431.1
 Total capital assets	 \$348.6	 \$357.9	 \$152.8	 \$147.9	 \$501.4	 \$505.8

** 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 funded by the 2007 and 2005 General Obligation (G.O.) Bonds. In 2012, the City spent \$0.7 million of the G.O. bond proceeds. Of this amount, \$0.4 million was used for roadway improvements for SW196th Avenue from Pembroke Road to Pines Boulevard, and \$0.2 million to begin construction of additional soccer fields at the West Pines Soccer Park. This project is estimated to cost a total of \$1.5 million.
- In fiscal year 2012, the General Fund expended approximately \$1.5 million for various capital purchases including, but not limited to, \$0.4 million for replacement of police vehicles, \$0.3 million on portable radios for the police department, \$0.3 million for various computer programs and computer equipment, and \$0.3 million for other equipment.
- During the year, the City expended \$0.9 million in grant funds for capital purchases. This included \$0.5 million for radios to be used by the police department and \$0.4 million for various park and roadway improvements.
- In fiscal year 2012, the City spent an additional \$0.4 million on various road and sidewalk improvements from the Road and Bridge fund. Also the Utility Fund transferred \$3.5 million of storm drainage to the Road and Bridge Fund.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

- Sewer plant rehabilitation in the amount of \$2.5 million.
- Replacement of 13 blowers at the wastewater treatment plant in the amount of \$1.4 million.
- Water main improvements in the amount of \$0.8 million.
- Lift station rehabilitation and replacements for \$0.6 million
- Engineering fees and other fees related to Phase II the City's Alternative Water Supply (AWS) project for approximately \$0.4 million.
- In fiscal year 2012, the City reclassified \$3.4 million relating to City Center from investment in real estate to capital improvements.

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

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$378.7 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		Business-type		Total	
	Activities		Activities			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue Bonds	\$ 287.7	\$ 295.3	\$ 11.7	\$ 12.3	\$ 299.4	\$ 307.6
General Obligation Bonds	79.3	81.2	-	-	79.3	81.2
Total	<u>\$ 367.0</u>	<u>\$ 376.5</u>	<u>\$ 11.7</u>	<u>\$ 12.3</u>	<u>\$ 378.7</u>	<u>\$ 388.8</u>

- There were no new bond issues or refinancing transactions during the fiscal year. The reduction in total debt outstanding was a result of normal debt service expenditures for principal and interest.

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

Both General Obligation Bonds received an underlying rating from Moody's Investors Service of Aa2 and AA from Fitch Ratings. On January 31, 2013, Fitch Ratings affirmed its AA rating. Additional information on the City's long-term debt can be found in Note 9. starting on page 71 of this report.

City of Pembroke Pines, Florida

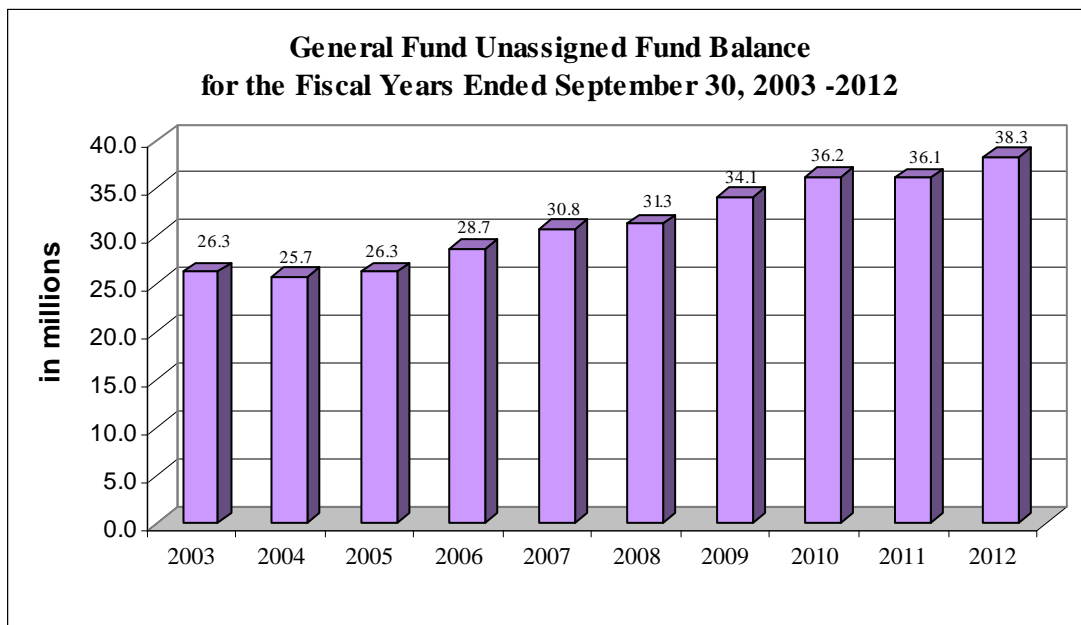
Management's Discussion and Analysis

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.

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2012 was 7.4%, which is a 1.7% decrease from the 9.1% rate a year ago. This compares to unemployment rates for Broward County, which was 8.0%, and 9.1% for the State of Florida for the same period.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$38.3 million, compared to \$36.1 million from last year. The \$38.3 million is greater than three months of the General Fund operating expenditures or 27.6%. Over the last several years, with the exception of FY2004 and FY2011, the City has been able to increase its unassigned fund balance as shown in the following graph. The City has assigned \$10.9 million for next year's budget which includes proposed technology upgrades.



For fiscal year 2013, the largest revenue source, Ad Valorem (property) Tax, which is 30.5% of the total general fund revenue budget, is budgeted at the same millage rate as fiscal year 2012 of 5.6368, generating \$45.7 million, which is \$0.3 million higher than 2012's adopted budget. This increase is attributable to a 1.1% increase in taxable values. The debt service millage reflects an increase of 0.0003 mills, moving from 0.6713 to 0.6716 mills. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.

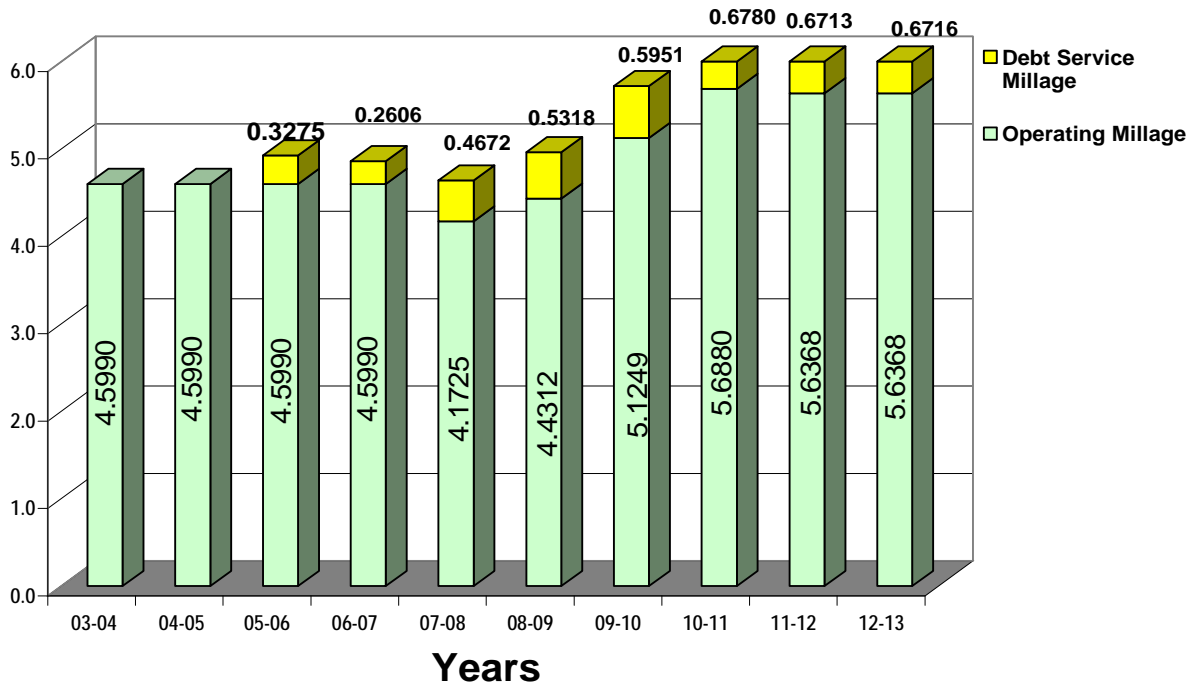
Overall, General Fund revenues are anticipated to increase by \$0.5 million over the 2012 adopted budget as a result of a \$1.5 million increase in privilege fees assessed on sewer revenues; \$1.0 million in public service taxes and franchise fees on electricity consumption; and \$0.5 million in ½ cent sales tax and sales tax proceeds. The anticipated increases in the foregoing revenues, except the privilege fee, are predicated on improvements in the economy. These increases are partially offset by a \$2.5 million loss in charges for services due to the termination of the contract to provide fire, rescue and prevention services to the Town of Southwest Ranches. Apart from the fees that are adjusted for inflation as stipulated in the City's code of ordinances, there will be \$5 decrease in the youth athletic program fees and a \$19 increase in the athletic fees-non resident for the winter and spring

City of Pembroke Pines, Florida

Management's Discussion and Analysis

registration seasons. In addition, there will be a \$5 per week increase in tuition fees for the Central, West and Bright Beginnings Early Development Center sites. The City's fire protection assessment fee, which is 13.4% of total General Fund revenues, remains unchanged for residential units at \$235.44 per unit.

Millage Rate History



Effective October 1, 2012, water and sewer rates increased by 2.30% over last years rates for all residential and commercial properties. This increase reflects the annual increase in the Consumer Price Index as authorized by City Ordinance. The new rates translate to a 0.55% or \$0.2 million increase over the prior year budgeted water and sewer revenues. The 2013 budget for the Utility Fund has an operating deficit of \$8.2 million, which is attributable to an increase in appropriations for capital spending. The City plans to bridge this gap by using Utility reserves. In addition, a rate study is being conducted to determine the appropriate water and sewer rates necessary to finance the 5-year capital improvement plan.

All these and other factors were considered in preparing the City's budget for fiscal year 2013.

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 Position

September 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Pooled cash and cash equivalents	\$34,405,918	\$7,810,136	\$42,216,054
Investments:			
Marketable securities	52,263,486	10,011,175	62,274,661
Real estate	-	45,506,652	45,506,652
Receivables, net	7,549,153	4,389,196	11,938,349
Inventories	378,408	38,000	416,408
Restricted assets:			
Pooled cash and cash equivalents	34,787,049	10,388,902	45,175,951
Investments - marketable securities	9,121,363	-	9,121,363
Prepaid costs	97,350	-	97,350
Negative net pension obligation	57,989,817	2,384,144	60,373,961
Unamortized bond issue costs	4,865,831	45,532	4,911,363
Capital assets, not being depreciated	66,123,214	10,536,130	76,659,344
Capital assets, being depreciated, net	282,508,040	142,272,872	424,780,912
Total assets	<u>550,089,629</u>	<u>233,382,739</u>	<u>783,472,368</u>
Deferred outflows of resources			
Interest rate swaps	13,416,354	-	13,416,354
Total deferred outflows of resources	<u>13,416,354</u>	<u>-</u>	<u>13,416,354</u>
Liabilities			
Accounts payable and accrued liabilities	16,961,086	206,972	17,168,058
Deposits	1,578,198	-	1,578,198
Internal balances	660,044	(660,044)	-
Unearned revenue	2,711,851	-	2,711,851
Payable from restricted assets:			
Deposits	628,531	3,128,721	3,757,252
Noncurrent liabilities:			
Due within one year	21,955,198	972,554	22,927,752
Due in more than one year	366,742,961	11,230,788	377,973,749
Total liabilities	<u>411,237,869</u>	<u>14,878,991</u>	<u>426,116,860</u>
Deferred inflows of resources			
Interest rate swaps	13,416,354	-	13,416,354
Total deferred inflows of resources	<u>13,416,354</u>	<u>-</u>	<u>13,416,354</u>
Net position			
Invested in capital assets, net of related debt	96,374,595	147,671,862	244,046,457
Restricted for:			
\$2 Police Education	281,491	-	281,491
Charter schools	3,474,121	-	3,474,121
Debt Service	13,927,016	702,175	14,629,191
FDLE - Confiscated	1,256,186	-	1,256,186
Justice - Confiscated	584,639	-	584,639
Older Americans Act	23,234	-	23,234
Road & Bridge Fund	4,539,527	-	4,539,527
Treasury - Confiscated	391,176	-	391,176
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	114,424	-	114,424
Unrestricted	17,439,237	70,129,711	87,568,948
Total net position	<u>\$138,851,761</u>	<u>\$218,503,748</u>	<u>\$357,355,509</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Activities
Fiscal Year Ended September 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$ 18,177,121	\$ 16,759,799	\$ -	\$ 21,200	\$ (1,396,122)	\$ -	\$ (1,396,122)
Public safety	91,073,377	32,454,166	124,058	517,647	(57,977,506)	-	(57,977,506)
Physical environment	2,462,622	-	-	-	(2,462,622)	-	(2,462,622)
Transportation	8,780,538	200,000	766,767	998,669	(6,815,102)	-	(6,815,102)
Economic environment	11,402,548	6,515,246	3,064,946	56,733	(1,765,623)	-	(1,765,623)
Human services	52,041,469	47,415,737	2,672,338	3,829	(1,949,565)	-	(1,949,565)
Culture/recreation	17,002,608	3,711,491	41,130	-	(13,249,987)	-	(13,249,987)
Interest on long-term debt	17,816,972	10,940,507	-	-	(6,876,465)	-	(6,876,465)
Total governmental activities	<u>218,757,255</u>	<u>117,996,946</u>	<u>6,669,239</u>	<u>1,598,078</u>	<u>(92,492,992)</u>	<u>-</u>	<u>(92,492,992)</u>
Business-type activities:							
Water utility services	4,675,493	20,648,379	-	509,754	-	16,482,640	16,482,640
Sewer/wastewater services	12,568,023	21,143,920	-	512,855	-	9,088,752	9,088,752
Water-sewer combined service	23,257,294	131,311	-	-	-	(23,125,983)	(23,125,983)
Interest on long-term debt	418,802	-	-	-	-	(418,802)	(418,802)
Total business-type activities	<u>40,919,612</u>	<u>41,923,610</u>	<u>-</u>	<u>1,022,609</u>	<u>-</u>	<u>2,026,607</u>	<u>2,026,607</u>
Total	<u>\$ 259,676,867</u>	<u>\$ 159,920,556</u>	<u>\$ 6,669,239</u>	<u>\$ 2,620,687</u>	<u>(92,492,992)</u>	<u>2,026,607</u>	<u>(90,466,385)</u>
General revenues:							
Property taxes, levied for debt service					5,441,632	-	5,441,632
Property taxes, levied for general purposes					45,704,600	-	45,704,600
Utility taxes					11,159,960	-	11,159,960
Communications services tax					7,549,655	-	7,549,655
Insurance premium taxes					2,342,079	-	2,342,079
Local option gas taxes					2,664,803	-	2,664,803
Franchise fees					14,594,290	-	14,594,290
Local business tax					3,166,530	-	3,166,530
Intergovernmental revenue - unrestricted					12,530,757	-	12,530,757
Miscellaneous revenues					579,220	813	580,033
Investment earnings not restricted					2,117,118	1,471,592	3,588,710
Gain on sale of capital assets					98,179	2,869	101,048
Transfers					2,664,978	(2,664,978)	-
Total general revenues and transfers					<u>110,613,801</u>	<u>(1,189,704)</u>	<u>109,424,097</u>
Change in net position					18,120,809	836,903	18,957,712
Net position, beginning					<u>120,730,952</u>	<u>217,666,845</u>	<u>338,397,797</u>
Net position, ending					<u>\$ 138,851,761</u>	<u>\$ 218,503,748</u>	<u>\$ 357,355,509</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida

Balance Sheet Governmental Funds September 30, 2012

	<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	\$ 22,745,946	\$ -	\$ -	\$ 8,613,841	\$ 31,359,787
Investments:					
Marketable securities	36,502,321	-	-	3,160,222	39,662,543
Receivables:					
Franchise fees and taxes	5,106,405	-	-	432,294	5,538,699
Other	685,837	-	-	47,523	733,360
Inventories	355,174	-	-	23,234	378,408
Prepaid costs	2,000	-	-	95,350	97,350
Due from other funds	1,126,538	-	-	-	1,126,538
Due from other governments	7,198	-	-	1,269,895	1,277,093
Restricted assets:					
Pooled cash and cash equivalents	628,531	14,252,977	19,345,002	560,539	34,787,049
Investments:					
Marketable securities	-	-	9,121,363	-	9,121,363
Total assets	<u>\$ 67,159,950</u>	<u>\$ 14,252,977</u>	<u>\$ 28,466,365</u>	<u>\$ 14,202,898</u>	<u>\$ 124,082,190</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 7,284,602	\$ -	\$ -	\$ 27,414	\$ 7,312,016
Accrued liabilities	7,009	-	-	-	7,009
Retainage payable	-	-	39,013	-	39,013
Due to other funds	-	-	171,304	1,126,538	1,297,842
Due to other governments	4,308,469	-	-	-	4,308,469
Deposits	1,026,512	-	-	551,686	1,578,198
Deferred revenue	2,226,369	-	-	485,482	2,711,851
Deposits payable from restricted assets	628,531	-	-	-	628,531
Total liabilities	<u>15,481,492</u>	<u>-</u>	<u>210,317</u>	<u>2,191,120</u>	<u>17,882,929</u>
Fund balances:					
Nonspendable					
Inventory and prepaid costs	357,174	-	-	118,584	475,758
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	14,252,977	-	-	14,252,977
Capital projects	-	-	28,256,048	-	28,256,048
Road and sidewalks	-	-	-	4,354,834	4,354,834
Law enforcement	-	-	-	2,513,492	2,513,492
Wetland Mitigation	-	-	-	114,424	114,424
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	4,559,679	4,559,679
Subsequent year's budget	10,865,861	-	-	-	10,865,861
Unassigned	38,330,423	-	-	(95,350)	38,235,073
Total fund balances	<u>51,678,458</u>	<u>14,252,977</u>	<u>28,256,048</u>	<u>12,011,778</u>	<u>106,199,261</u>
Total liabilities and fund balances	<u>\$ 67,159,950</u>	<u>\$ 14,252,977</u>	<u>\$ 28,466,365</u>	<u>\$ 14,202,898</u>	<u>\$ 124,082,190</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 Position
September 30, 2012

Fund Balances - Total governmental funds (page 24)	\$ 106,199,261
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	348,631,254
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	4,865,831
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,191,792)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(367,030,600)
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.	6,079,533
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,711,229)
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.	57,956,013
Assets and liabilities of the internal service fund are included in the statement of net position adjusted by the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.	6,053,490
Net position of governmental activities (page 22)	\$ 138,851,761

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, 2012

	<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	\$ 45,704,600	\$ 5,441,632	\$ -	\$ -	\$ 51,146,232
Utility taxes	9,373,000	1,786,960	-	-	11,159,960
Communications services tax	1,108,564	6,441,091	-	-	7,549,655
Insurance premium taxes	2,342,079	-	-	-	2,342,079
Local option, use and fuel taxes	-	-	-	2,664,803	2,664,803
Local business tax	3,166,530	-	-	-	3,166,530
Special assessments	20,758,230	-	-	-	20,758,230
Permits, fees and licenses	11,650,601	816,072	2,537,270	-	15,003,943
Intergovernmental	11,786,690	-	21,200	43,177,527	54,985,417
Charges for services	31,253,546	-	-	1,678,552	32,932,098
Fines and forfeitures	2,525,896	-	-	303,278	2,829,174
Investment income	1,152,855	125,135	439,613	141,736	1,859,339
Contributions	434,107	-	998,668	637,418	2,070,193
Rental revenue	11,146,194	10,940,507	-	1,805,319	23,892,020
Other	305,184	-	-	1,567,171	1,872,355
Total revenues	<u>152,708,076</u>	<u>25,551,397</u>	<u>3,996,751</u>	<u>51,975,804</u>	<u>234,232,028</u>
Expenditures					
Current:					
General government	17,731,145	-	21,200	15,631	17,767,976
Public safety	93,188,160	-	-	815,032	94,003,192
Physical environment	2,424,402	-	-	-	2,424,402
Transportation	-	-	537,649	6,059,875	6,597,524
Economic environment	7,042,988	-	-	3,121,679	10,164,667
Human services	5,149,919	-	32,105	44,987,430	50,169,454
Culture and recreation	13,294,886	-	203,135	-	13,498,021
Debt service:					
Principal	-	9,457,600	-	-	9,457,600
Interest	-	17,265,348	-	-	17,265,348
Other debt service costs	-	1,911	-	-	1,911
Total expenditures	<u>138,831,500</u>	<u>26,724,859</u>	<u>794,089</u>	<u>54,999,647</u>	<u>221,350,095</u>
Excess (deficiency) of revenues over expenditures	<u>13,876,576</u>	<u>(1,173,462)</u>	<u>3,202,662</u>	<u>(3,023,843)</u>	<u>12,881,933</u>
Other financing sources (uses):					
Transfers in	-	961,000	9,385	1,898,945	2,869,330
Transfers out	(1,105,067)	(9,385)	(961,000)	(793,878)	(2,869,330)
Total other financing sources (uses)	<u>(1,105,067)</u>	<u>951,615</u>	<u>(951,615)</u>	<u>1,105,067</u>	<u>-</u>
Net change in fund balances	12,771,509	(221,847)	2,251,047	(1,918,776)	12,881,933
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 51,678,458</u>	<u>\$ 14,252,977</u>	<u>\$ 28,256,048</u>	<u>\$ 12,011,778</u>	<u>\$ 106,199,261</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, 2012

