Debt Service Fund

Mission

To optimize City resources in obtaining funds for City projects.

Goals

To finance projects and refund existing debts utilizing the most cost-effective methods while minimizing the restrictions that would hinder the future borrowing capacity of the City.

Objectives

To account for the servicing of general long-term debt and to maintain the highest possible bond ratings for the marketability of the City's debt.

Major Functions and Activities

The following paragraphs describe the bond issues of the City of Pembroke Pines. The balances outstanding shown in these paragraphs are as of September 30, 2012. All capitalized terms are as defined in each bond issue's official documents.

~ PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2001:

On October 12, 2001, the City issued $19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the $10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The $10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining $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 4.20% 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.

~ 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.

~ 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 4.25% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an

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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.

~ 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 3.50% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues 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.

~ 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 3.80% 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.

~ 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 3.40% 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.

~ 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 $10,985000. This advance refunding generates a net present value benefit of $1,268,541. 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.

~ CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2006:

On December 1, 2006, the City issued $45,050,000 bonds for the purpose of (1) advance refunding $28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. The advance refunding generates a net present value benefit of $1,778,037. These refunding bonds have an outstanding balance of $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.

~ 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.

~ 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.

~ 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 and no 2008 Bond shall bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a

lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on parity with any Additional Parity Bonds.

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

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.

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 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.

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

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Bonds and the Periodic Payments on the Series 2008 Swap Transaction.

As the SIFMA Rate for September 30, 2012 is not available, the debt service shown in the following “Schedule of Debt Service on Outstanding Bonds as of September 30, 2012” is based on the 1.05% interest rate which was the SIFMA Rate (0.16%) in effect at the prior year’s financial statement date of September 30, 2011 (per GASB Statement No. 38, paragraph 10) plus the 0.89% interest spread to the Bank.

~ VARIABLE RATE CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS (Susan B. Anthony Center), SERIES 2008 (Reissued in September 2011):

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

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

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

The debt service shown in the 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).

~ 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

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Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

~ 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:

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

Budget Highlights

Future debt will be issued as the Commission deems appropriate.

The City has maintained a relatively stable annual debt service schedule over last year. In Fiscal Year 2012-13 the total annual debt service is $26.6 million versus $26.7 million in fiscal year 2011-12, and represents only a slight decrease of 0.4%.

For fiscal year 2012-13 the annual debt service per capita amounts to $172, while the total debt outstanding per capita amounts to $2,377.

Accomplishments

All bond issues met their respective obligations and complied with their covenants.

In September 2011, prior to expiration of the Letter of Credit, the City remarketed the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, to a bank for a five-year term at the relatively low fixed interest rate of 2.0079%. The debt service of these bonds is paid by the Susan B. Anthony Center (SBA) as rent to the City. To ensure funding availability for debt service payments in FY 2012, the SBA started funding the reserve to the Escrow Account.

By issuing the Variable Rate Capital Improvement Revenue Bonds (Susan B. Anthony Center), Series 2005 (the 2005 Bonds), the City has not only contributed in financing the construction of the recovery center, which provides treatment to mothers who suffer substance addiction, but it has also generated revenue for the City with an Annual Finance Charge of $50,000 from the SBA. From the inception of the 2005 Bonds until September 30, 2012, the City will have generated $383,333 in revenue. Barring unforeseen circumstances, this flow of revenue to the City will continue through October, 2038.

As required by the City’s Derivative Debt Management Policy, the City continues submitting to the City Commission the Derivative Debt Annual Reports on the four Qualified Fixed Swap (pay-fixed, variable interest rate swap) transactions on the Charter School Revenue Bonds, Series 2008.

A swap is a type of derivative instrument in which there is an agreement to exchange future cash flows. These cash flows may be either fixed or variable and may be either received or paid. Variable cash flows depend on a reference rate. Please refer to the narrative of the Charter School Revenue Bonds, Series 2008, for details.