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) \$ 12,881,933

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	\$ 3,763,360	
Depreciation expense	<u>(15,674,830)</u>	
Net adjustment		(11,911,470)
Net capital contributed to governmental funds from a business-type fund		2,664,978
The net effect of various miscellaneous transactions involving capital assets		(18,937)

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	1,930,000	
General Obligation Bonds	1,910,000	
Capital Improvement Revenue Bonds	555,000	
Public Improvement Revenue Bonds	1,730,000	
Refunded Capital Improvement Revenue Bonds	2,247,600	
Refunded Public Improvement Revenue Bonds	<u>1,085,000</u>	
Total principal payments	9,457,600	
Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	<u>(645,930)</u>	
Net adjustment		8,811,670

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		222,045
Accrued interest		96,215
Amortization of negative pension obligation		(679,115)
Net revenue of the internal service fund, adjusted by the net effect of the current year activity between the internal service fund and the enterprise fund, is reported in the governmental activities.		6,053,490

Change in net position of governmental activities (page 23) \$ 18,120,809

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2012

	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	\$ 7,810,136	\$ 3,046,131
Investments:		
Marketable securities	10,011,175	12,600,943
Real estate	45,506,652	-
Accounts receivable:		
Customer accounts, net	4,389,196	-
Inventory	38,000	-
Due from other funds	171,304	-
Total current assets	<u>67,926,463</u>	<u>15,647,074</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	<u>10,388,902</u>	-
Total restricted assets	<u>10,388,902</u>	-
Unamortized bond issue cost	45,532	-
Negative net pension obligation	2,384,144	33,804
Capital Assets:		
Land	3,056,488	-
Buildings and utility plant	220,132,649	-
Construction-in-progress	7,479,642	-
Machinery and equipment	7,936,024	-
Less accumulated depreciation	<u>(85,795,801)</u>	-
Total capital assets (net of accumulated depreciation)	<u>152,809,002</u>	-
Total noncurrent assets	<u>165,627,580</u>	<u>33,804</u>
Total assets	<u>\$ 233,554,043</u>	<u>\$ 15,680,878</u>

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2012
(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 Position		
Current liabilities:		
Accounts payable	\$ 343	\$ 102,785
Retainage payable	70,186	-
Compensated absences	310,951	10,758
Claims payable	-	9,016,380
Accrued interest payable	136,443	-
Current portion of bonds payable	<u>661,603</u>	<u>-</u>
Total current liabilities	<u>1,179,526</u>	<u>9,129,923</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	3,128,721	-
Noncurrent liabilities:		
Compensated absences	197,244	8,726
Long term portion of bonds payable	<u>11,033,544</u>	<u>-</u>
Total noncurrent liabilities	<u>14,359,509</u>	<u>8,726</u>
 Total liabilities	 <u>15,539,035</u>	 <u>9,138,649</u>
Net Position:		
Invested in capital assets	147,671,862	-
Restricted for:		
Debt service	702,175	-
Unrestricted	<u>69,640,971</u>	<u>6,542,229</u>
Total net position	<u>218,015,008</u>	<u>\$ 6,542,229</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time		
	<u>488,740</u>	
Net position of business-type activities (page 22)	<u>\$ 218,503,748</u>	

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2012

	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	\$ 41,880,092	\$ 12,941,011
Other	44,331	2,161,154
Total operating revenues	<u>41,924,423</u>	<u>15,102,165</u>
Operating expenses:		
Operating, administrative and maintenance	35,927,082	8,817,716
Depreciation	5,062,468	-
Total operating expenses	<u>40,989,550</u>	<u>8,817,716</u>
Operating income	<u>934,873</u>	<u>6,284,449</u>
Nonoperating revenues & expenses:		
Investment income	1,471,592	257,780
Interest expense	(412,858)	-
Other debt service cost	(5,944)	-
Reassignment of capital assets to other funds	(3,460,118)	-
Gain on disposal of capital assets	2,869	-
Total nonoperating revenues & expenses	<u>(2,404,459)</u>	<u>257,780</u>
Gain (loss) before contributions	(1,469,586)	6,542,229
Capital contributions	<u>1,817,749</u>	<u>-</u>
Change in net position	348,163	6,542,229
Net position, beginning		<u>-</u>
Net position, ending		<u>\$ 6,542,229</u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	<u>488,740</u>	
Change in net position of business-type activities (page 23)	<u>\$ 836,903</u>	

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2012

	Business-type Activities	Non major 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	\$ 41,720,240	\$ 12,941,011
For deposits	201,389	-
Cash payments to suppliers for goods and services	(16,501,264)	(14,910,038)
Cash payments to employees for services	(3,363,525)	(88,572)
Interfund services used	(15,715,679)	-
Other operating revenues	<u>2,447,901</u>	<u>2,161,154</u>
Net cash provided by operating activities	<u>8,789,062</u>	<u>103,555</u>
Cash flows from noncapital financing activities		
Decrease in advances to other funds	<u>1,133,700</u>	-
Net cash provided by noncapital financing activities	<u>1,133,700</u>	-
Cash flows from capital and related financing activities		
Principal paid on revenue bonds	(604,853)	-
Acquisition and construction of capital assets	(12,522,582)	-
Interest paid on revenue bonds	(419,915)	-
Proceeds from sale of equipment	3,698	-
Net Capital contributions	<u>943,628</u>	-
Net cash used in capital and related financing activities	<u>(12,600,024)</u>	-

(continued)

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2012
(continued)

	Business-type Activities	Non major Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from investing activities		
Purchase of investments	\$ (10,000,000)	\$ -
Proceeds from sale and maturity of investments	16,952,634	-
Income on cash and cash equivalents	<u>246,467</u>	<u>61,102</u>
Net cash provided by investing activities	<u>7,199,101</u>	<u>61,102</u>
Net increase in equity in pooled cash and cash equivalents	4,521,838	164,657
Pooled cash and cash equivalents at beginning of year	<u>13,677,200</u>	<u>2,881,474</u>
Pooled cash and cash equivalents at end of year	<u>\$ 18,199,038</u>	<u>\$ 3,046,131</u>
Displayed as:		
Unrestricted	\$ 7,810,136	\$ 3,046,131
Restricted	<u>10,388,902</u>	<u>-</u>
Total Pooled cash and cash equivalents	<u>\$ 18,199,038</u>	<u>\$ 3,046,131</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 934,873	\$ 6,284,449
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,062,468	-
Change in assets and liabilities:		
Increase in customer accounts, net	(159,852)	-
Decrease in inventory	3,762	-
Decrease in interfund receivable	2,403,570	-
Decrease in negative net pension obligation	300,971	4,267
Increase (decrease) in accounts payable	41,713	(39,921)
Increase (decrease) in compensating absences	168	(700)
Decrease in insurance claims payable	-	(6,144,540)
Increase in customer deposits	<u>201,389</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 8,789,062</u>	<u>\$ 103,555</u>
Noncash investing, capital, and financing activities:		
Property contributed by developers	\$ 874,123	\$ -
Reassignment of capital assets to other funds	(3,460,118)	-
Reclass land investment to fixed assets	3,430,887	-
Decrease in unamortized bond issue cost	5,944	-
Gain on disposal of fixed assets	2,869	-
Increase in fair value of investments	11,175	196,678

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Fiduciary Funds
September 30, 2012

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short-term investments	\$ 16,619,643	\$ 3,028,943
Receivables		
Accrued interest and dividends	1,113,750	-
Other	430,040	2,334,407
Total receivables	<u>1,543,790</u>	<u>2,334,407</u>
Investments, at fair value		
U.S. Government securities	20,254,456	-
Corporate bonds	79,699,331	-
Common stocks	185,832,274	-
Foreign bonds	5,700,656	-
International equity securities	1,959,438	-
Domestic equity fund	23,925,018	-
International equity fund	22,805,286	-
Real estate fund	17,054,401	-
Mutual funds	163,946,288	-
Total investments	<u>521,177,148</u>	<u>-</u>
Capital Assets:		
Property and equipment, net	405,868	-
Total capital assets	<u>405,868</u>	<u>-</u>
Total assets	<u>539,746,449</u>	<u>5,363,350</u>
Liabilities		
DROP participants payable	82,259,996	-
Reserve for health insurance claims	680,095	-
Accounts payable	1,153,168	2,330,524
Accrued liabilities	-	3,032,826
Total liabilities	<u>84,093,259</u>	<u>5,363,350</u>
Net Position		
Net position held in trust for pension benefits	420,805,751	-
Net position held in trust for OPEB benefits	34,847,439	-
Total net position held in trust for benefits	<u>\$ 455,653,190</u>	<u>\$ -</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2012

	Pension and OPEB <u>Trust Funds</u>
Additions	
Contributions:	
Plan members	\$ 3,920,884
Employee buybacks	26,982
Employer	34,451,316
State	<u>2,342,079</u>
Total	<u>40,741,261</u>
Investment income	80,872,184
Less investment expense	<u>1,931,652</u>
Net investment income	<u>78,940,532</u>
Other additions:	
Specific stop loss and medical claims recovery	452,786
Other income	<u>102,589</u>
Total other additions	<u>555,375</u>
Total additions	<u>120,237,168</u>
Deductions	
Benefit payments and insurance premiums	36,907,835
Refunds of contributions	113,760
Administrative expenses	<u>811,345</u>
Total deductions	<u>37,832,940</u>
Change in net position	82,404,228
Net position, beginning	<u>373,248,962</u>
Net position, ending	<u>\$ 455,653,190</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, 2012

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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 and for the period ended June 30th. The Charter Schools are required to legally adopt budgets in accordance with Section 30.30(F) of the City's Code of Ordinances, and are also required to issue separately audited special purpose financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012

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 Position/Fund Balance

1. Deposits and Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

Deposits and Investments (continued)

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

2. Interfund Receivables and Payables

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

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

3. Receivables

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost of \$1,000 or more, except computers which are capitalized regardless of cost. 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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

5. Inventories and Prepaid Items

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

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

7. Long-Term Obligations

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

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.

8. Fund Balance

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the City Manager based on Commission direction. Commitments and assignments of fund balance have been established by the City Commission pursuant to a fund balance reserve policy adopted per Ordinance 1699 on September 7, 2011. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

9. Fund Balance Reserve Policy

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

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

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

e. Revenues, Expenditures/Expenses

1. Property Taxes

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues, Expenditures/Expenses (continued)

2. Compensated Absences

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

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

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the 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, 2012

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, 2012, 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, 2012

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

c. New Pronouncements

GASB Statement 60, Accounting and Financial Reporting for Service Concession Arrangements (GASB 60), addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements of GASB 60 are effective in fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 60 may have on its financial statements.

GASB Statement 61, The Financial Reporting Entity: Omnibus (GASB 61), amends GASB 14 and GASB 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e. blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective in fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 61 may have on its financial statements.

GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB 62) incorporates into GASB's authoritative literature, certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of GASB 62 are effective for fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 62 may have on its financial statements.

GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63) was issued to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The requirement of GASB 63 is effective for fiscal year 2013. The City is currently evaluating the impact, if any, that GASB 63 may have on its financial statements.

GASB Statement 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53 (GASB 64) was issued to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. GASB 64 sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of GASB 64 are effective for fiscal year 2012. GASB 64 does not have a material impact on the City's financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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

c. New Pronouncements (continued)

GASB Statement 65, Items Previously Reported as Assets and Liabilities (GASB 65). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 65 may have on its financial statements.

GASB Statement 66, Technical Corrections—2012, an amendment of GASB Statements No. 10 and No. 62 (GASB 66). The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The requirements of GASB 66 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 66 may have on its financial statements.

GASB Statement 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25 (GASB 67). The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 67 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 67 may have on its financial statements.

GASB Statement 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27 (GASB 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of GASB 67 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 68 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012 are classified in the accompanying financial statements as follows:

Statement of position:	<u>Balance as of 9/30/2012</u>	
Cash and cash equivalents	\$ 42,216,054	
Investments:		
Marketable securities	62,274,661	
Real estate	45,506,652	
Restricted assets:		
Pooled cash and cash equivalents	45,175,951	
Investments -marketable securities	9,121,363	\$ 204,294,681
Statement of Fiduciary net assets		
Cash and short-term investments	16,619,643	
Investments	<u>521,177,148</u>	<u>537,796,791</u>
Total cash and investments	<u>\$ 742,091,472</u>	<u>\$ 742,091,472</u>

Cash on hand, deposits and investments as of September 30, 2012 consist of the following:

Governmental and Business-type investments:	<u>Balance as of 9/30/2012</u>	
Cash on hand	\$ 19,306	
Deposits with financial institutions	14,512,776	
Money market funds held with financial institutions	36,912	
Florida PRIME	548,734	
Fund B Surplus Trust Fund (Fund B)	11,580	
Florida Municipal Investment Trust (FMIvT)	112,161,458	
Investments held with external Investment manager	31,497,263	
Investment in real estate	45,506,652	\$ 204,294,681
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	16,350,974	
Investments	357,230,860	
General Employees Pension Fund:		
Investments in mutual funds	128,082,287	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	268,669	
Investments	<u>35,864,001</u>	<u>537,796,791</u>
Total cash and investments	<u>\$ 742,091,472</u>	<u>\$ 742,091,472</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

General Investment Policy Guidelines

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

LIST OF AUTHORIZED INVESTMENTS:

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

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 3. DEPOSITS & INVESTMENTS (continued)

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

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

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 3. DEPOSITS & INVESTMENTS (continued)

Public Deposits

At September 30, 2012, the book balance of the City's public deposits was \$14,512,776 and the bank balance was \$15,565,872. 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, 2012 is 0.94896811, 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, 2012

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

State Board of Administration (SBA) (continued)

As at September 30, 2012, the City had \$548,734 invested in the Florida PRIME and \$11,580 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.

Since the inception of Fund B in December 2007, through February 2013, the total accumulated distribution has amounted to approximately \$1.77 billion, or 88.1 percent of the original Fund B principal.

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 as of 9/30/12
<u>FMIVT Bond Funds:</u>	
0-2 Year High Quality Bond Fund	\$ 124,582
1-3 Year High Quality Bond Fund	72,272,620
High Quality Growth Equity Portfolio	39,764,256
Total FMIVT Bond Funds	<u>\$ 112,161,458</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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:

Description	Balance as of 9/30/12
Mercantile Bank Money Market	\$ 268,669
FMIvT Investment Accounts:	
1-3 Year High Quality Bond Fund	14,006,787
High Quality Growth Equity Portfolio	6,575,689
Diversified Small to Mid (SMID) Cap Equity Portfolio	2,164,559
Russell 1000 Enhanced Index Equity Portfolio	4,367,465
International Blend Equity Portfolio	2,196,899
Large Cap Diversified Value Equity Portfolio	6,552,602
Total cash and investments	<u>\$ 36,132,670</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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate (continued)

Investment in Real Estate

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

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

In fiscal 2012, the City sold a parcel to Mills Creek Development for \$11,218,336 and recognized a gain on sale of \$1,213,349. Also, during the fiscal year 2012, the Utility Fund transferred \$3,460,118 of storm-water infrastructure to the Road and Bridge Fund. At the fiscal year ended September 30, 2012 the investment in real estate is valued at \$45,506,652.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012.

<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	\$ 1,122,526	-	0.8%
Treasuries	10,802,213	2.09	7.5%
Federal agencies	4,582,089	2.11	3.2%
Mortgage pass-through	348,010	1.01	0.2%
Collateralized mortgage obligations (Agency & Private)	1,086,135	5.93	0.7%
Asset-backed securities	1,881,426	1.08	1.3%
Corporate bonds	8,704,551	1.50	6.0%
Corporate - Non US	2,970,315	1.40	2.1%
<u>Investment in External Investment Pools:</u>			
FMIvT -0-2 Year high quality bond fund	124,582	0.83	0.1%
FMIvT -1-3 Year bond fund	72,272,620	1.64	50.1%
FMIvT -Intermediate high quality bond fund	39,764,256	3.16	27.6%
Florida PRIME	548,734	-	0.4%
Fund B surplus fund trust fund	11,580	-	0.0%
Total Governmental & Business-type Fixed Income	\$ 144,219,037		100.0%
Weighted average effective duration of the Governmental & Business-type activities		2.10	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
U.S. treasuries	\$ 8,232,554	0.33	7.8%
U.S. agencies	12,021,902	0.41	11.4%
Corporate bonds	79,699,331	3.56	75.4%
Foreign bonds	5,700,656	0.12	5.4%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 105,654,443		100.0%
Weighted average effective duration of Police & Fire Pension Fund		2.76	
General Employees Pension Fund:			
<u>Investment in separate fixed income investments accounts:</u>			
Principal core plus bond 1 separate account	\$ 22,595,664	4.30	41.5%
Principal bond and mortgage separate account	20,388,636	4.91	37.5%
Principal high yield 1 separate account	5,128,100	3.87	9.4%
Principal US property separate account	6,316,949	-	11.6%
Total Fixed Income General Employees Pension Fund	\$ 54,429,349		100.0%
Weighted average effective duration of the General Employees Pension Fund		3.99	
Other Post-Employment Benefit (OPEB) Trust Fund:			
<u>Investment in Funds of the Florida League of Cities</u>			
FMIvT -1-3 Year bond fund	14,006,787	1.64	100.0%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	\$ 14,006,787		100.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012 is 39 days and the weighted average life of Fund B as of September 30, 2012 is 4.08 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, 2012

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, 2012

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	\$ 1,122,526
Treasuries		AA+	Aaa	10,802,213
Federal agencies		AA+	Aaa	4,582,089
Mortgage pass-through		AA+	Aaa	348,010
Collateralized mortgage obligations (Agency & Private)		AA-	Aa2	1,086,135
Asset-backed securities		AAA	Aaa	1,881,426
Corporate		A+	A1	8,704,551
Corporate - Non US		AA-	Aa2	2,970,315
<u>Investment in External Investment Pools:</u>				
FMIvT -0-2 Year high quality bond fund	AAA/V1	AAAf/S1		124,582
FMIvT -1-3 Year bond fund	AAA/V2			72,272,620
FMIvT -Intermediate high quality bond fund	AAA/V3			39,764,256
Florida PRIME	N/A	AAAm		548,734
Fund B surplus funds trust fund -Not rated		Not rated		11,580
Total Governmental & Business-type Fixed Income				\$ 144,219,037
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed		N/A		\$ 20,254,456
Corporate/foreign bonds		AAA		2,170,649
Corporate/foreign bonds		AA+		3,646,379
Corporate/foreign bonds		AA		3,797,955
Corporate/foreign bonds		AA-		9,375,270
Corporate/foreign bonds		A+		22,458,782
Corporate/foreign bonds		A		25,903,517
Corporate/foreign bonds		A-		10,345,927
Corporate/foreign bonds		BBB+		6,022,977
Corporate/foreign bonds		BBB		1,175,536
Securities/foreign bonds not rated		Not rated		502,995
Total Fixed Income Firefighters and Police Officers Pension Fund				\$ 105,654,443
General Employees Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal core plus bond I separate account		Not rated		\$ 22,595,664
Principal bond and mortgage separate account		Not rated		20,388,636
Principal high yield I separate account		Not rated		5,128,100
Principal US property separate account		Not rated		6,316,949
Total Fixed Income General Employees Pension Fund				\$ 54,429,349
Other Post-Employment Trust Fund:				
<u>Investment in Funds of the Florida League of Cities</u>				
FMIvT -1-3 Year bond fund	AAA/V2			14,006,787
Total Fixed Income -Other Post-Employment Benefits Trust Fund				\$ 14,006,787

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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.

Type of Investment	Name	CUSIP	Ratings		9/30/2012 Market Value
			Standard & Poor's	Moody's	
Mortgage-backed Securities	Countrywide Home Loans	170256AD3	D	CA	\$ 170,364
Total fair market value					\$ 170,364

On February 27, 2013 the City sold the security at a price of \$65.50 per share. This security is listed above.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012

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, 2012

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2012 are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ 5,010,743	\$ 5,010,743
Franchise fees and taxes	5,106,405	432,294	-	5,538,699
Due from other governments	7,198	1,269,895	-	1,277,093
Other receivables	685,837	47,523	-	733,360
Gross receivables	5,799,440	1,749,712	5,010,743	12,559,895
Less: allowance for uncollectible accounts	-	-	(621,547)	(621,547)
Net total receivables	<u>\$ 5,799,440</u>	<u>\$ 1,749,712</u>	<u>\$ 4,389,196</u>	<u>\$ 11,938,348</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, 2012 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	\$ -	\$ 11,834,930	\$ -	\$ -	\$ 702,175	\$ 12,537,105
General Obligation Bonds sinking fund	-	66,125	-	-	-	66,125
Revenue Bonds reserve fund	-	2,351,922	-	-	-	2,351,922
Restricted for construction projects	-	-	28,466,365	-	-	28,466,365
Restricted for Utility System Bonds	-	-	-	-	6,558,007	6,558,007
Restricted for wetland mitigation	-	-	-	560,539	-	560,539
Customer deposits	628,531	-	-	-	3,128,720	3,757,251
Total restricted assets	<u>\$ 628,531</u>	<u>\$ 14,252,977</u>	<u>\$ 28,466,365</u>	<u>\$ 560,539</u>	<u>\$ 10,388,902</u>	<u>\$ 54,297,314</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 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	559,764	1,015,773	(1,026,476)	549,061
Total capital assets, not being depreciated	<u>66,133,917</u>	<u>1,015,773</u>	<u>(1,026,476)</u>	<u>66,123,214</u>
Capital assets, being depreciated:				
Buildings	245,057,043	-	-	245,057,043
Improvements other than buildings	132,297,307	3,827,062	(1,450)	136,122,919
Machinery and equipment	55,067,377	2,427,837	(4,391,611)	53,103,603
Infrastructure	33,222,836	177,700	-	33,400,536
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	<u>465,705,870</u>	<u>6,432,599</u>	<u>(4,393,061)</u>	<u>467,745,408</u>
Less accumulated depreciation for:				
Buildings	(47,321,553)	(5,035,189)	-	(52,356,742)
Improvements other than buildings	(51,037,390)	(7,033,476)	7,698	(58,063,168)
Machinery and equipment	(45,423,259)	(3,255,198)	4,372,868	(44,305,589)
Infrastructure	(30,154,260)	(344,837)	-	(30,499,097)
Intangibles	(6,642)	(6,130)	-	(12,772)
Total accumulated depreciation	<u>(173,943,104)</u>	<u>(15,674,830)</u>	<u>4,380,566</u>	<u>(185,237,368)</u>
Total capital assets, being depreciated, net	291,762,766	(9,242,231)	(12,495)	282,508,040
Governmental activities capital assets, net	<u>\$ 357,896,683</u>	<u>\$ (8,226,458)</u>	<u>\$ (1,038,971)</u>	<u>\$ 348,631,254</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 6. CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,056,488	\$ -	\$ -	\$ 3,056,488
Construction-in-progress	5,587,444	4,788,483	(2,896,285)	7,479,642
Total capital assets, not being depreciated	8,643,932	4,788,483	(2,896,285)	10,536,130
Capital assets, being depreciated:				
Buildings	37,320,885	2,000	-	37,322,885
Improvements other than buildings	176,893,500	8,574,802	(2,658,538)	182,809,764
Machinery and equipment	5,891,679	2,192,275	(147,930)	7,936,024
Total capital assets, being depreciated	220,106,064	10,769,077	(2,806,468)	228,068,673
Less accumulated depreciation for:				
Buildings	(6,427,988)	(766,800)	-	(7,194,788)
Improvements other than buildings	(68,705,066)	(4,094,552)	-	(72,799,618)
Machinery and equipment	(5,681,230)	(201,116)	80,951	(5,801,395)
Total accumulated depreciation	(80,814,284)	(5,062,468)	80,951	(85,795,801)
Total capital assets, being depreciated, net	139,291,780	5,706,609	(2,725,517)	142,272,872
Business-type activities capital assets, net	\$ 147,935,712	\$10,495,092	\$ (5,621,802)	\$ 152,809,002

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government services	\$ 811,918
Public safety	2,550,541
Physical environment	50,693
Transportation	3,130,850
Economic environment	1,597,623
Human services	3,477,055
Culture/recreation	4,056,150
Total depreciation expense - governmental activities	\$ 15,674,830

Business-type activities:

Water-sewer combined service	\$ 5,062,468
Total depreciation expense - business-type activities	\$ 5,062,468

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2012 is follows:

Due to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General		Nonmajor Governmental	\$ 1,126,538	Provide temporary resources
Total			<u>\$ 1,126,538</u>	

Interfund receivables/payables:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility		Capital Projects	\$ 171,304	Capital projects expenditures
Total			<u>\$ 171,304</u>	

Interfund Transfers:

	<u>Transfer in:</u>				Total	Purpose
	Debt Service Fund	Capital Project Fund	Nonmajor Governmental Funds			
Transfer out:						
General Fund	\$ -	\$ -	\$ 1,105,067		\$ 1,105,067	Supplement other funds
Capital Projects Fund	961,000	-	-		961,000	Use of unspent interest to pay debt service on the bonds
Debt Service Fund	-	9,385	-		9,385	Reclass balance of cost of issuance to the construction fund
Nonmajor Governmental Funds	-	-	793,878		793,878	Supplement other funds
Total	<u>\$ 961,000</u>	<u>\$ 9,385</u>	<u>\$ 1,898,945</u>		<u>\$ 2,869,330</u>	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012 amounted to \$1,912,900. Cost and carrying amounts of these leased assets as of September 30, 2012 were as follows:

Land	\$ 1,068,835
Buildings	<u>95,772,696</u>
Total Cost	96,841,531
Less: Accumulated Depreciation	<u>(16,085,690)</u>
Book Value as of 9/30/12	<u>\$ 80,755,841</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, 2012, 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, 2012 are \$116,191 and \$168,586, 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 \$3,800 and \$61,408 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$1,369,527 from the tower rentals in the year ended September 30, 2012.

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, 2012

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, 2012 amounted to \$787,470 and \$1,493,364, 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, 2012 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 \$1,583,953 from the rental of buildings on the Campus for the year ended September 30, 2012.

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 original lease was for 10 years through December 31, 2012, with one ten-year renewal period. The lease was amended on December 13, 2011 to renew the contract for a term of 18 months starting on January 1, 2013 and ending on June 30, 2014, with automatic renewals on an annual basis

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 8. OPERATING LEASES (continued)

for a 12-month period. The rental income of \$998,986 received in the Charter Schools' fiscal year ended June 30, 2012 was recorded in the City's Charter High School financial statements, and future rentals are included in the table below.

The cost of the shared-use facility is \$13,599,845, and accumulated depreciation and net book value as of September 30, 2012 amounted to \$2,266,641 and \$11,333,204, respectively. Depreciation expense for the year was \$283,330.

On November 23, 2004 the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 9. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The City received \$91,426 for the year ended September 30, 2012. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2012 amounted to \$938,052 and \$6,097,335, respectively. Depreciation expense for the year was \$140,708.

The City receives various short-term rentals from religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2012 the City received rental income of \$1,586,540 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$4,842,113 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, 2012 amounted to \$5,201,824 and \$12,660,703, respectively, and depreciation expense for the year was \$340,369. Pines Place cost is \$55,778,161 and its accumulated depreciation and net book value as of September 30, 2012 amounted to \$6,775,512 and \$49,002,649, respectively, and depreciation expense for the year was \$1,115,869. The City also maintains a storage lot for recreational vehicles and boats and trailers, and received storage rentals amounting to \$98,302 for the year ended September 30, 2012. 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, 2012

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, 2012 are:

Fiscal year ending September 30:	
2013	\$ 2,733,758
2014	2,755,407
2015	2,947,423
2016	1,975,877
2017	2,006,707
2018-2022	3,418,945
2023-2027	2,312,191
2028-2032	2,603,237
2033-2037	2,968,430
2038-2039	<u>1,309,791</u>
Total minimum future rentals	<u>\$ 25,031,766</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012 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 were called for redemption on October 1, 2011. The remaining \$1,845,000 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:			
2013	\$ 905,000	\$ 59,425	\$ 964,425
2014	940,000	20,210	960,210
Total	<u>\$ 1,845,000</u>	<u>\$ 79,635</u>	<u>\$ 1,924,635</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$36,390,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2004 Bonds and any Additional 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.

	Principal	Interest	Total
Fiscal year ending September 30:			
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	1,060,000	1,921,445	2,981,445
2018-2022	6,340,000	8,546,949	14,886,949
2023-2027	8,470,000	6,350,886	14,820,886
2028-2032	11,315,000	3,417,080	14,732,080
2033-2034	5,530,000	334,917	5,864,917
Total	\$ 36,390,000	\$ 28,838,383	\$ 65,228,383

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$44,775,000 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 a 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.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
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	1,410,000	2,010,331	3,420,331
2018-2022	8,125,000	8,943,279	17,068,279
2023-2027	10,390,000	6,605,493	16,995,493
2028-2032	13,405,000	3,512,119	16,917,119
2033-2034	6,400,000	340,200	6,740,200
Total	<u>\$ 44,775,000</u>	<u>\$ 30,063,528</u>	<u>\$ 74,838,528</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$19,180,000 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:			
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	585,000	806,835	1,391,835
2018-2022	3,295,000	3,637,065	6,932,065
2023-2027	4,120,000	2,789,775	6,909,775
2028-2032	5,245,000	1,635,125	6,880,125
2033-2035	3,815,000	292,375	4,107,375
Total	<u>\$ 19,180,000</u>	<u>\$ 12,604,027</u>	<u>\$ 31,784,027</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$15,235,000 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:			
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	455,000	655,760	1,110,760
2018-2022	2,600,000	2,945,297	5,545,297
2023-2027	3,290,000	2,237,128	5,527,128
2028-2032	4,190,000	1,306,500	5,496,500
2033-2035	3,050,000	233,500	3,283,500
Total	<u>\$ 15,235,000</u>	<u>\$ 10,178,301</u>	<u>\$ 25,413,301</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued \$29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling \$18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling \$10,985,000. These refunding bonds have an outstanding balance of \$26,560,000 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:			
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	2,430,000	863,050	3,293,050
2018-2022	14,090,000	2,334,500	16,424,500
2023	3,220,000	64,400	3,284,400
Total	<u>\$ 26,560,000</u>	<u>\$ 7,730,375</u>	<u>\$ 34,290,375</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. These refunding bonds have an outstanding balance of \$39,520,000 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.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
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	1,975,000	1,394,962	3,369,962
2018-2022	11,435,000	5,402,900	16,837,900
2023-2027	13,920,000	2,555,270	16,475,270
2028-2032	5,150,000	564,825	5,714,825
Total	<u>\$ 39,520,000</u>	<u>\$ 16,348,245</u>	<u>\$ 55,868,245</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$25,200,000 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:			
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	680,000	1,034,013	1,714,013
2018-2022	3,845,000	4,727,069	8,572,069
2023-2027	4,705,000	3,871,125	8,576,125
2028-2032	5,910,000	2,666,250	8,576,250
2033-2037	7,590,000	986,750	8,576,750
Total	\$ 25,200,000	\$ 17,681,657	\$ 42,881,657

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$62,895,000 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. 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. They are subject to optional and mandatory tender for purchase and to optional and mandatory redemption prior to maturity. Holders of the 2008 Bonds may elect to have their 2008 Bonds purchased on any Business Day, upon delivery of a Tender Notice to the Tender Agent seven days prior to the applicable Purchase Date. They are subject to redemption on any Business Day at the option of the City at a redemption price equal to 100% of the principal amount of such 2008 Bonds plus accrued interest to the date of redemption.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

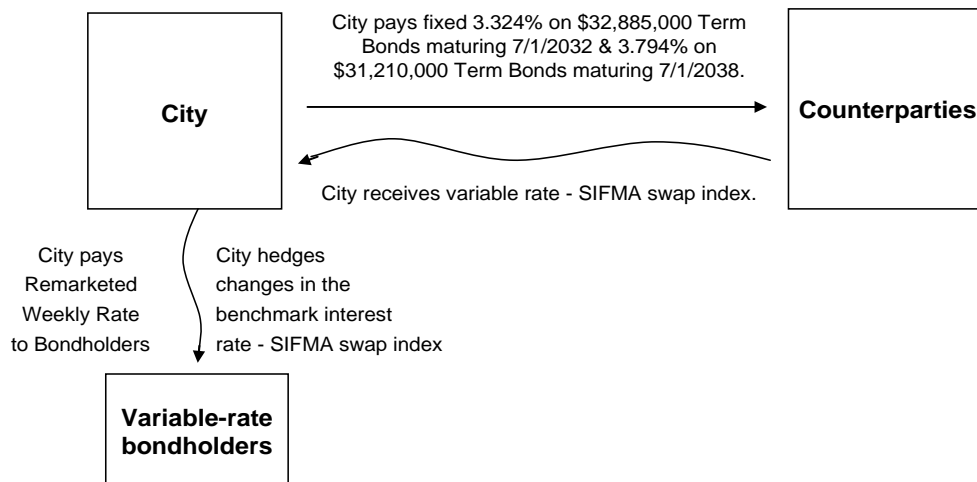
Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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



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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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

On May 17, 2011, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of \$63,495,000. This transaction was necessitated by the expiration of the Stand-by Bond Purchase Agreement on March 25, 2011 which was extended to May 24, 2011. The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to Wells Fargo Bank, National Association (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 debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2012" is based on the 1.07% interest rate which was the SIFMA Rate (0.18%) in effect at the financial statement date of September 30, 2012 (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, 2012

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:			
2013	\$ 100,000	\$ 670,923	\$ 770,923
2014	100,000	669,859	769,859
2015	100,000	668,795	768,795
2016	100,000	669,588	769,588
2017	100,000	668,524	768,524
2018-2022	500,000	3,326,544	3,826,544
2023-2027	8,615,000	3,148,646	11,763,646
2028-2032	22,070,000	2,350,594	24,420,594
2033-2037	25,455,000	1,102,621	26,557,621
2038	5,755,000	51,315	5,806,315
Total	<u>\$ 62,895,000</u>	<u>\$ 13,327,409</u>	<u>\$ 76,222,409</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

These 2008 Bonds have an outstanding balance of \$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.

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

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2012" 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, 2012 (per GASB Statement No. 38, paragraph 10).

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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:			
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	170,000	153,604	323,604
2018-2022	1,000,000	711,401	1,711,401
2023-2027	1,325,000	595,191	1,920,191
2028-2032	1,770,000	441,237	2,211,237
2033-2037	2,340,000	236,430	2,576,430
2038-2039	1,130,000	22,991	1,152,991
Total	<u>\$ 8,040,000</u>	<u>\$ 2,800,520</u>	<u>\$ 10,840,520</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$8,085,600 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.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
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	443,400	260,384	703,784
2018-2022	2,532,200	1,001,479	3,533,679
2023-2027	3,509,100	391,884	3,900,984
Total	<u>\$ 8,085,600</u>	<u>\$ 2,868,538</u>	<u>\$ 10,954,138</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$11,695,147 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:			
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	759,205	298,442	1,057,647
2018-2022	4,213,702	1,067,224	5,280,926
2023-2026	3,933,622	281,272	4,214,894
Total	<u>\$ 11,695,147</u>	<u>\$ 3,093,251</u>	<u>\$ 14,788,398</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, 2012

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, 2012 of 265% was computed as follows:

Operating revenues	\$41,924,423
Plus: Investment income	1,471,592
Transfer from other funds	-
Capital contributions	1,817,749
Less: Contributions in Aid of Construction	<u>(874,123)</u>
Gross Revenues	44,339,641
Less Operating, administrative and maintenance expenses	<u>(35,927,082)</u>
Net Revenues of the System	<u>\$ 8,412,559</u>
Interest expense	\$ 412,858
Principal payment	604,853
Other debt service cost	<u>5,944</u>
Bond service requirement on all outstanding bonds	1,023,655
Reserve for renewals and replacements	<u>2,147,993</u>
Total bond service requirement and reserve for renewals and replacement	<u>\$ 3,171,648</u>
Bond service requirement and reserve for renewals and replacement coverage	265%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012 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 \$40,080,000 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.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
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	1,260,000	1,538,583	2,798,583
2018-2022	7,085,000	6,896,150	13,981,150
2023-2027	8,690,000	5,289,637	13,979,637
2028-2032	10,760,000	3,225,200	13,985,200
2033-2035	7,685,000	701,775	8,386,775
Total	<u>\$ 40,080,000</u>	<u>\$ 24,236,695</u>	<u>\$ 64,316,695</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$39,225,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2007 Bonds. The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
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	1,040,000	1,638,425	2,678,425
2018-2022	5,925,000	7,483,137	13,408,137
2023-2027	7,365,000	6,039,075	13,404,075
2028-2032	9,230,000	4,179,525	13,409,525
2033-2036	11,890,000	1,636,376	13,526,376
Total	\$ 39,225,000	\$ 27,921,150	\$ 67,146,150

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments

On March 25, 2008, the City issued \$64,095,000 Charter School Revenue Bonds, Series 2008. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. Based on the consistency of the terms of the swaps and the variable-rate bonds, the city determines that the swaps are hedging derivative instruments using the consistent critical terms method. The fair value and notional amount of the derivative instruments outstanding at September 30, 2012 and the changes in fair value of such derivatives instruments for the year then ended as reported in the Fiscal Year 2012 financial statements are as follows:

		Fair Value		
Changes in Fair Values		at September 30, 2012*		
Classification	Amount	Classification	Amount	Notional
Governmental Activities				
Cash flow hedges				
Pay-fixed interest rate swap	Deferred outflow (\$2,184,722)	Debt	(\$13,416,354)	\$62,895,000

* 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, 2012 are (\$13,416,354) in favor of the Counterparties and \$62,895,000 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at September 30, 2012, along with the credit rating of the associated counterparty:

Type	Objective	Counterparty	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	\$22,179,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	S&P/Moody's/Fitch AA-/Aa3/AA
		Royal Bank of Canada	\$21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aa3/AA
		The Bank of New York Mellon	\$ 9,505,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA ⁽¹⁾ swap index	AA-/Aa1/AA-
		The Bank of New York Mellon	\$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aa1/AA-

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

Risks

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

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

Hedging derivative instrument payments and hedged debt - As of September 30, 2012, 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 1.07% (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 0.18% 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.

	Principal	Interest	Total
Fiscal year ending September 30:			
2013	\$ 100,000	\$ 670,923	\$ 770,923
2014	100,000	669,859	769,859
2015	100,000	668,795	768,795
2016	100,000	669,588	769,588
2017	100,000	668,524	768,524
2018-2022	500,000	3,326,544	3,826,544
2023-2027	8,615,000	3,148,646	11,763,646
2028-2032	22,070,000	2,350,594	24,420,594
2033-2037	25,455,000	1,102,621	26,557,621
2038	5,755,000	51,315	5,806,315
Total	\$ 62,895,000	\$ 13,327,409	\$ 76,222,409

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Contingencies

In the event the insurer's and the City's ratings are both downgraded below a rating of "A-" by Standard & Poor's Ratings Services (S&P) or "A3" by Moody's Investors Service (Moody's), the City will have the option, but not the obligation, of posting collateral in order to prevent swap termination. This option will not be available if the City's ratings are below "BBB" by S&P and "Baa2" by Moody's. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparties. At September 30, 2012, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative (\$13,416,354). If the collateral posting requirements were necessary at September 30, 2012, the City would be required to post \$13,416,354 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, 2012, 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 January 17, 2013, Moody's downgraded the insurer's rating to A2 from Aa3 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. At September 30, 2012, the \$9.8 million of bonds outstanding are considered defeased. They are listed as follows:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$9,770,000. 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Bonds Authorized, but Un-issued – On March 8, 2005, the voters of the City of Pembroke Pines approved the issuance of \$100,000,000 General Obligation Bonds, of which \$47,000,000 General Obligation Bonds, Series 2005 were issued on September 30, 2005, and \$43,000,000 General Obligation Bonds, Series 2007 were issued on July 25, 2007. The 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, 2012

NOTE 9. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2012 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	\$ 2,715,000	\$ -	\$ (870,000)	\$ 1,845,000	\$ 905,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2003A	37,185,000	-	(795,000)	36,390,000	840,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2004	45,910,000	-	(1,135,000)	44,775,000	1,180,000
Public Improvement Revenue					
Bonds, Series 2004A	19,665,000	-	(485,000)	19,180,000	500,000
Public Improvement Revenue					
Bonds, Series 2004B	15,610,000	-	(375,000)	15,235,000	390,000
Public Improvement Refunding					
Revenue Bonds, Series 2006	27,645,000	-	(1,085,000)	26,560,000	1,130,000
Capital Improvement Refunding					
Revenue Bonds, Series 2006	41,110,000	-	(1,590,000)	39,520,000	1,650,000
Capital Improvement Revenue					
Bonds, Series 2007	25,755,000	-	(555,000)	25,200,000	580,000
Charter School Revenue Bonds,					
Series 2008	63,195,000	-	(300,000)	62,895,000	100,000
Variable Rate Capital Improvement					
Revenue Refunding Bonds, Series 2008	8,040,000	-	-	8,040,000	-
Capital Improvement Refunding					
Revenue Bonds, Series 2010	8,443,200	-	(357,600)	8,085,600	377,400
Total revenue bonds	<u>295,273,200</u>	<u>-</u>	<u>(7,547,600)</u>	<u>287,725,600</u>	<u>7,652,400</u>
General obligation bonds:					
General Obligation Bonds, Series 2005	41,135,000	-	(1,055,000)	40,080,000	1,090,000
General Obligation Bonds, Series 2007	40,080,000	-	(855,000)	39,225,000	890,000
Total general obligation bonds	<u>81,215,000</u>	<u>-</u>	<u>(1,910,000)</u>	<u>79,305,000</u>	<u>1,980,000</u>
Total revenue and general obligation bonds	376,488,200	-	(9,457,600)	367,030,600	9,632,400
Less deferred amounts:					
For issuance discounts/premiums	953,083	-	(142,779)	810,304	-
On refundings	(7,311,148)	-	421,311	(6,889,837)	-
Total bonds payable	<u>370,130,135</u>	<u>-</u>	<u>(9,179,068)</u>	<u>360,951,067</u>	<u>9,632,400</u>
Estimated self-insurance claims	15,160,920	6,005,845	(12,150,385)	9,016,380	1,148,507
Compensated absences	18,953,457	3,432,070	(3,654,815)	18,730,712	11,174,291
Governmental activity long-term liabilities	<u>\$ 404,244,512</u>	<u>\$ 9,437,915</u>	<u>\$ (24,984,268)</u>	<u>\$ 388,698,159</u>	<u>\$ 21,955,198</u>
Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 508,027	\$ 235,215	\$ (235,047)	\$ 508,195	\$ 310,951
Consolidated Utility System					
Revenue Bonds, Series 2010	12,300,000	-	(604,853)	11,695,147	661,603
Business-type activity long-term liabilities	<u>\$ 12,808,027</u>	<u>\$ 235,215</u>	<u>\$ (839,900)</u>	<u>\$ 12,203,342</u>	<u>\$ 972,554</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 2037. Based on the FY 2012 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 72% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is \$109,704,040. For FY 2012, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were \$5,876,367 and \$8,059,519, 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 2035. Based on the FY 2012 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 64% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$93,412,338. For FY 2012, the principal and interest paid and the total Public Service Revenue were \$5,819,799 and \$9,076,626, 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 FY 2012 School Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 13% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$76,222,409. For FY 2012, the principal and interest paid and the total School Revenue were \$3,136,491 and \$43,576,127, respectively.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues (continued)

Communications Services Taxes and Water Public Service Taxes (Communications and Water Tax Revenue) are pledged to repay the outstanding \$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 2034. Based on the FY 2012 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 68% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$140,066,911.

For FY 2012, the principal and interest paid and the total Communications and Water Tax Revenue were \$6,420,170 and \$9,413,185, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding \$12.30 million in revenue bonds issued in 2010. Proceeds from the bonds provided financing for the Consolidated Utility System Project. The bonds are payable solely from the Utility Revenue and are payable through 2026. Based on the FY 2012 Utility Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 13% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$14,788,398. For FY 2012, the principal and interest paid and the total Utility Revenue were \$3,171,648 and \$8,412,559, respectively.

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The City established a risk management fund (an Internal Service Fund) to account for the uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$350,000 (Self Insured Retention –“SIR”) for each City employee workers’ compensation claim, \$425,000 (SIR) for each Police or Firefighter’s workers’ compensation claim, \$150,000 (SIR) per occurrence for each general liability claim, \$150,000 (SIR) each accident for Automobile Liability, \$100,000 (SIR) each claim for Public Officials & Employment Practices Liability and \$25,000 (deductible) per loss for each employee theft claim.

The City’s exposure on health insurance is limited to \$1,428 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 \$20,669,645 for the fiscal year ended September 30, 2012. 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 10. RISK MANAGEMENT (continued)

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$9,016,380 reported in the fund at September 30, 2012 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

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

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2010-2011	\$12,452,520	\$13,472,929	\$(10,764,529)	\$15,160,920
2011-2012	15,160,920	6,005,845	(12,150,385)	9,016,380

NOTE 11. CONTINGENT LIABILITIES

Litigation

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

Federal and State Assisted Programs

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$7,365,348 for the year ended September 30, 2012.

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

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

On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns 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, 2012 the balance in the Trust Fund account was \$560,539. For the fiscal year ended September 30, 2012, the Trust earned \$1,695 in investment income, and incurred expenses of \$15,631.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 12. COMMITMENTS (continued)

The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 8. "Operating Leases"). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning

Center at the site. The City has financed these projects with various bond issues. (See Note 9. "Long-Term Debt"). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. In fiscal year 2010, the City completed the renovation of an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines."

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

The City has the following construction commitments as of September 30, 2012:

Project Name	Vendor	Original Amount	Balance as of 9/30/12
Alternative Water Supply Phase 2	Calvin, Giordano & Associates, Inc.	\$ 9,018,000	\$ 5,846,061
City Center	Stiles	\$ 18,642,631	\$ 2,816,743
City Center - Spine Road Infrastructure & Hardscape	Stiles	\$ 7,000,000	\$ 698,853
Construction of the Police Training Facility	Bejar Construction, Inc.	\$ 722,955	\$ 722,955
Design Build Services for SW 196th Avenue / Pembroke Road Roadway Improvement Project	Weekley Asphalt Paving, Inc.	\$ 5,254,586	\$ 4,925,819
Design/Build Services for a Noise Wall (Sound Wall) located at Douglas Road and Taft Street	MBR Construction, Inc.	\$ 303,495	\$ 303,495
Rehabilitation of Treatment Unit 4 for the WasteWater Treatment Plant	Cardinal Contractors, Inc.	\$ 1,702,000	\$ 368,465
SW 4th Street Waterline Replacement	JMS Construction Service Inc.	\$ 190,654	\$ 68,336
NW 77th Way - North Waterline Replacement - Phase 1	JMS Construction Service Inc.	\$ 449,403	\$ 5,440
NW 77th Way - North Waterline Replacement - Phase 2 & 3	JMS Construction Service Inc.	\$ 286,577	\$ 109,593
Design Build Services for West Pines Soccer Park Additional Practice Fields	Kaufman Lynn, Inc.	\$ 1,451,632	\$ 1,312,804
Design/Build Services for Charter High School Football Stadium	Recreation Design & Construction, Inc.	\$ 2,366,925	\$ 2,366,925
Renovation of Football / Soccer Fields at Chapel Trail	Sports Turf One, Inc.	\$ 146,085	\$ 146,085
		\$ 47,534,943	\$ 19,691,575

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012, the Plan held \$35,864,001 in investments in mutual funds and \$268,669 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 Net Position –Fiduciary Fund and the Statement of Changes in Net Position –Fiduciary Fund for the fiscal year ended September 30, 2012.

Other Post-Employment Benefits (OPEB)

Statement of Net Position

Fiduciary Fund

September 30, 2012

	<u>2012</u>
Assets	
Cash and short-term investments	\$ 268,669
Investments	35,864,001
Total assets	<u>36,132,670</u>
Liabilities	
Reserve for health insurance claims	680,095
Accounts payable	605,136
Total liabilities	<u>1,285,231</u>
Net Position	
Net position held in trust for OPEB	<u>\$ 34,847,439</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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

Other Post-Employment Benefits (OPEB) Statement of Changes in Net Position Fiduciary Fund For the Year Ended September 30, 2012

Additions:	<u>2012</u>
Contributions	
Plan members	\$ 753,706
Employer	<u>9,168,787</u>
Total contributions	<u>9,922,493</u>
Investment income:	
Investment income	<u>4,431,388</u>
Net investment income	<u>4,431,388</u>
Other additions:	
Specific Stop Loss and medical claims recovery	<u>452,786</u>
Total other additions	<u>452,786</u>
Total additions	<u>14,806,667</u>
Deductions:	
Benefit payments and insurance	6,053,677
Administrative expenses	<u>200,067</u>
Total deductions	<u>6,253,744</u>
Change in net position	8,552,923
Net position, beginning	<u>26,294,516</u>
Net position, ending	<u>\$34,847,439</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012

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 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, 2012

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, 2012, the Plan members contributed \$753,706 and the City contributed \$9,168,787 which was 100% of ARC. The ARC as determined by the actuarial valuation was \$9,125,000.

Reserves

The balance in the Plan's legally required reserves as at September 30, 2012 was \$680,095.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended September 30, 2012, the City's annual OPEB cost for the Plan was \$9,169,000. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2012 were as follows:

Annual required contribution	\$	9,125,000
Interest on net OPEB obligation		186,000
Adjustment to annual required contribution		(142,213)
Annual OPEB cost		9,168,787
Contributions made		(9,168,787)
Change in net OPEB obligation/(asset)		-
Net OPEB obligation/(asset), beginning of year		-
Net OPEB obligation/(asset), end of year	\$	-

Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2010	\$ 8,834,000	\$ 13,834,000	157%	\$ 2,330,646
9/30/2011	8,673,001	11,003,647	127%	-
9/30/2012	9,168,787	9,168,787	100%	-

Funded Status and Funding Progress

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

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2009	\$ 8,546,236	\$ 114,192,000	105,645,764	7.5%	\$ 72,957,410	144.8%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2012, 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 income for the year ended September 30, 2012 was \$4,431,388. As of September 30, 2012, the Plan held no single investment that exceeded 5% of net position.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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

The cash and investment holdings of the OPEB Fund as of September 30, 2012 are shown in the table below. Additional information can be found in Note 3. –Deposits and Investments.

	Balance as of 9/30/12
Mercantile Bank Money Market	\$ 268,669
FMIvT Investment Accounts:	
1-3 Year High Quality Bond Fund	14,006,787
High Quality Growth Equity Portfolio	6,575,689
Diversified Small to Mid (SMID) Cap Equity Portfolio	2,164,559
Russell 1000 Enhanced Index Equity Portfolio	4,367,465
International Blend Equity Portfolio	2,196,899
Large Cap Diversified Value Equity Portfolio	6,552,602
Total cash and investments	<u>\$ 36,132,670</u>

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	10/1/2011	
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 (1)	8.0%	
Projected salary increases	3.0%	
Healthcare cost trend rate*	9.0%	initial
	5.0%	ultimate
	8.0%	current

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2011, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>2011</u>
Active members	38
Retired members and beneficiaries currently receiving benefits	356
Disabled members receiving benefits	3
Terminated and inactive vested members (including bargained employees whose benefit was frozen effective 7/1/2010)	368
Total	<u>765</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 Net Position-Fiduciary Fund and the Statement of Changes in Net Position –Fiduciary Fund for the fiscal year ended September 30, 2012.

General Employees Pension Trust Fund Statement of Net Position Fiduciary Fund September 30, 2012

	<u>2012</u>
Assets	
Investments	\$ 128,082,287
Total assets	<u>128,082,287</u>
Liabilities	<u>-</u>
Net Position	
Net position held in trust for pension benefits	<u><u>\$ 128,082,287</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

**General Employees Pension Trust Fund
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2012**

Additions:	<u>2012</u>
Contributions:	
Plan members	\$ 242,548
Employer	3,742,492
Total contributions	<u>3,985,040</u>
Investment earnings:	
Investment earnings & appreciation	21,100,798
Less investment expenses	19,330
Net investment income	<u>21,081,468</u>
Total additions	<u>25,066,508</u>
Deductions:	
Pension benefits	8,550,403
Refunds of contributions	(5,820)
Administrative expenses	67,747
Total deductions	<u>8,612,330</u>
Change in net position	16,454,178
Net position, beginning	<u>111,628,109</u>
Net position, ending	<u><u>\$ 128,082,287</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 of 6 2/3% for each year that the early retirement date precedes normal retirement.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Disability Benefits

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

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

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

Cost of Living Adjustments

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

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

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

Funding Policy

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

Effective February 1, 2010, non-bargaining unit participants are required to contribute 7.25% of regular wages down from 8.5%. Effective July 1, 2010, bargaining unit members are no longer required to contribute to the Plan since the Plan was closed, and the benefits were frozen. In fiscal year 2012, employee contributions for active members amounted to \$242,548. The City's Annual Required Contribution (ARC) for fiscal year 2012 amounted to \$3,742,492 or 101.6% of annual covered payroll for active members as compared with and ARC of \$3,317,993 or 93.8% of covered payroll in fiscal year 2011.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees Pension Plan (continued)

Funding Policy (continued)

The City's ARC for fiscal year 2012 is based on the actuarial report using the Aggregate method.

On April 1, 2004 the City deposited \$19,370,924 into the General Employees Pension Plan as a lump sum contribution. This was part of the Taxable Communications Services Tax Revenue Bonds, Series 2004. 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, 2012, 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, 2012, 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, 2012 was \$21,081,468 a significant increase over last year's net investment income of \$1,590,875.

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	\$ 3,742,942
Interest on net pension obligation	(1,023,604)
Adjustment to annual required contribution	2,451,747
Annual pension cost	<u>5,171,085</u>
Contributions made	<u>(3,742,942)</u>
Change in net pension obligation/(asset)	1,428,143
Net pension obligation/(asset), beginning of year	<u>(12,741,214)</u>
Net pension obligation/(asset), end of year	<u><u>\$ (11,313,071)</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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)
9/30/2010	\$ 4,286,840	\$ 3,502,940	82%	\$ (14,089,879)
9/30/2011	4,666,653	3,317,988	71%	(12,741,214)
9/30/2012	5,171,085	3,742,942	72%	(11,313,071)

DROP Plan

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

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2011, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2011	\$ 118,449,736	\$ 147,287,087	\$ 28,837,351	80%	\$ 3,681,877	783.2%

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 2012, 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, 2012

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	10/1/2011
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, 2012

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, 2011, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	2011
Retirees and beneficiaries currently receiving benefits including DROP and terminated employees entitled to benefits, but not yet receiving them	287
Current employees:	
Vested	183
Non-vested	178
Total	<u>648</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

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

Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	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.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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.

Police Officers

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

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

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

Firefighters

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

Disability Benefits

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

13th Check Benefits

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Deferred Retirement Option Plan (DROP)

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

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

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

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

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

Cost of Living Adjustment (COLA)

Effective April 1, 2005 and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP on or after June 18, 2003 will receive thereafter a 2% increase in their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in collective bargaining agreement to bargaining unit members, for the City fiscal year commencing the preceding October 1, whichever is greater. Upon retirement, firefighter members who were hired on or after April 1, 2006 shall receive a fixed 3% increase to their monthly retirement benefit on April 1 of each year following retirement. Firefighters hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October 1st each year following retirement. If 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, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA) (continued)

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 \$21,540,037 or 80.2% 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 \$2,342,079 or 8.7% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings upon completion of 26 2/3 year of continuous service. Member contributions for the fiscal year ended September 30, 2012 amounted to \$2,908,649.

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, 2012

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, 2012:

<u>Description</u>	<u>Estimated Useful Life</u>	<u>FY2012</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>(83,965)</u>
Property and equipment, net		<u>\$ 405,868</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2012, the depreciation expense amounted to \$17,372.

Investments

Investments are reported at fair value as of September 30, 2012. 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, 2012

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.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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 income for the year ended September 30, 2012 was \$53,427,676, as compared to last year's net investment loss of (\$5,673,669). (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	\$ 23,882,116
Interest on net pension obligation	(3,889,368)
Adjustment to annual required contribution	3,445,578
Annual pension cost	<u>23,438,326</u>
Contributions made (City and State)	<u>(23,882,116)</u>
Change in net pension obligation/(asset)	(443,790)
Net pension obligation/(asset), beginning of year	<u>(48,617,100)</u>
Net pension obligation/(asset), end of year	<u><u>\$ (49,060,890)</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
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)
9/30/2012	23,438,326	23,882,116	102%	(49,060,890)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

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, 2011, the date of the most recent actuarial valuation date is as follows:

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)
10/1/2011	\$ 294,227,027	\$ 490,104,162	\$ 195,877,135	60%	\$26,857,833	729.3%

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

Additional information as of the latest actuarial valuation follows:

	Firefighters and Police Officers Pension
Valuation date	10/1/2011
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	22 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	1.6%
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 3.5%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Florida Retirement System (FRS) - Charter School Employees

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

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

Plan Description

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

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

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2012, the contribution rate decreased from 10.77% to 4.91% of covered payroll which amounted to \$930,174. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. As of June 30, 2012, there were 513 members in this Plan, compared with 509 members the previous fiscal year.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

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

Funding Policy (continued)

The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.03%.

In fiscal year 2012, the State mandated that employees contribute 3% of pay to the FRS Pension Plan. This required employee contribution amounted to \$548,045.

<u>Fiscal Year</u>	<u>Annual Required Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>	<u>Contribution Rates</u>
2012	\$ 930,174	\$ 930,174	100%	4.91%
2011	2,008,405	2,008,405	100%	10.77%
2010	1,789,815	1,789,815	100%	9.85%

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, 2012, there were fifty-seven (57) 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 4.91 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2012 fiscal year, the City contributed \$156,123 to the Charter Schools' Plan, and the members contributed \$18,148. 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2012

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Defined Contribution Plans (continued)

Charter School and Early Development Center Employees (continued)

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

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

NOTE 15. SUBSEQUENT EVENTS

In March 2013, the City entered into a repayment plan agreement with the State of Florida Department of Emergency Management (the "Department") related to the over-allocation of public assistance grant funds received by the City in connection with Hurricane Wilma debris removal. The agreement requires the City to pay the aggregate amount of approximately \$5.4 million, of which approximately \$4.3 million is payable in fiscal year 2013, while the remainder is payable in twenty-four (24) month equal payments. No interest, processing fees or penalties will be charged by the Department as a result of this repayment plan. As of September 30, 2012, the City has approximately \$4.3 million accruals on its liabilities that were provided for in prior years as the City is aware of this over-allocation, hence no additional accruals were booked during the year. Also, the City is currently appealing approximately \$2 million of cost reimbursements related to Hurricane Wilma with the Department. As of March 12, 2013, results of the appeal are not available.

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, 2012

<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					
2012	\$ 3,742,492	\$ 3,742,492	\$ -	\$ 3,742,492	100%
2011	3,317,993	3,317,988	-	3,317,988	100%
2010	3,502,940	3,502,940	-	3,502,940	100%
2009	7,736,872	7,736,872	-	7,736,872	100%
2008	6,830,795	6,830,795	-	6,830,795	100%
2007	7,418,930	7,418,930	-	7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
City Pension Fund for Firefighters and Police Officers					
2012	\$ 23,882,116	\$ 21,540,037	\$ 2,342,079	\$ 23,882,116	100%
2011	23,289,867	21,020,757	2,269,110	23,289,867	100%
2010	24,538,413	22,200,904	2,337,509	24,538,413	100%
2009	21,935,003	19,505,427	2,429,576	21,935,003	100%
2008	17,795,174	15,214,031	2,581,143	17,795,174	100%
2007	14,254,450	11,812,342	2,442,108	14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
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%
Other Post-Employment Benefits (OPEB)					
2012	\$ 9,125,000	\$ 9,168,787	\$ -	\$ 9,168,787	100%
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, 2012

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees Pension Plan						
10/1/2011	\$ 118,449,736	\$ 147,287,087	\$ 28,837,351	80.4%	\$ 3,681,877	783.2%
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%
City Pension Fund for Firefighters and Police Officers						
10/1/2011	\$ 294,227,027	\$ 490,104,162	\$ 195,877,135	60.0%	\$ 26,857,833	729.3%
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%
Other Post-Employment Benefits (OPEB)						
10/1/2011	\$ 25,304,000	\$ 124,902,000	\$ 99,598,000	20.3%	\$ 67,687,688	147.1%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	72,957,410	144.8%
10/1/2008	2,688,520	131,728,115	129,039,595	2.0%	79,224,533	162.9%
10/1/2007	-	126,392,000	126,392,000	0.0%	76,059,157	166.2%

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$61,129,235	\$61,129,235	\$61,694,773	\$565,538
Permits, fees and licenses	31,702,435	31,702,635	32,408,831	706,196
Intergovernmental revenue	11,171,167	11,440,732	11,786,690	345,958
Charges for services	31,290,777	31,595,368	31,253,546	(341,822)
Fines and forfeitures	1,433,980	1,433,980	2,525,896	1,091,916
Miscellaneous revenues	12,584,850	12,710,142	13,038,340	328,198
Total revenues	<u>149,312,444</u>	<u>150,012,092</u>	<u>152,708,076</u>	<u>2,695,984</u>
Expenditures				
General government services				
Administrative services	3,792,635	3,748,420	3,195,888	552,532
City attorney	854,669	854,669	846,939	7,730
City clerk	1,229,586	1,210,802	1,000,212	210,590
City manager	451,893	450,735	432,474	18,261
Finance	2,793,685	2,751,760	2,513,838	237,922
Human resources	653,648	643,199	483,141	160,058
Mayor & commission	785,071	772,655	710,436	62,219
Non-departmental	3,549,053	3,461,294	2,335,842	1,125,452
Public services	6,788,537	6,802,381	6,212,375	590,006
Total general government services	<u>20,898,777</u>	<u>20,695,915</u>	<u>17,731,145</u>	<u>2,964,770</u>
Public safety				
Administrative services	1,120,936	1,094,073	966,826	127,247
Fire	48,229,974	47,620,406	44,748,958	2,871,448
Police	49,951,743	49,509,138	47,472,376	2,036,762
Total public safety	<u>99,302,653</u>	<u>98,223,617</u>	<u>93,188,160</u>	<u>5,035,457</u>
Physical environment				
Public services	2,847,653	2,782,679	2,424,402	358,277
Total physical environment	<u>2,847,653</u>	<u>2,782,679</u>	<u>2,424,402</u>	<u>358,277</u>

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2012
(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	\$7,491,699	\$7,481,770	\$7,042,988	\$438,782
Total economic environment	<u>7,491,699</u>	<u>7,481,770</u>	<u>7,042,988</u>	<u>438,782</u>
Human services				
Community services	837,031	1,125,122	986,088	139,034
Education	4,938,969	4,550,461	4,163,831	386,630
Total human services	<u>5,776,000</u>	<u>5,675,583</u>	<u>5,149,919</u>	<u>525,664</u>
Culture/recreation				
Parks & recreation	14,486,063	14,355,885	13,294,886	1,060,999
Total culture/recreation	<u>14,486,063</u>	<u>14,355,885</u>	<u>13,294,886</u>	<u>1,060,999</u>
Total expenditures	<u>150,802,845</u>	<u>149,215,449</u>	<u>138,831,500</u>	<u>10,383,949</u>
Excess (deficiency) of revenues over expenditures	<u>(1,490,401)</u>	<u>796,643</u>	<u>13,876,576</u>	<u>13,079,933</u>
Other financing sources (uses):				
Transfers out	(753,221)	(1,105,067)	(1,105,067)	-
Total other financing sources (uses)	<u>(753,221)</u>	<u>(1,105,067)</u>	<u>(1,105,067)</u>	<u>-</u>
Net change in fund balances	(2,243,622)	(308,424)	12,771,509	13,079,933
Fund balances, beginning	38,906,949	38,906,949	38,906,949	-
Fund balances, ending	<u>\$36,663,327</u>	<u>\$38,598,525</u>	<u>\$51,678,459</u>	<u>\$13,079,933</u>

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2012

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 \$1.6 million for the fiscal year ended September 30, 2012. The main components were:
 - a. \$2.0 million reduction in health, workers compensation and liability insurance in anticipation of lower claims;
 - b. \$0.4 million increase attributable to the carryover of capital items from prior fiscal year; and
 - c. \$0.3 million increase for the Department of Children and Families (DCF) Transitional Housing of which \$0.2 million relates to carryover of funds from the prior fiscal year and \$0.1 million for the 7/1/12 to 12/31/12 budget.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2012

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a \$0.7 million upward net revenue adjustment attributable mainly to:

- a. \$0.3 million – Department of Children and Families (DCF) Transitional Housing ; and
- b. \$0.2 million – Advertising revenue for City Connect newspaper.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

All General Fund budgetary expenditure categories were below appropriations for the fiscal year ended September 30, 2012.

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, 2012

	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	\$ 762,318	\$ -	\$ -	\$ 28,568	\$ 425,645	\$ 2,951,595	\$ 99,785	\$ 1,366,617	\$ 484,887
Investments:									
Marketable securities	3,160,222	-	-	-	-	-	-	-	-
Receivables:									
Franchise fees and taxes	432,294	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	4,466	3,031	3,713	1,564
Inventory	-	-	-	-	-	-	-	-	-
Due from other governments	-	466,306	-	-	-	6,483	3,758	3,777	216,975
Prepaid costs	-	-	-	-	-	-	-	-	-
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	-	-
Total assets	\$ 4,354,834	\$ 466,306	\$ -	\$ 28,568	\$ 425,645	\$ 2,962,544	\$ 106,574	\$ 1,374,107	\$ 703,426
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,458	\$ 4,651	\$ 13,303	\$ 3,002
Due to other funds	-	466,306	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	114,178	77,860	326,842	13,072
Deferred revenue	-	-	-	28,568	425,645	11,480	4,633	5,939	5,554
Total liabilities	-	466,306	-	28,568	425,645	132,116	87,144	346,084	21,628
Fund balances:									
Nonspendable									
Inventory and prepaid costs	-	-	-	-	-	-	-	-	-
Wetland Mitigation Trust	-	-	-	-	-	-	-	-	-
Restricted by									
Road and sidewalks	4,354,834	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-	-
Assigned for rent payments	-	-	-	-	-	2,830,428	19,430	1,028,023	681,798
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	4,354,834	-	-	-	-	2,830,428	19,430	1,028,023	681,798
Total liabilities and fund balances	\$ 4,354,834	\$ 466,306	\$ -	\$ 28,568	\$ 425,645	\$ 2,962,544	\$ 106,574	\$ 1,374,107	\$ 703,426

* As of June 30, 2012

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012
(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	\$ -	\$ -	\$ -	\$ 387,125	\$ 584,639	\$ 281,491	\$ 1,241,171	\$ -	\$ 8,613,841
Investments:									
Marketable securities	-	-	-	-	-	-	-	-	3,160,222
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	432,294
Other	-	-	-	-	-	-	34,749	-	47,523
Inventory	-	-	23,234	-	-	-	-	-	23,234
Due from other governments	438,673	-	129,872	4,051	-	-	-	-	1,269,895
Prepaid costs	95,350	-	-	-	-	-	-	-	95,350
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	560,539	560,539
Total assets	\$ 534,023	\$ -	\$ 153,106	\$ 391,176	\$ 584,639	\$ 281,491	\$ 1,275,920	\$ 560,539	\$ 14,202,898
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,414
Due to other funds	534,023	-	126,209	-	-	-	-	-	1,126,538
Deposits	-	-	-	-	-	-	19,734	-	551,686
Deferred revenue	-	-	3,663	-	-	-	-	-	485,482
Total liabilities	534,023	-	129,872	-	-	-	19,734	-	2,191,120
Fund balances:									
Nonspendable									
Inventory and prepaid costs	95,350	-	23,234	-	-	-	-	-	118,584
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted by									
Road and sidewalks	-	-	-	-	-	-	-	-	4,354,834
Law enforcement	-	-	-	391,176	584,639	281,491	1,256,186	-	2,513,492
Wetland Mitigation	-	-	-	-	-	-	-	114,424	114,424
Assigned for rent payments	-	-	-	-	-	-	-	-	4,559,679
Unassigned	(95,350)	-	-	-	-	-	-	-	(95,350)
Total fund balances	-	-	23,234	391,176	584,639	281,491	1,256,186	560,539	12,011,778
Total liabilities and fund balances	\$ 534,023	\$ -	\$ 153,106	\$ 391,176	\$ 584,639	\$ 281,491	\$ 1,275,920	\$ 560,539	\$ 14,202,898

* As of June 30, 2012

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2012

	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	\$ 2,664,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,118,985	498,288	340,194	71,118	706,696	12,661,655	7,758,876	11,129,792	5,148,889
Charges for services	200,000	-	-	-	-	811,990	155,662	72,644	438,256
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	63,390	-	-	-	-	32,031	4,809	15,008	4,824
Contributions	-	-	-	-	-	189,766	145,333	193,663	74,722
Rental revenue	-	-	-	-	-	139,291	212,217	1,405,556	48,255
Other	164,388	-	-	-	-	387,347	363,335	514,824	137,277
Total revenues	4,211,566	498,288	340,194	71,118	706,696	14,222,080	8,640,232	13,331,487	5,852,223
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	498,288	-	71,118	-	-	-	-	-
Transportation	4,595,402	-	448,451	-	-	-	-	-	-
Economic environment	-	-	-	-	706,696	-	-	-	-
Human services	-	-	-	-	-	14,914,432	10,029,167	12,948,183	6,101,817
Total expenditures	4,595,402	498,288	448,451	71,118	706,696	14,914,432	10,029,167	12,948,183	6,101,817
Excess (deficiency) of revenues over expenditures	(383,836)	-	(108,257)	-	-	(692,352)	(1,388,935)	383,304	(249,594)
Other financing sources (uses):									
Transfers in	-	-	108,257	-	-	-	1,147,973	-	-
Transfers out	(693,878)	-	-	-	-	-	-	(100,000)	-
Total other financing sources (uses)	(693,878)	-	108,257	-	-	-	1,147,973	(100,000)	-
Net change in fund balances	(1,077,714)	-	-	-	-	(692,352)	(240,962)	283,304	(249,594)
Fund balances, beginning	5,432,548	-	-	-	-	3,522,780	260,392	744,719	931,392
Fund balances, ending	\$ 4,354,834	\$ -	\$ -	\$ -	\$ -	\$ 2,830,428	\$ 19,430	\$ 1,028,023	\$ 681,798

* As of June 30, 2012

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2012
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,664,803
Intergovernmental	2,533,910	311,475	897,649	-	-	-	-	-	43,177,527
Charges for services	-	-	-	-	-	-	-	-	1,678,552
Fines and forfeitures	-	-	-	22,930	173,653	41,246	65,449	-	303,278
Investment income	-	-	-	3,269	3,817	2,191	10,702	1,695	141,736
Contributions	-	-	33,934	-	-	-	-	-	637,418
Rental revenue	-	-	-	-	-	-	-	-	1,805,319
Other	-	-	-	-	-	-	-	-	1,567,171
Total revenues	2,533,910	311,475	931,583	26,199	177,470	43,437	76,151	1,695	51,975,804
Expenditures:									
General government	-	-	-	-	-	-	-	15,631	15,631
Public safety	-	-	-	29,852	2,900	15,781	197,093	-	815,032
Transportation	118,927	897,095	-	-	-	-	-	-	6,059,875
Economic environment	2,414,983	-	-	-	-	-	-	-	3,121,679
Human services	-	-	993,831	-	-	-	-	-	44,987,430
Total expenditures	2,533,910	897,095	993,831	29,852	2,900	15,781	197,093	15,631	54,999,647
Excess (deficiency) of revenues over expenditures	-	(585,620)	(62,248)	(3,653)	174,570	27,656	(120,942)	(13,936)	(3,023,843)
Other financing sources (uses):									
Transfers in	-	585,620	57,095	-	-	-	-	-	1,898,945
Transfers out	-	-	-	-	-	-	-	-	(793,878)
Total other financing sources (uses)	-	585,620	57,095	-	-	-	-	-	1,105,067
Net change in fund balances	-	-	(5,153)	(3,653)	174,570	27,656	(120,942)	(13,936)	(1,918,776)
Fund balances, beginning	-	-	28,387	394,829	410,069	253,835	1,377,128	574,475	13,930,554
Fund balances, ending	\$ -	\$ -	\$ 23,234	\$ 391,176	\$ 584,639	\$ 281,491	\$ 1,256,186	\$ 560,539	\$ 12,011,778

* As of June 30, 2012

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, 2012

	<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	\$ 5,412,172	\$ 5,412,172	\$ 5,441,632	\$ 29,460
Utility taxes	1,787,007	1,787,007	1,786,960	(47)
Communication services tax	6,440,655	6,440,655	6,441,091	436
Permits, fees and licenses	811,650	811,650	816,072	4,422
Investment income	102,437	102,437	125,135	22,698
Rental revenue	11,343,869	11,311,017	10,940,507	(370,510)
Total revenues	<u>25,897,790</u>	<u>25,864,938</u>	<u>25,551,397</u>	<u>(313,541)</u>
Expenditures				
Debt service:				
Principal	9,457,600	9,457,600	9,457,600	-
Interest	17,302,470	17,269,618	17,265,348	4,270
Other debt service costs	18,700	9,314	1,911	7,403
Total expenditures	<u>26,778,770</u>	<u>26,736,532</u>	<u>26,724,859</u>	<u>11,673</u>
Deficiency of revenues over expenditures	<u>(880,980)</u>	<u>(871,594)</u>	<u>(1,173,462)</u>	<u>(301,868)</u>
Other financing sources:				
Transfers in	961,000	961,000	961,000	-
Transfers out	-	(9,386)	(9,385)	1
Total other financing sources	<u>961,000</u>	<u>951,614</u>	<u>951,615</u>	<u>1</u>
Net change in fund balances	80,020	80,020	(221,847)	(301,867)
Fund balances, beginning	<u>14,474,824</u>	<u>14,474,824</u>	<u>14,474,824</u>	<u>-</u>
Fund balances, ending	<u>\$ 14,554,844</u>	<u>\$ 14,554,844</u>	<u>\$ 14,252,977</u>	<u>\$ (301,867)</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, 2012

	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	\$ 2,714,000	\$ 2,714,000	\$ 2,664,803	\$ (49,197)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,141,400	1,141,400	1,118,985	(22,415)	17,918	690,679	498,288	(192,391)
Charges for services	200,000	200,000	200,000	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	157,000	157,000	63,390	(93,610)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	50,500	50,500	164,388	113,888	-	-	-	-
Total revenues	<u>4,262,900</u>	<u>4,262,900</u>	<u>4,211,566</u>	<u>(51,334)</u>	<u>17,918</u>	<u>690,679</u>	<u>498,288</u>	<u>(192,391)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	17,918	690,679	498,288	192,391
Transportation	4,599,080	4,589,521	4,595,402	(5,881)	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,599,080</u>	<u>4,589,521</u>	<u>4,595,402</u>	<u>(5,881)</u>	<u>17,918</u>	<u>690,679</u>	<u>498,288</u>	<u>192,391</u>
Excess (deficiency) of revenues over expenditures	<u>(336,180)</u>	<u>(326,621)</u>	<u>(383,836)</u>	<u>(57,215)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(508,523)	(693,807)	(693,878)	(71)	-	-	-	-
Total other financing sources (uses)	<u>(508,523)</u>	<u>(693,807)</u>	<u>(693,878)</u>	<u>(71)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(844,703)	(1,020,428)	(1,077,714)	(57,286)	-	-	-	-
Fund balances, beginning	5,432,548	5,432,548	5,432,548	-	-	-	-	-
Fund balances, ending	<u>\$ 4,587,845</u>	<u>\$ 4,412,120</u>	<u>\$ 4,354,834</u>	<u>\$ (57,286)</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, 2012
(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	452,928	340,194	(112,734)	-	99,569	71,118	(28,451)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	15	-	(15)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	452,928	452,928	340,194	(112,734)	-	99,584	71,118	(28,466)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	99,569	71,118	28,451
Transportation	452,928	452,928	448,451	4,477	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	452,928	452,928	448,451	4,477	-	99,569	71,118	28,451
Excess (deficiency) of revenues over expenditures	-	-	(108,257)	(108,257)	-	15	-	(15)
Other financing sources (uses):								
Transfers in	-	-	108,257	108,257	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	108,257	108,257	-	-	-	-
Net change in fund balances	-	-	-	-	-	15	-	(15)
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ (15)

(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, 2012
(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	-	1,064,705	706,696	(358,009)	12,705,719	12,728,951	12,661,655	(67,296)
Charges for services	-	-	-	-	836,893	836,893	811,990	(24,903)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	39,000	39,000	-	(39,000)	28,611	28,611	32,031	3,420
Contributions	-	-	-	-	394,089	408,284	189,766	(218,518)
Rental revenue	-	-	-	-	135,219	135,219	139,291	4,072
Other	-	-	-	-	339,701	403,613	387,347	(16,266)
Total revenues	<u>39,000</u>	<u>1,103,705</u>	<u>706,696</u>	<u>(397,009)</u>	<u>14,440,232</u>	<u>14,541,571</u>	<u>14,222,080</u>	<u>(319,491)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	1,064,705	706,696	358,009	-	-	-	-
Human services	-	-	-	-	16,149,806	15,295,939	14,914,432	381,507
Total expenditures	<u>-</u>	<u>1,064,705</u>	<u>706,696</u>	<u>358,009</u>	<u>16,149,806</u>	<u>15,295,939</u>	<u>14,914,432</u>	<u>381,507</u>
Excess (deficiency) of revenues over expenditures	<u>39,000</u>	<u>39,000</u>	<u>-</u>	<u>(39,000)</u>	<u>(1,709,574)</u>	<u>(754,368)</u>	<u>(692,352)</u>	<u>62,016</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	39,000	39,000	-	(39,000)	(1,709,574)	(754,368)	(692,352)	62,016
Fund balances, beginning	-	-	-	-	3,522,780	3,522,780	3,522,780	-
Fund balances, ending	<u>\$ 39,000</u>	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ (39,000)</u>	<u>\$ 1,813,206</u>	<u>\$ 2,768,412</u>	<u>\$ 2,830,428</u>	<u>\$ 62,016</u>

* As of June 30, 2012

(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, 2012
(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	7,727,097	7,749,456	7,758,876	9,420	11,071,077	11,104,864	11,129,792	24,928
Charges for services	181,807	181,807	155,662	(26,145)	244,165	244,165	72,644	(171,521)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	5,871	5,871	4,809	(1,062)	10,845	10,845	15,008	4,163
Contributions	261,569	282,126	145,333	(136,793)	371,498	371,498	193,663	(177,835)
Rental revenue	166,000	166,000	212,217	46,217	1,369,347	1,369,347	1,405,556	36,209
Other	336,040	369,400	363,335	(6,065)	506,937	528,821	514,824	(13,997)
Total revenues	8,678,384	8,754,660	8,640,232	(114,428)	13,573,869	13,629,540	13,331,487	(298,053)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	10,808,161	10,216,492	10,029,167	187,325	14,159,560	13,308,725	12,948,183	360,542
Total expenditures	10,808,161	10,216,492	10,029,167	187,325	14,159,560	13,308,725	12,948,183	360,542
Excess (deficiency) of revenues over expenditures	(2,129,777)	(1,461,832)	(1,388,935)	72,897	(585,691)	320,815	383,304	62,489
Other financing sources (uses):								
Transfers in	753,221	853,221	1,147,973	294,752	-	-	-	-
Transfers out	-	-	-	-	-	(100,000)	(100,000)	-
Total other financing sources (uses)	753,221	853,221	1,147,973	294,752	-	(100,000)	(100,000)	-
Net change in fund balances	(1,376,556)	(608,611)	(240,962)	367,649	(585,691)	220,815	283,304	62,489
Fund balances, beginning	260,392	260,392	260,392	-	744,719	744,719	744,719	-
Fund balances, ending	\$ (1,116,164)	\$ (348,219)	\$ 19,430	\$ 367,649	\$ 159,028	\$ 965,534	\$ 1,028,023	\$ 62,489

* As of June 30, 2012

(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, 2012
(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	5,240,684	5,254,595	5,148,889	(105,706)	1,037,133	6,486,075	2,533,910	(3,952,165)
Charges for services	427,038	427,038	438,256	11,218	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	5,791	5,791	4,824	(967)	-	-	-	-
Contributions	138,963	147,512	74,722	(72,790)	-	-	-	-
Rental revenue	54,373	54,373	48,255	(6,118)	-	-	-	-
Other	122,150	136,814	137,277	463	-	-	-	-
Total revenues	<u>5,988,999</u>	<u>6,026,123</u>	<u>5,852,223</u>	<u>(173,900)</u>	<u>1,037,133</u>	<u>6,486,075</u>	<u>2,533,910</u>	<u>(3,952,165)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	118,924	118,928	118,927	1
Economic environment	-	-	-	-	918,209	6,367,147	2,414,983	3,952,164
Human services	6,534,846	6,247,231	6,101,817	145,414	-	-	-	-
Total expenditures	<u>6,534,846</u>	<u>6,247,231</u>	<u>6,101,817</u>	<u>145,414</u>	<u>1,037,133</u>	<u>6,486,075</u>	<u>2,533,910</u>	<u>3,952,165</u>
Excess (deficiency) of revenues over expenditures	<u>(545,847)</u>	<u>(221,108)</u>	<u>(249,594)</u>	<u>(28,486)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(545,847)	(221,108)	(249,594)	(28,486)	-	-	-	-
Fund balances, beginning	931,392	931,392	931,392	-	-	-	-	-
Fund balances, ending	<u>\$ 385,545</u>	<u>\$ 710,284</u>	<u>\$ 681,798</u>	<u>\$ (28,486)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* As of June 30, 2012

(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, 2012
(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	309,703	784,703	311,475	(473,228)	827,002	912,896	897,649	(15,247)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	84,568	33,934	33,934	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>309,703</u>	<u>784,703</u>	<u>311,475</u>	<u>(473,228)</u>	<u>911,570</u>	<u>946,830</u>	<u>931,583</u>	<u>(15,247)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	818,226	1,293,226	897,095	396,131	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	911,570	1,003,925	993,831	10,094
Total expenditures	<u>818,226</u>	<u>1,293,226</u>	<u>897,095</u>	<u>396,131</u>	<u>911,570</u>	<u>1,003,925</u>	<u>993,831</u>	<u>10,094</u>
Excess (deficiency) of revenues over expenditures	<u>(508,523)</u>	<u>(508,523)</u>	<u>(585,620)</u>	<u>(77,097)</u>	<u>-</u>	<u>(57,095)</u>	<u>(62,248)</u>	<u>(5,153)</u>
Other financing sources (uses):								
Transfers in	508,523	508,523	585,620	77,097	-	57,095	57,095	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>508,523</u>	<u>508,523</u>	<u>585,620</u>	<u>77,097</u>	<u>-</u>	<u>57,095</u>	<u>57,095</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	(5,153)	(5,153)
Fund balances, beginning	-	-	-	-	28,387	28,387	28,387	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,387</u>	<u>\$ 28,387</u>	<u>\$ 23,234</u>	<u>\$ (5,153)</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, 2012
(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	-	383	22,930	22,547	-	7,870	173,653	165,783
Investment income	6,000	6,000	3,269	(2,731)	-	110	3,817	3,707
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>6,000</u>	<u>6,383</u>	<u>26,199</u>	<u>19,816</u>	<u>-</u>	<u>7,980</u>	<u>177,470</u>	<u>169,490</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	33,150	296,479	29,852	266,627	88,097	343,491	2,900	340,591
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>33,150</u>	<u>296,479</u>	<u>29,852</u>	<u>266,627</u>	<u>88,097</u>	<u>343,491</u>	<u>2,900</u>	<u>340,591</u>
Excess (deficiency) of revenues over expenditures	<u>(27,150)</u>	<u>(290,096)</u>	<u>(3,653)</u>	<u>286,443</u>	<u>(88,097)</u>	<u>(335,511)</u>	<u>174,570</u>	<u>510,081</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	(27,150)	(290,096)	(3,653)	286,443	(88,097)	(335,511)	174,570	510,081
Fund balances, beginning	<u>394,829</u>	<u>394,829</u>	<u>394,829</u>	<u>-</u>	<u>410,069</u>	<u>410,069</u>	<u>410,069</u>	<u>-</u>
Fund balances, ending	<u>\$ 367,679</u>	<u>\$ 104,733</u>	<u>\$ 391,176</u>	<u>\$ 286,443</u>	<u>\$ 321,972</u>	<u>\$ 74,558</u>	<u>\$ 584,639</u>	<u>\$ 510,081</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, 2012
(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	55,245	55,245	41,246	(13,999)	-	52,960	65,449	12,489
Investment income	5,000	5,000	2,191	(2,809)	-	320	10,702	10,382
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>60,245</u>	<u>60,245</u>	<u>43,437</u>	<u>(16,808)</u>	<u>-</u>	<u>53,280</u>	<u>76,151</u>	<u>22,871</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	55,245	216,264	15,781	200,483	105,240	1,188,338	197,093	991,245
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>55,245</u>	<u>216,264</u>	<u>15,781</u>	<u>200,483</u>	<u>105,240</u>	<u>1,188,338</u>	<u>197,093</u>	<u>991,245</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>(156,019)</u>	<u>27,656</u>	<u>183,675</u>	<u>(105,240)</u>	<u>(1,135,058)</u>	<u>(120,942)</u>	<u>1,014,116</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	5,000	(156,019)	27,656	183,675	(105,240)	(1,135,058)	(120,942)	1,014,116
Fund balances, beginning	253,835	253,835	253,835	-	1,377,128	1,377,128	1,377,128	-
Fund balances, ending	<u>\$ 258,835</u>	<u>\$ 97,816</u>	<u>\$ 281,491</u>	<u>\$ 183,675</u>	<u>\$ 1,271,888</u>	<u>\$ 242,070</u>	<u>\$ 1,256,186</u>	<u>\$ 1,014,116</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, 2012
(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	34,000	34,000	1,695	(32,305)
Contributions	-	-	-	-
Rental revenue	-	-	-	-
Other	-	-	-	-
Total revenues	<u>34,000</u>	<u>34,000</u>	<u>1,695</u>	<u>(32,305)</u>
Expenditures:				
General government	16,500	16,500	15,631	869
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>16,500</u>	<u>16,500</u>	<u>15,631</u>	<u>869</u>
Excess (deficiency) of revenues over expenditures	<u>17,500</u>	<u>17,500</u>	<u>(13,936)</u>	<u>(31,436)</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	17,500	17,500	(13,936)	(31,436)
Fund balances, beginning	<u>574,475</u>	<u>574,475</u>	<u>574,475</u>	<u>-</u>
Fund balances, ending	<u>\$ 591,975</u>	<u>\$ 591,975</u>	<u>\$ 560,539</u>	<u>\$ (31,436)</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 Net Position
Fiduciary Funds
September 30, 2012

	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	\$ -	\$ 16,350,974	\$ 268,669	\$ 16,619,643
Receivables				
Accrued interest and dividends	-	1,113,750	-	1,113,750
Other	-	430,040	-	430,040
Total receivables	-	1,543,790	-	1,543,790
Investments, at fair value				
U.S. Government securities	-	20,254,456	-	20,254,456
Corporate bonds	-	79,699,331	-	79,699,331
Common stocks	-	185,832,274	-	185,832,274
Foreign bonds	-	5,700,656	-	5,700,656
International equity securities	-	1,959,438	-	1,959,438
Domestic equity fund	-	23,925,018	-	23,925,018
International equity fund	-	22,805,286	-	22,805,286
Real estate fund	-	17,054,401	-	17,054,401
Mutual funds	128,082,287	-	35,864,001	163,946,288
Total investments	128,082,287	357,230,860	35,864,001	521,177,148
Capital Assets:				
Property and equipment, net	-	405,868	-	405,868
Total capital assets	-	405,868	-	405,868
 Total assets	 128,082,287	 375,531,492	 36,132,670	 539,746,449
Liabilities				
DROP participants payable	-	82,259,996	-	82,259,996
Reserve for health insurance claims	-	-	680,095	680,095
Accounts payable	-	548,032	605,136	1,153,168
Total liabilities	-	82,808,028	1,285,231	84,093,259
Net Position				
Net position held in trust for benefits	\$ 128,082,287	\$ 292,723,464	\$ 34,847,439	\$ 455,653,190

City of Pembroke Pines, Florida
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2012

	<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	\$ 242,548	\$ 2,924,630	\$ 753,706	\$ 3,920,884
Employee buybacks	-	26,982	-	26,982
Employer	3,742,492	21,540,037	9,168,787	34,451,316
State	<u>-</u>	<u>2,342,079</u>	<u>-</u>	<u>2,342,079</u>
Total contributions	<u>3,985,040</u>	<u>26,833,728</u>	<u>9,922,493</u>	<u>40,741,261</u>
Investment income	21,100,798	55,339,998	4,431,388	80,872,184
Less investment expenses	<u>19,330</u>	<u>1,912,322</u>	<u>-</u>	<u>1,931,652</u>
Net investment income	<u>21,081,468</u>	<u>53,427,676</u>	<u>4,431,388</u>	<u>78,940,532</u>
Other additions:				
Specific stop loss and medical claims recovery	-	-	452,786	452,786
Other income	<u>-</u>	<u>102,589</u>	<u>-</u>	<u>102,589</u>
Total other additions	<u>-</u>	<u>102,589</u>	<u>452,786</u>	<u>555,375</u>
Total additions	<u>25,066,508</u>	<u>80,363,993</u>	<u>14,806,667</u>	<u>120,237,168</u>
Deductions				
Benefit payments and insurance premiums	8,550,403	22,303,755	6,053,677	36,907,835
Refunds of contributions	(5,820)	119,580	-	113,760
Administrative expenses	<u>67,747</u>	<u>543,531</u>	<u>200,067</u>	<u>811,345</u>
Total deductions	<u>8,612,330</u>	<u>22,966,866</u>	<u>6,253,744</u>	<u>37,832,940</u>
Change in net position	16,454,178	57,397,127	8,552,923	82,404,228
Net position, beginning	<u>111,628,109</u>	<u>235,326,337</u>	<u>26,294,516</u>	<u>373,248,962</u>
Net position, ending	<u>\$ 128,082,287</u>	<u>\$ 292,723,464</u>	<u>\$ 34,847,439</u>	<u>\$ 455,653,190</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, 2012

	<u>Balance</u> <u>September 30,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2012</u>
General Agency Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,782,442	\$ 88,412,770	\$ 88,166,269	\$ 3,028,943
Accounts receivable	133	3,883	133	3,883
Total assets	<u>\$ 2,782,575</u>	<u>\$ 88,416,653</u>	<u>\$ 88,166,402</u>	<u>\$ 3,032,826</u>
Liabilities:				
Accrued liabilities	\$ 2,782,575	\$ 85,109,971	\$ 84,859,720	\$ 3,032,826
Due to other funds	-	3,323,940	3,323,940	-
Total liabilities	<u>\$ 2,782,575</u>	<u>\$ 88,433,911</u>	<u>\$ 88,183,660</u>	<u>\$ 3,032,826</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 27,948,336	\$ 27,948,336	\$ -
Accounts receivable	1,946,192	19,496,311	19,111,979	2,330,524
Total assets	<u>\$ 1,946,192</u>	<u>\$ 47,444,647</u>	<u>\$ 47,060,315</u>	<u>\$ 2,330,524</u>
Liabilities:				
Accounts payable	\$ 1,946,192	\$ 19,959,256	\$ 19,574,924	\$ 2,330,524
Total liabilities	<u>\$ 1,946,192</u>	<u>\$ 19,959,256</u>	<u>\$ 19,574,924</u>	<u>\$ 2,330,524</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,782,442	\$ 116,361,106	\$ 116,114,605	\$ 3,028,943
Accounts receivable	1,946,325	19,500,194	19,112,112	2,334,407
Total assets	<u>\$ 4,728,767</u>	<u>\$ 135,861,300</u>	<u>\$ 135,226,717</u>	<u>\$ 5,363,350</u>
Liabilities:				
Accounts payable	\$ 1,946,192	\$ 19,959,256	\$ 19,574,924	\$ 2,330,524
Accrued liabilities	2,782,575	85,109,971	84,859,720	3,032,826
Due to other funds	-	3,323,940	3,323,940	-
Total liabilities	<u>\$ 4,728,767</u>	<u>\$ 108,393,167</u>	<u>\$ 107,758,584</u>	<u>\$ 5,363,350</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.

Page

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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Revenue Capacity: *These schedules contain information to help the readers assess the City's most significant local revenue source, the property tax.*

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

<u>Fiscal Year</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 (2)</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 96,374,595
Restricted	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	25,037,929
Unrestricted	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)	17,439,237
Total governmental activities net position	<u>\$ 146,138,927</u>	<u>\$ 142,853,868</u>	<u>\$ 128,698,738</u>	<u>\$ 116,410,958</u>	<u>\$ 114,629,145</u>	<u>\$ 115,377,109</u>	<u>\$ 114,054,205</u>	<u>\$ 120,891,225</u>	<u>\$ 120,730,952</u>	<u>\$ 138,851,761</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 147,671,862
Restricted	-	-	-	-	-	-	-	-	2,252,459	702,175
Unrestricted	82,017,074	31,828,371	83,683,180	83,495,955	76,910,616	65,919,119	63,917,539	65,709,435	72,665,822	70,129,711
Total business-type activities net position	<u>\$ 236,958,127</u>	<u>\$ 184,290,298</u>	<u>\$ 232,457,661</u>	<u>\$ 226,758,937</u>	<u>\$ 220,846,252</u>	<u>\$ 219,308,565</u>	<u>\$ 216,715,320</u>	<u>\$ 215,036,891</u>	<u>\$ 217,666,845</u>	<u>\$ 218,503,748</u>
Primary government										
Invested in capital assets, net of related debt	\$ 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	\$ 244,046,457
Restricted	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838	28,030,233	28,634,625	27,778,800	29,729,745	25,740,104
Unrestricted	96,666,659	34,664,933	85,187,824	87,394,140	65,354,574	50,123,540	47,281,944	60,046,631	69,904,018	87,568,948
Total primary government net position	<u>\$ 383,097,054</u>	<u>\$ 327,144,166</u>	<u>\$ 361,156,399</u>	<u>\$ 343,169,895</u>	<u>\$ 335,475,397</u>	<u>\$ 334,685,674</u>	<u>\$ 330,769,525</u>	<u>\$ 335,928,116</u>	<u>\$ 338,397,797</u>	<u>\$ 357,355,509</u>

(1) Statement of Net Assets renamed to Statement of Net Position in FY 2012 per GASB Statement No. 63.

(2) FY 2011 restricted and unrestricted net assets of the business-type activities restated for comparative purposes.

City of Pembroke Pines, Florida

Changes in Net Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Governmental activities:										
General government (8)	\$ 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	\$ 18,177,121
Public safety (2) (8)	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	91,073,377
Physical environment	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	2,462,622
Transportation (3)	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	8,780,538
Economic environment	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	11,402,548
Human services (4)	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	52,041,469
Culture/Recreation	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	17,002,608
Interest on long-term debt	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	17,816,972
Total governmental activities expenses	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	218,757,255
Business-type activities:										
Public safety	-	19,241	48,130	273,616	4,100	-	-	-	-	-
Water utility services	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	4,675,493
Sewer/wastewater services	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	12,568,023
Water-sewer combined services	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	23,257,294
Interest on long-term debt	-	-	-	-	-	-	-	-	-	418,802
Total business-type activities expenses	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	40,919,612
Total primary government expenses	\$ 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	\$ 259,676,867
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 16,759,799
Public safety	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	32,454,166
Physical environment	2,413	2,593	560	120	600	1,075	-	158	-	-
Transportation	1,223,166	1,220,800	235,650	285,684	315,033	355,227	358,348	174,676	200,000	200,000
Economic environment	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	6,515,246
Human services (4)	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	47,415,737
Culture/Recreation	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	3,711,491
Interest on long-term debt	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	10,940,507
Operating grants and contributions (5)	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	6,669,239
Capital grants and contributions	2,978,244	512,573	1,109,677	304,636	6,671,291	11,914,221	5,483,163	2,294,865	748,394	1,598,078
Total governmental activities program revenues	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	126,264,263
Business-type activities:										
Charges for services:										
Water utility services	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	20,648,379
Sewer/wastewater services (6)	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	21,143,920
Water-sewer combined services	150,584	185,963	141,794	147,947	346,881	136,225	109,946	98,253	128,124	131,311
Operating grants and contributions	114,859	19,241	42,113	151,310	10,066	-	-	192,400	-	-
Capital grants and contributions (7)	7,877,097	3,176,882	712,820	1,577,331	2,471,676	7,307,004	717,144	680,553	1,494,661	1,022,609
Total business-type activities program revenues	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	42,946,219
Total primary government program revenues	\$ 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	\$ 169,210,482

(1) Changes in Net Assets renamed to Changes in Net Position in FY 2012 per GASB Statement No. 63.

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

(3) The FY 05 increase from the prior period was caused by expenditures for major roadwork improvements.

(4) The increase in FY 03 - FY 05 was caused by the opening of additional Charter Schools.

(5) The FY 06 increase from the prior period was due to Federal and State revenues from FEMA for Hurricane Wilma.

(6) The FY 05 decrease from the prior period was a result of a one-time settlement recorded in the prior period.

(7) Represents capital contributions from developers that were shown in charges for services in prior years. FY 03-05 restated for comparative purposes.

(8) 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 Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Net (expense)/revenue:										
Governmental activities	\$ (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)	\$ (92,492,992)
Business-type activities	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	2,026,607
Total primary government net expense	<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>	<u>\$ (90,466,385)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:

Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ 2,825,984	\$ 2,665,536	\$ 5,264,984	\$ 5,520,777	\$ 5,482,360	\$ 5,459,564	\$ 5,441,632
Property taxes, levied for general purposes	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	45,704,600
Utility taxes	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	11,159,960
Communication service tax	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	7,549,655
Insurance premium taxes (8)	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	2,342,079
Local option gas taxes (8)	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	2,664,803
Local business tax (9)	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	3,166,530
Franchise fees	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	14,594,290
Intergovernmental revenue - unrestricted	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	12,530,757
Miscellaneous revenues	400,358	211,184	282,531	341,544	766,762	595,174	1,320,308	218,254	420,658	579,220
Investment earnings not restricted	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	2,117,118
Gain on sale of capital assets	66,534	122,097	-	-	9,972	-	-	-	29,621	98,179
Transfers in (out) (10)	-	-	-	-	-	-	-	-	(7,775,118)	2,664,978
Total governmental activities	<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>	<u>110,613,801</u>
Business-type activities:										
Investment earnings (losses) not restricted (10)	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)	1,471,592
Miscellaneous revenues	6	-	142	99,618	23,947	10,476	11,723	9,989	1,194	813
Gain on sale of capital assets	5,223	2,000	469	9,447	336	-	-	-	-	2,869
Transfers in (out) (10)	-	-	-	-	-	-	-	-	7,775,118	(2,664,978)
Total business-type activities	<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>	<u>(1,189,704)</u>
Total primary government	<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>	<u>\$ 109,424,097</u>

Change in Net Position

Governmental activities	\$ 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)	\$ 18,120,809
Business-type activities	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	836,903
Total primary government	<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>	<u>\$ 18,957,712</u>

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

(9) Occupational licenses reclassified from General government Program revenues to Local business tax in FY 03-06 for purposes of comparability.

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

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

<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>
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
2012	51,146,232	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259

(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
Fund Balances of Governmental Funds (3)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2003</u> (1)	<u>2004</u> (2)	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund										
Nonspendable	\$ 151,398	\$ 540,988	\$ 180,185	\$ 233,842	\$ 359,358	\$ 452,203	\$ 412,405	\$ 306,832	\$ 397,064	\$ 357,174
Assigned	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	12,990,861
Unassigned	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	38,330,423
Total general fund	<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>	<u>\$ 51,678,458</u>
All other governmental funds										
Nonspendable	\$ 487,465	\$ 555,349	\$ 534,841	\$ 558,410	\$ 552,616	\$ 580,746	\$ 548,675	\$ 522,613	\$ 568,224	\$ 564,699
Restricted	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	49,491,775
Assigned	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	4,559,679
Unassigned	(13,577,160)	(358,369)	(54,125)	(73,501)	(74,455)	(79,850)	(30,250)	(53,275)	(98,875)	(95,350)
Total all other governmental funds	<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>	<u>\$ 54,520,803</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 2003 - 2010 restated to conform with GASB Statement 54 - *Fund Balance Reporting and Governmental Fund*

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

	<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>	<u>2012</u>
Revenues										
Taxes	\$ 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	\$ 78,029,259
Special assessments	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	20,758,230
Permits, fees and licenses	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	15,003,943
Intergovernmental	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	54,985,417
Charges for services	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	32,932,098
Fines and forfeitures	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	2,829,174
Investment income	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	1,859,339
Contributions	241,082	236,906	1,773,367	487,008	6,696,257	11,366,688	5,660,901	986,077	691,235	2,070,193
Rental revenue	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	23,892,020
Other	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	1,872,355
Total revenues	<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>	<u>234,232,028</u>
Expenditures										
General government	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	17,767,976
Public safety	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	94,003,192
Physical environment	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	2,424,402
Transportation	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	6,597,524
Economic environment	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	10,164,667
Human services	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	50,169,454
Culture and recreation	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	13,498,021
Debt service:										
Principal	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	9,457,600
Interest	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	17,265,348
Other debt service costs	239,789	2,716,813	897,238	22,694	2,422,368	1,853,595	416,391	563,783	779,763	1,911
Total expenditures	<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>	<u>221,350,095</u>
Excess (deficiency) of revenues over expenditures	(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	12,881,933
Other financing sources (uses)										
Transfers in	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	2,869,330
Transfers out	(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)	(2,869,330)
Bonds issued	-	124,736,467	54,910,000	-	144,574,999	72,135,000	-	8,545,700	-	-
Premium (discount) on bonds	-	-	(358,853)	-	3,067,996	-	-	-	-	-
Current bond refunding	-	-	-	-	-	(7,910,000)	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(5,985,000)	(59,437,687)	(53,053,448)	-	(8,752,651)	-	-
Total other financing sources (uses)	<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>	<u>-</u>
Net change in fund balances	<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>	<u>\$ 12,881,933</u>
Debt service as a percentage of noncapital expenditures	7.6%	5.0%	9.6%	9.3%	9.9%	10.7%	10.6%	11.1%	11.4%	12.3%

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

Fiscal Year	<u>Property Taxes levied for:</u>				Insurance Premium Taxes (1)	Local Option Gas Taxes (1)	Local Business Tax (3)	Total
	<u>Debt Service</u>	<u>General Purposes</u>	<u>Utility Taxes</u>	<u>Communications Services Tax</u>				
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
2012	5,441,632	45,704,600	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259

(1) Insurance premium taxes and local option gas taxes were shown in one line item labeled "Other taxes" in prior years FY03-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
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)				
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%
2012	12,282,068,370	390,101,814	1,411,247,232	2,006,049,281	800,373,704	41,956,052	8,412,543,915	6.3081	12,672,170,184	100.00%

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

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

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead, additional \$25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents, disabled veterans' homestead discount and deployed service member's homestead exemption.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index. Per Florida Statutes 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year. Per Florida Statute 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year. Per Florida Statute 193.621, the reassessed value may not be greater than its market value as salvage.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA.
- (5) Total direct tax rate includes debt service millage as follows: 0.3275-FY2006, 0.2606-FY2007, 0.4672-FY2008, 0.5318-FY2009, 0.5951-FY2010, 0.6780-FY2011 and 0.6713-FY2012.
- (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		
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
2012	5.6368	0.6713	6.3081	5.1220	0.0640	0.3670	5.5530	5.9180	1.5000	-	7.4180	1.6997	20.9788

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>2012 Collection Year</u>			<u>2003 Collection Year</u>		
	<u>Taxable</u>		<u>Percentage of</u>	<u>Taxable</u>		<u>Percentage of</u>
	<u>Assessed</u>	<u>Rank</u>	<u>Total Taxable</u>	<u>Assessed</u>	<u>Rank</u>	<u>Total Taxable</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
SPUSV5 Pembroke Pines LLC	\$ 148,154,200	1	1.81%	\$ -	-	-
Pembroke Lakes Mall LTD	122,743,400	2	1.50%	101,399,060	1	1.57%
AD Pembroke Land Company LLC	71,432,020	3	0.87%	-	-	-
EQR-SWN Line Financing Limited	51,982,450	4	0.64%	-	-	-
Taplin Falls Ltd.	43,560,000	5	0.53%	35,570,720	4	0.55%
PR Pembroke Crossing LLC	41,090,500	6	0.50%	-	-	-
WRI JT Pembroke Commons LP	40,587,980	7	0.50%	30,000,000	9	0.47%
CP Pembroke Pines LLC	38,170,300	8	0.47%	-	-	-
MIG/Pines Development LTD	35,234,570	9	0.43%	-	-	-
Westfork Tower LLC	34,000,000	10	0.42%	-	-	-
Pasadena Place Associates	-	-	-	68,128,280	2	1.06%
Prudential Insurance Co. of America	-	-	-	45,724,390	3	0.71%
Marquesa Apartment Corporation	-	-	-	35,059,390	5	0.54%
Jefferson Pembroke LP	-	-	-	32,779,300	6	0.51%
CCMSC 2000-1 Broward Plaza LLC	-	-	-	30,760,900	7	0.48%
KLS Flamingo Land Trust	-	-	-	30,691,040	8	0.48%
Pembroke Cove Apartments LLC	-	-	-	28,202,800	10	0.44%
Totals	<u>\$ 626,955,420</u>		<u>7.67%</u>	<u>\$ 438,315,880</u>		<u>6.81%</u>

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

Property Tax Levies and Collections (1) Last Nine 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 (3)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2004	\$ 33,348,014	\$ 32,255,971	96.7%	\$ 70,944	\$ 32,326,915	96.9%
2005	36,845,948	35,493,585	96.3%	30,131	35,523,716	96.4%
2006	41,283,600	39,684,572	96.1%	104,445	39,789,017	96.4%
2007	48,716,300	46,954,319	96.4%	102,565	47,056,884	96.6%
2008	49,054,977	47,021,192	95.9%	203,761	47,224,953	96.3%
2009	47,574,611	45,833,741	96.3%	70,462	45,904,203	96.5%
2010	48,955,611	47,093,237	96.2%	60,256	47,153,493	96.3%
2011	47,748,809	45,707,333	95.7%	(56,766)	45,650,567	95.6%
2012	47,419,828	45,698,158	96.4%	-	45,698,158	96.4%

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.
- (3) Includes refunds due to reassessments and overpayments.

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			
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	9.91%	2,553
2010	82,528,051	296,203,708	-	-	-	378,731,759	8.56%	2,447
2011	80,716,685	289,413,450	-	-	12,300,000	382,430,135	9.31%	2,469
2012	78,839,570	282,111,497	-	-	11,695,147	372,646,214	*	2,400

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 172 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
2012	78,839,570	-	66,125	78,839,570	0.62%	508

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 163 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 172.

City of Pembroke Pines, Florida

Direct and Overlapping Governmental Activities Debt As of September 30, 2012

<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	\$ 322,785	6.72%	\$ 21,691
South Florida Water Management District	516,359,621	6.72%	34,699,367
Other debt			
Broward County	386,500	6.72%	25,973
School Board of Broward County	1,906,676	6.72%	128,129
South Florida Water Management District	25,308,815	6.72%	1,700,752
South Broward Hospital District	546,800,000	6.72%	<u>36,744,960</u>
Subtotal, overlapping debt			73,320,872
City of Pembroke Pines, direct debt			360,951,067
Total direct and overlapping debt (2)			<u><u>\$ 434,271,939</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)				
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
2012	8,059,519	2,502,600	3,373,748	1.37
Revenue Bonds Secured by Electric Public Service Tax (3)				
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
2012	9,076,627	2,815,000	3,004,799	1.56
Revenue Bonds Secured by Charter School total revenues and Early Development Center lease payments (4)				
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
2012	43,576,127	300,000	2,836,491	13.89

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)				
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
2012	9,432,117	1,930,000	4,490,170	1.47

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

2011	\$ 7,458,921	\$ -	\$ 391,080	19.07
2012	8,412,559	604,853	418,802	8.22

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)
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	4,107,347	26,518	38.9	31.4%	26,478	9.1%
2012	155,239	*	*	*	*	26,845	7.4%

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, 2011 and 2012 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 and 2012 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>2012</u>			<u>2003</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	3,527	1	4.22%	1,256	1	1.81%
City of Pembroke Pines	1,813	2	2.17%	1,201	2	1.73%
Geo Care Inc.	750	3	0.90%	N/A	3	N/A
Maroone Chevrolet	750	4	0.90%	N/A	4	N/A
Macy's	573	5	0.69%	N/A	5	N/A
Publix	495	6	0.59%	N/A	6	N/A
Wal Mart Pembroke Pines	368	7	0.44%	N/A	7	N/A
Target	249	8	0.30%	N/A	8	N/A
Cintas Corporation	185	9	0.22%	N/A	9	N/A
Miami Herald	175	10	0.21%	N/A	10	N/A

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

Includes full-time and part-time employees. 2012 Statistics were also pulled from Greater Ft. Lauderdale Alliance/
 Broward County - Estimate

(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

	Fiscal Year									
	<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>	<u>2012</u>
Function										
General government services	143.50	141.50	141.50	141.00	140.00	114.50	98.00	80.00	78.50	77.00
Public safety:										
Police										
Sworn	233.00	230.00	236.00	242.00	250.00	247.00	241.00	231.00	231.00	231.00
Non-sworn and grant positions	83.00	93.00	93.00	91.00	84.50	77.00	65.50	63.50	56.50	56.50
Fire and rescue	250.00	250.00	250.00	259.00	259.00	266.50	270.50	266.50	270.50	270.50
Building	80.00	68.50	65.50	59.50	57.50	52.50	11.50	*	*	*
Code enforcement	12.00	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00	11.00
Physical environment	29.00	28.50	28.00	27.00	27.00	13.00	12.00	8.50	8.00	8.00
Transportation	30.00	32.00	32.50	32.11	31.30	26.90	8.00	6.00	6.00	5.00
Economic environment	2.00	2.00	4.00	2.00	4.00	4.00	3.50	2.50	2.50	2.50
Human services:										
Early development centers	121.00	123.00	117.50	117.50	118.50	115.50	110.50	116.00	113.50	113.00
Community services	29.75	30.75	30.75	29.25	31.25	26.75	4.50	2.50	2.50	2.50
SW multipurpose center	23.75	22.75	21.75	22.64	23.45	26.35	*	*	*	*
Charter schools	262.24	449.00	446.99	461.50	473.00	477.00	499.00	489.50	491.50	493.50
Culture and recreation	235.50	229.50	231.50	236.50	239.50	195.00	164.50	135.00	138.00	131.00
Water-sewer combined service	124.00	124.50	125.00	125.00	125.00	85.50	65.00	40.00	40.00	38.50
Total	<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>	<u>1,440.00</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>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>	<u>2012</u>
Public safety										
Police										
Number of calls answered	97,297	106,772	78,376	97,790	100,480	100,040	119,574	96,831	90,643	105,000
Felony arrests	4,171	2,064	1,564	1,068	n/a	1,295	1,354	1,164	1,074	1,041
Traffic accidents	4,803	4,980	5,192	5,125	5,152	5,058	5,038	5,002	4,878	5,000
Traffic/parking/red light citations	26,692	28,346	38,268	42,575	46,797	51,847	55,896	45,883	60,018	60,293
False alarm citations	n/a	n/a	n/a	n/a	n/a	n/a	n/a	262	1,937	4,585
Fire/ambulance rescue										
Number of EMS calls answered	17,159	17,528	18,204	18,638	18,726	18,146	18,448	18,193	18,470	19,615
Number of fire calls answered	288	318	288	274	224	230	201	205	214	171
Building permits issued	9,171	9,457	10,991	16,996	10,837	7,110	4,835	5,267	5,611	6,200
Physical environment										
Maintained rights of ways (miles)	520	550	575	575	576	466	466	466	466	475
Landscaping and irrigation (miles)	120	140	155	165	165	157	160	160	160	160
Transportation										
Traffic guardrails installed (linear feet)	200	200	-	500	-	-	-	-	-	-
Sidewalks replaced (linear feet)	4,000	4,500	2,000	11,700	2,200	17,758	10,501	15,962	13,785	19,878
Curbing installed (linear feet)	5,000	1,000	500	600	143	-	1,000	-	-	400
Number of trips - Community Bus program	41,299	131,205	182,518	195,610	201,292	197,223	180,000	205,947	206,425	217,161
Human services										
Charter schools										
Average student class size	25	25	25	25	25	25	25	23	24	24
Number of students enrolled	4,600	5,172	5,194	5,289	5,295	5,426	5,499	5,537	5,628	5,610
Culture/recreation										
Number of sports leagues	43	49	42	51	55	39	41	41	41	44
Number of tennis memberships	215	217	233	217	137	169	174	174	167	193
Water-sewer combined service										
Number of water accounts	44,785	44,036	44,161	44,644	44,997	45,586	42,819	42,526	46,401	42,792
Sewer mains rehabilitated (linear feet)	27,300	11,500	9,802	2,200	12,000	4,600	5,250	5,000	4,500	9,853
Average daily consumption (millions of gallons)	12.93	13.02	12.39	12.54	12.61	11.66	11.50	12.50	11.30	11.21

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>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>	<u>2012</u>
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	365	365	365	365	365	365	310	308	281	311
Fire/ambulance rescue:										
Stations	6	6	6	6	6	6	6	6	6	6
Fire trucks / engines	13	13	13	13	13	9	9	9	10	9
Other trucks	0	0	0	1	1	1	1	1	2	1
Fire ladders	4	4	4	4	4	4	4	4	4	4
Fire rescue ambulances	11	11	11	11	11	12	12	12	12	12
Physical environment										
Water:										
Water mains (miles)	478	489	489	489	489	489	489	489	489	489
Fire hydrants	3,952	4,121	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)	397	397	399	400	401.9	402	402	403	403	411
Storm sewers (miles)	215	226	226	226	226	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	7.69	7.69	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	450	460	462	460	460	479	465	465	465	465
Economic environment										
Senior housing units	190	190	584	584	584	804	804	804	804	804
Transitional living units	0	0	0	0	24	19	21	21	21	21
Human services										
City operated charter schools										
Elementary School	1	2	5	4	4	4	4	4	4	4
Middle School	1	2	3	2	2	2	2	2	2	2
High School	1	1	2	1	1	1	1	1	1	1
Culture/recreation										
Parks acreage	294	302	302	302	357	418	421	421	421	421
Parks	26	29	29	29	29	30	30	31	31	31
Swimming pools	7	8	8	8	8	7	7	6	6	6
Tennis courts	50	50	50	50	50	50	50	50	50	50
Recreation centers	5	5	5	6	6	6	6	4	4	4
Football/Soccer fields	12.5	12.5	12.5	15	15	19	19	19	19	19
Basketball courts	17	17	17	20.5	20.5	21.5	21.5	21.5	21.5	26
Playgrounds	20	20	20	21	19	20	20	20	20	21

City of Pembroke Pines, Florida

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

September 30, 2012

Property Assessed Value:

Estimated Actual Taxable Value	\$12,672,170,184
Less: Property and Personal Exemptions	(3,417,296,513)
Homestead Assessment Differential ⁽¹⁾	(740,224,600)
Nonhomestead Residential Property Differential ⁽²⁾	(17,052,590)
Certain Residential and Nonresidential Real Property Differential ⁽²⁾	(14,171,930)
Agricultural Differential ⁽³⁾	(28,970,450)
Pollution Control Devices Differential ⁽⁴⁾	45,866
Value Adjustment Board & Broward County Property Appraiser Adjustments	(41,956,052)
Final Taxable Value	\$ 8,412,543,915

Outstanding Debt:

City's direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)	\$ 126,188,159
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Revenue Bonds:

Public Improvement Revenue Bonds, Series 2001	1,845,000	
Taxable Communications Services Tax Revenue Bonds, Series 2003A	36,390,000	
Taxable Communications Services Tax Revenue Bonds, Series 2004	44,775,000	
Public Improvement Revenue Bonds, Series 2004A	19,180,000	
Public Improvement Revenue Bonds, Series 2004B	15,235,000	
Public Improvement Revenue Refunding Bonds, Series 2006	26,560,000	
Capital Improvement Revenue Refunding Bonds, Series 2006	39,520,000	
Capital Improvement Revenue Bonds, Series 2007	25,200,000	
Charter School Revenue Bonds, Series 2008	62,895,000	
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	8,040,000	
Capital Improvement Revenue Refunding Bonds, Series 2010	8,085,600	
Consolidated Utility system Revenue Bonds, Series 2010	11,695,147	
Total outstanding revenue bonds	299,420,747	
<u>General Obligation Bonds:</u>		
General Obligation Bonds, Series 2005	40,080,000	
General Obligation Bonds, Series 2007	39,225,000	
Total General Obligation Bonds subject to debt limitation	79,305,000	
Total outstanding debt	378,725,747	
Less: Reserve for debt service	(10,046,091)	
Net total outstanding debt	\$ 368,679,656	
Legal debt margin		\$ 46,883,159

- (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, 2012
(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, 2012
(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, 2012
(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, 2012
(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

Fiscal Year	Pledged Revenues	% Change	Debt Service Requirements (1)						Total	Coverage
			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		
	(2)		(3)	(4)		(5)	(5)	(5) (6)		
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
2012	9,076,626	3.3%	-	-	966,265	1,391,741	1,113,343	2,348,450	5,819,799	1.56

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 9,076,626
Combined Maximum Annual Debt Service (7)	5,819,799
Coverage	1.56

- (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	Debt Service Requirements (1)								Total	Coverage
			1992 Public Improvement Refunding Revenue Bonds (3)	1993 Capital Improvement Revenue Bonds	1999 Capital Improvement Revenue Bonds (8)	2005 Variable Rate Capital Imp. Revenue Bonds (4) (5)	2006 Capital Improvement Revenue Refunding Bonds (4) (6)	2007 Capital Improvement Revenue Bonds (4)	2008 Variable Rate Capital Imp. Revenue Refunding Bonds (4)	2010 Capital Improvement Revenue Refunding Bonds (4)		
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
2012	8,059,519	-3.4%	-	-	-	-	3,370,313	1,713,363	91,480	701,212	5,876,367	1.37

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 8,059,519
Combined Maximum Annual Debt Service (7)	6,188,275
Maximum Debt Service Coverage	1.30

(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 is based on the five year term (from September 7, 2011) Direct Purchase fixed rate in effect which is 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	2001B	2008		
			Charter School Revenue Bonds (4) (5)	Charter School Revenue Bonds (4) (5)	Charter School Revenue Bonds (4)		
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
2012	43,576,127	-10.1%	-	-	3,120,152	3,120,152	13.97

Coverage of Estimated Combined Maximum Annual Debt Service:

Total pledged revenues for the most recent fiscal year.	\$43,576,127
Combined Maximum Annual Debt Service (6)	5,806,315
Maximum Debt Service Coverage	7.50

- (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 1.07% which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2012) per GASB Statement No. 38, paragraph 10, which was 0.18% plus 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
2012	9,413,185	2.4%	2,991,214	3,428,956	6,420,170	1.47

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$ 9,413,185
Combined Maximum Annual Debt Service (4)	6,420,170
Maximum Debt Service Coverage	1.47

(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 9/30/2012, Communications Services Tax revenues was 1.18 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and was less than the 1.30 required coverage ratio.

(3) 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
2012	8,412,559	N/A	1,023,655	2,147,993	3,171,648	8.22	2.65

Coverage of Estimated Combined Maximum Annual Debt Service:

Net Revenues of the Consolidated Utility System - Most Recent Fiscal Year	\$ 8,412,559
Maximum Annual Debt Service (3)	1,059,355
Maximum Debt Service Coverage	7.94

(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, 2012

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 Housing Project Tower 2	Various Projects & Refunding	Capital 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
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	\$ 770,923	\$ 161,435	\$ 705,714	\$ 1,059,355	\$ 25,486,239
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	769,859	161,435	704,418	1,058,950	25,485,036
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	768,795	309,929	702,021	1,058,530	25,614,211
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	769,588	311,867	703,538	1,058,096	25,595,907
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	768,524	323,604	703,784	1,057,647	25,611,963
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	773,006	330,091	707,676	1,057,182	25,613,604
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	764,521	336,376	705,234	1,056,701	25,596,904
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	761,611	342,461	706,283	1,056,203	25,602,475
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	764,238	343,395	706,141	1,055,687	25,590,810
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	763,168	359,078	708,345	1,055,153	25,605,103
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	1,895,147	369,409	708,938	1,054,601	26,736,034
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	2,169,867	374,490	707,946	1,054,029	23,721,475
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	2,038,484	384,319	827,893	1,053,438	23,595,601
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	2,073,391	393,848	827,123	1,052,826	23,635,818
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	3,586,757	398,125	829,084	-	24,083,576
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	4,702,959	417,052	-	-	22,284,841
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	4,832,237	430,526	-	-	22,412,609
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	4,945,102	438,649	-	-	22,527,667
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	5,057,196	456,370	-	-	22,648,941
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	4,883,100	468,640	-	-	22,469,397
2033	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-	1,715,250	2,679,775	5,005,601	480,508	-	-	21,454,803
2034	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-	1,715,000	2,684,313	5,145,476	496,924	-	-	21,595,436
2035	-	-	-	1,368,375	1,091,625	2,795,375	-	-	1,716,125	2,683,863	5,309,323	512,838	-	-	15,477,524
2036	-	-	-	-	-	-	-	-	1,713,500	5,478,425	5,466,758	533,200	-	-	13,191,883
2037	-	-	-	-	-	-	-	-	1,716,875	-	5,630,463	552,960	-	-	7,900,298
2038	-	-	-	-	-	-	-	-	-	-	5,806,315	567,168	-	-	6,373,483
2039	-	-	-	-	-	-	-	-	-	-	-	585,823	-	-	585,823
Total debt service	\$ 1,924,635	\$ 65,228,383	\$ 74,838,528	\$ 31,784,027	\$ 25,413,301	\$ 64,316,695	\$ 34,290,375	\$ 55,868,245	\$ 42,881,657	\$ 67,146,150	\$ 76,222,409	\$ 10,840,520	\$ 10,954,138	\$ 14,788,398	\$ 576,497,461
Principal outstanding FY 2012	\$ 1,845,000	\$ 36,390,000	\$ 44,775,000	\$ 19,180,000	\$ 15,235,000	\$ 40,080,000	\$ 26,560,000	\$ 39,520,000	\$ 25,200,000	\$ 39,225,000	\$ 62,895,000	\$ 8,040,000	\$ 8,085,600	\$ 11,695,147	\$ 378,725,747

* Based on the 1.07% 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, 2012) per GASB Statement No. 38, paragraph 10, which was 0.18% + 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, 2012

<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	10/01/12-10/01/13	Police & Firefighters Accidental Death & Dismemberment 3-year Policy	\$59,694 in the line of duty or fresh pursuit; \$179,083 unlawful and intentional death	\$14,765
Zurich-American Insurance Co.	BM596972101	10/01/12-10/01/13	Equipment Breakdown-Boiler & Mach.	\$50,000,000 limit; \$1,000 deductible	11,796
Zurich-American Insurance Co.	BM596972202	10/01/12-10/01/13	Equipment Breakdown-covers only the W.C. Young Human Resource Center	\$50,000,000 limit; \$1,000 deductible	876
Illinois Union Insurance	PEPG19851345002	10/01/12-10/01/13	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	348,472
Florida Division of Workers' Comp.	-	10/01/12-10/01/13	Workers' Compensation	State Self-Insurer Annual Assessment	31,537
Florida Municipal Insurance Trust	FMIT # 0470	10/01/12-10/01/13	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	1,317,572
Florida Municipal Insurance Trust	FMIT # 0470	prior years	Buildings and Personal Property	Returned premiums from audits on prior years.	(370,472)
Gallagher Bassett Services, Inc.	1000900117	10/1/12-10/01/13	Service & Consulting Fees and Costs	Prior years actual claims filed over deposit est.-\$9,228; Annual Contract Service Fees-\$162,819	225,000
New York Marine & Gen. Ins. Co.	WC2012EPP00143	10/1/12-10/01/13	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.	259,626
Travelers Casualty & Surety Company	105688499	10/1/12-10/1/13	Public Employees Dishonesty, including Faithful Performance	\$2,400,000 Limit per Loss,Excess \$100,000 Ded., \$75,000 Excess, \$25,000 Self Insured Retention	4,660
Travelers Casualty & Surety Company	104038463	3/1/12-3/01/13	Crime policy for Charles F.Dodge,LLC	\$50K ea.City Mgr.& Asst.City Mgr;\$5K ea.ded.	831
The Hartford Insurance Co. of the SF	21BSBFF8821	12/10/11-12/10/12	Public Officials Surety Bond	\$100,000 Limit - Covers Finance Director	404
American Bankers Insurance Co.	MAY10FLOOD8OR	5/16/12-5/16/13	Flood - Various City locations	Limits/premiums vary for each location. Deductibles on each-\$500 bldg. & \$500 content	24,074
National Fire & Marine Insurance Co.	72LPS016384	10/01/12-10/01/13	Liability - Six Special Use Facilities	\$1MM/occurrence;\$2MM/aggregate-\$1,000 ded.	8,190
United Medical Resources (UMR)	Group No. 76510020	10/1/12-9/30/13	Administrative fees / stop loss broker	-	650,000
United Medical Resources (UMR)	Group No. 76510020	10/1/12-9/30/13	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	500,000
Life Insurance - the Guardian	470452	10/1/12-10/1/13	Employees life insurance and AD&D	1 x base annual salary-maximum \$100,000	270,000
Commerce and Industry Insurance Co.	FPL008084644	11/26/12-11/26/13	40 Fuel Storage Tanks- 3rd-Party Liab.	\$2MM each / \$2MM aggregate; \$25,000 ded.	13,339
Mt. Hawley Insurance Company	MGL0178405	6/25/12-6/25/13	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)	8,471
National Union Fire Ins.of Pittsburgh	CSH0006992	9/2/12-9/2/13	Youth Soccer Accidental Death&Dism	\$500,000 Medical Maximum; \$10,000 death/dism.	5,927
Lloyd's of London	FP0018312	10/01/12-10/01/13	Terrorism - Property	\$5,000,000 Limit / Excess / ded . \$100,000	20,209
Lloyd's of London	FP0018412	10/01/12-10/01/13	Terrorism - General Liability	\$5MM / \$10MM Limit / Excess / ded. \$25,000	9,202
Florida Dept. of Children & Families	Agreement with State of Florida	10/01/12-10/01/13	Fire Insurance and Fire Safety Inspection Fees - Forman Health Park	Buildings' actual cash value as determined by Florida - replacement cost less depreciation	10,868
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 - \$165; OPEB Actuary Services-\$	2,165
Westchester Fire Insurance Company	DONG23642360005	10/01/12-10/01/13	Employee Theft	Limit \$75,000 Ded. \$25,000	3,507

**City of Pembroke Pines, Florida
School Enrollment**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
College/University: (1)										
Broward College										
Pines Center -Academic Village	1,288	1,350	1,701	2,610	2,591	1,451	2,369	2,028	2,120	2,454
South Campus	8,913	8,854	9,068	9,938	9,489	12,259	14,267	13,895	13,768	25,605
Florida International University - Pines Center	-	-	-	-	-	-	1,827	1,602	1,482	1,294
Total College/University Enrollment	<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>	<u>29,353</u>
High Schools: (2)										
Pembroke Pines Charter High School	1,608	1,578	1,591	1,691	1,703	1,716	1,695	1,721	1,738	1,724
Flanagan	3,701	3,267	3,146	3,063	3,172	3,100	3,212	3,241	3,164	3,106
Somerset Academy Charter High School	-	305	477	542	593	552	602	708	751	845
West Broward High School	-	-	-	-	-	1,926	2,561	2,695	2,777	2,712
Somerset Conservatory	-	-	-	-	-	-	-	-	91	162
Total High School Enrollment	<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>	<u>8,549</u>
Middle Schools: (2)										
Pines Middle School	1,452	1,487	1,463	1,343	1,461	1,542	1,655	1,754	1,519	1,493
Silver Trail Middle	2,423	1,555	1,695	1,785	1,745	1,756	1,695	1,666	1,474	1,508
Walter C. Young	1,841	1,885	1,899	1,874	1,945	1,853	1,707	1,488	1,405	1,268
Somerset Academy Charter Middle School	-	620	661	654	604	608	693	798	835	868
Pembroke Pines Charter Middle School (West/Central)	1,192	1,099	1,204	1,198	1,199	1,203	1,218	1,239	1,287	1,284
Franklin Academy	-	-	-	-	-	-	-	-	419	465
Total Middle School Enrollment	<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>	<u>6,886</u>
Elementary Schools: (2)										
Pembroke Pines	850	816	803	664	690	653	617	613	594	586
Pembroke Lakes	841	861	854	772	730	720	737	690	622	565
Pines Lakes	1,020	1,058	965	837	853	823	820	795	733	656
Pasadena Lakes	881	843	837	818	725	722	725	763	719	614
Palm Cove	1,124	1,136	1,154	1,031	961	908	926	926	857	800
Chapel Trail	1,309	1,270	1,231	1,153	1,043	1,026	948	927	810	760
Silver Palms	1,169	1,081	1,067	1,014	912	915	874	816	669	729
Panther Run	952	982	940	791	780	726	724	686	620	599
Lakeside	1,049	1,057	1,024	958	885	875	858	858	835	760
Somerset Academy Charter Elementary	-	875	932	899	825	801	831	861	886	887
Pembroke Pines Charter Elem (East/West/Central)	1,800	1,895	1,799	1,800	1,793	1,872	1,930	1,926	1,924	1,923
Pembroke Pines/FSU Charter Elementary	-	610	615	610	620	610	650	655	678	679
Dolphin Bay Elementary (3)	-	-	402	-	-	-	-	-	-	750
Franklin Academy	-	-	-	-	-	-	-	-	792	845
Kidz Choice Charter	-	-	-	-	-	-	-	-	124	103
Charter School of Excellence @ Davie 2	-	-	-	-	-	-	-	-	155	154
Total Elementary School Enrollment	<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>	<u>11,410</u>
Total All Schools	<u>33,413</u>	<u>34,484</u>	<u>35,528</u>	<u>36,045</u>	<u>35,319</u>	<u>38,617</u>	<u>44,141</u>	<u>43,351</u>	<u>43,848</u>	<u>56,198</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>		
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
2012	6,200	5,434	77,506,551	655	226,091,294	111	226,188,208	529,786,054	12,672,170,184

(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 155,239 which is the second largest city in Broward County and the eleventh 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 5,610 students. Of this total, the FSU charter school students include 679 in elementary school; the other three elementary schools have 1,923 students; the two middle schools 1,284 students; and the high school 1,724 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.
- ◇ **2012 – Mayor Frank Ortis received the President's Call to Service Award** from the President's Council on Service and Civic Participation.
- ◇ **2012 – Mayor Frank Ortis received the President's Volunteer Service Award** from the President's Council on Service and Civic Participation.

IV. COMPLIANCE SECTION



City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2012

<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 Housing and Urban Development</i>				
Community Development Block Grant 2007	14.218	B07MC120040	\$ 920,848	\$ 2,135
Community Development Block Grant 2008	14.218	B08MC120040	883,925	103,423
Community Development Block Grant 2009	14.218	B09MC120040	884,500	49,227
Community Development Block Grant 2010	14.218	B10MC120040	951,210	99,694
Community Development Block Grant 2011	14.218	B11MC120040	792,851	441,370
ARRA -Community Development Block Grant 2009	14.218	B09MY120040	240,099	56,733
Neighborhood Stabilization Program (NSP2008)	14.218	B-08-MN-12-0022	4,398,575	630,670
Neighborhood Stabilization Program (NSP2010)	14.218	B-11-MN-12-0022	2,330,542	324,066
Sub-total	14.218			1,707,318
<i>Pass-Through Broward County</i>				
HOME Investment Partnerships Program 2009	14.239	N/A	244,300	150,399
HOME Investment Partnerships Program 2010	14.239	N/A	241,659	16,910
Sub-total	14.239			167,309
Community Development Block Grant Disaster Recovery Initiative Supplemental	14.228	08DB-03-11-16-01-A06	464,101	61,015
Community Development Block Grant Disaster Recovery Initiative	14.228	07DB-3V-11-16-01-Z08	689,283	598,267
Sub-total	14.228			659,282
<i>Total U.S. Department of Housing and Urban Development</i>				2,533,909
<i>U.S. Department of Justice</i>				
Law Enforcement Agency Equitable Sharing Fund from Justice	16.922	N/A		2,900
Bulletproof Vest Partnership Program (BVP) 2010	16.607	2010-BO-BX-1005-1434	11,120	4,587
<i>Pass-Through the Office of the Attorney General</i>				
Victim of Crime Act Grant (VOCA) 2011	16.575	V11036	17,918	16,709
<i>Pass-Through Broward County Sheriff's Office</i>				
Byrne Justice Assistance Grant 2009	16.738	2009-DJ-BX-1425	35,984	33,443
Byrne Justice Assistance Grant 2010	16.738	2010-DJ-BX-0414	34,345	25,024
Sub-total	16.738			58,467
ARRA -Byrne Justice Assistance Grant 2009	16.804	2009-SB-B9-3324	155,853	12,652
<i>Total U.S. Department of Justice</i>				95,315
<i>U.S. Department of Treasury</i>				
Law Enforcement Agency Equitable Sharing Fund from Treasury	21.000	N/A		29,852
<i>Total U.S. Department of Treasury</i>				29,852
<i>U.S. Department of Agriculture</i>				
<i>Pass-Through Florida Department of Education</i>				
School Breakfast Program	10.553	01-0363	90,082	90,082
National School Lunch Program	10.555	01-0363	560,081	560,081
<i>Pass-Through Florida Department of Agriculture & Consumer Services</i>				
NSLP Non-Cash Assistance (Commodities)	10.555	2040	85,367	85,367
Sub-total	10.555			645,448
<i>Total U.S. Department of Agriculture</i>				735,530
<i>U.S. Department of Education</i>				
<i>Pass Through the Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	686-2632A-2CB01	71,208	71,208
<i>Pass Through the School Board of Broward County</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2632A-2CB01	36,417	25,343
Sub-total	84.027A			96,551
<i>Pass Through the Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.173A	686-2672A-2CP01	712	712

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2012

<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>Pass Through the School Board of Broward County</i>				
ARRA -State Fiscal Stabilization Fund-Race-to-the-Top incentive Grant	84.395A	060-RL111-1C301	\$ 116,044	\$ 116,044
<i>Pass Through Southern Regional Education Board</i>				
ARRA -State Fiscal Stabilization Fund-Race-to-the-Top incentive Grant	84.395A	12-800	182	182
Sub-total	84.395A			116,226
<i>Pass Through the Florida State University</i>				
ARRA -Education Jobs Fund	84.41	686-54110-1C002	2,095	2,095
Total U.S. Department of Education				215,584
<i>U.S. Department of Homeland Security</i>				
Assistance to Firefighters Grant (AFG 2010)	97.044	EMW-2010-FO-02932	442,531	62,826
Sub-total	97.044			62,826
<i>Pass-Through Florida Division of Emergency Management</i>				
Urban Area Strategic Initiative (UASI 2009)	97.067	11DS-32-11-16-02-017	391,509	249,823
Urban Area Strategic Initiative (UASI 2010)	97.067	11DS-A1-11-16-02-487	391,750	204,998
Sub-total	97.067			454,821
Total U.S. Department of Homeland Security				517,647
<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- IIIIB - 2011	93.044	JA-011-10-2011	351,315	91,638
Older Americans Act- IIIIB - 2012	93.044	JA-012-10-2012	351,315	311,913
Sub-total	93.044			403,551
Older Americans Act- IIIIE - 2011	93.052	JA-011-10-2011	93,215	24,630
Older Americans Act- IIIIE - 2012	93.052	JA-012-10-2012	93,215	63,381
Sub-total	93.052			88,011
Energy Assistance -2012	93.568	JP011-10-2012	17,097	13,151
Energy Assistance -2013	93.568	JP112-10-2013	14,731	1,320
Sub-total	93.568			14,471
<i>Pass-Through Florida Department of Children and Families</i>				
Chafee Foster Care Independence Program-Transitional Housing-2011-2012	93.674	JJ214	128,159	76,895
Chafee Foster Care Independence Program-Transitional Housing-2012-2013	93.674	JJ214	128,159	25,632
Sub-total	93.674			102,527
<i>Pass-Through Nova Southeastern University</i>				
Geriatric Education Centers	93.969	5UB4HP19211-02-00	3,040	3,040
Total U.S. Department of Health and Human Services				611,600
<i>U.S. Department of Energy</i>				
ARRA -Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	SC0003363	1,321,700	21,200
Total U.S. Department of Energy				21,200
<i>Executive Office of the President</i>				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G10MI0001A	30,000	26,758
Total Executive Office of the President				26,758
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 4,787,395

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, 2012

(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>
<i>Florida Department of Elder Affairs</i>				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Local Services Program -2012	65.009	JL011-10-2012	\$ 254,388	\$ 187,222
Local Services Program -2013	65.009	JL112-10-2013	254,388	59,731
Sub-total	65.009			<u>246,953</u>
<i>Total Florida Department of Elder Affairs</i>				<u>246,953</u>
<i>Florida Housing Finance Agency</i>				
My Safe Florida Home Program	43.002	CF050	50,000	13,205
Sub-total	43.002			<u>13,205</u>
State Housing Initiatives Partnership (S.H.I.P.) - F/Y08-09	52.901	N/A	1,349,270	681,931
State Housing Initiatives Partnership (S.H.I.P.) - F/Y11-12	52.901	N/A		11,560
Sub-total	52.901			<u>693,491</u>
<i>Total Florida Housing Finance Agency/Sub-total</i>				<u>706,696</u>
<i>Florida Department of Health</i>				
State EMS County Grant	64.005	11-OMETs-8151-01-(01)(02)	933	933
Emergency Medical Services (EMS)- Matching Awards	64.003	M1056	3,504	3,504
<i>Total Florida Department of Health</i>				<u>4,437</u>
<i>TOTAL EXPENDITURES OF STATE PROJECTS</i>			<u>\$ 958,086</u>	
<u>Local Awards/Program Title</u>				
<i>Broward County Local Awards</i>				
Broward County Transit Grant	N/A	N/A	\$ 307,646	\$ 307,646
OAA Older American Act-Broward Cash Match - 2011	N/A	JA-011-10-2011	43,868	36,037
OAA Older American Act-Broward Cash Match - 2012	N/A	JA-012-10-2012	43,868	40,146
<i>Pass-through Lucanus developmental Center, Inc.</i>				
ADA/Paratransit Program	N/A	N/A	340,264	340,264
<i>Total Broward County Local Awards</i>				<u>724,093</u>
<i>TOTAL EXPENDITURES OF LOCAL AWARDS</i>			<u>\$ 724,093</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, 2012**

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, 2012, which collectively comprise the City of Pembroke Pines' basic financial statements and have issued our report thereon dated March 12, 2013. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 64% of the total net position and 67% 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

Management of the City is responsible for establishing and maintaining effective 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 12, 2013





**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, 2012. 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; 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, the 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, 2012.

To the Honorable Mayor, City Commissioners
and City Manager

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Internal Control Over Compliance

The management of the 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 12, 2013



GLSC & COMPANY, PLLC
certified public accountants

**CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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	\$ 1,707,318
Community Development Block Grant/ Disaster Recovery Initiative	14.228	659,282
State Fiscal Stabilization Fund – Race-to- the-Top Incentive Grant	84.395	116,226
Urban Area Strategic Initiative	97.067	454,821
Chafee Foster Care Independence Program – Transitional Housing	93.674	<u>102,527</u>
		<u>\$ 3,040,174</u>

<u>State Programs</u>	<u>CSFA No.</u>	<u>Amount</u>
State Housing Initiatives Partnership (SHIP) Program	52.901	<u>\$ 693,491</u>
		<u>\$ 693,491</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, 2012
(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, 2012, which collectively comprise the City of Pembroke Pines' basic financial statements and have issued our report thereon dated March 12, 2013. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 64% of the total net position and 67% 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 12, 2013, 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 12, 2013



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, 2012.
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, 2012 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.