Debt Service Fund Performance Measures

Indicator	2009-10 Actual	2009-10 Goal	2010-11 Actual	2010-11 Goal	2011-12 Goal	2012-13 Goal
Outputs						
Number of bond issues outstanding	13	13	14	13	14	14
Number of payments	112	112	109	112	100	98
Efficiency						
% of payments made in accordance with bond indenture	100%	100%	100%	100%	100%	100%
% of required funding accomplished	100%	100%	100%	100%	100%	100%

City of Pembroke Pines, Florida

Schedule of Debt Service on Outstanding Bonds as of September 30, 2012

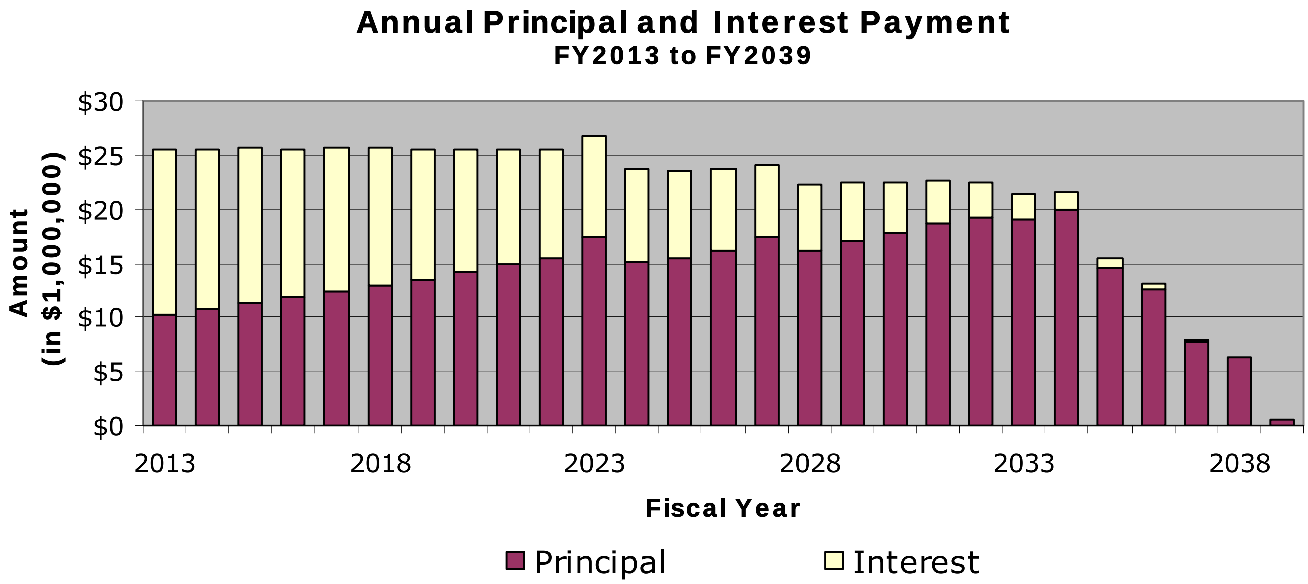
	Governmental Activities													Business-type Activities	Combined Activities
	Police Annex, Parks & Other Improvements	Firefighters Pension	Police Officers & General Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Various Capital Projects & Refunding	Refunding	Various Capital Projects & Refunding	Senior Housing Project Tower 3	Various Capital Projects	Refunding & New Charter School Projects	Refunding Susan B. Anthony Center 2005 Bonds	Refunding	Consolidated Utility System Project	
Type of Bonds	$19,600,000	$39,935,000	$49,910,000	$20,140,000	$15,975,000	$47,000,000	$29,720,000	$45,050,000	$26,805,000	$43,000,000	$64,095,000	$8,040,000	$8,545,700	$12,300,000	
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	$ 758,382	161,435	$ 705,714	$ 1,059,355	$ 25,473,698
2014	960,210	2,985,768	3,423,431	1,391,610	1,113,879	2,797,377	2,348,050	3,373,012	1,716,962	2,680,075	757,338	161,435	704,418	1,058,950	25,472,515
2015	-	2,985,994	3,426,731	1,391,397	1,112,423	2,797,828	3,294,550	3,370,675	1,717,263	2,678,075	756,294	309,929	702,021	1,058,530	25,601,710
2016	-	2,982,935	3,420,763	1,389,735	1,109,678	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	757,073	311,867	703,538	1,058,096	25,583,392
2017	-	2,981,445	3,420,331	1,391,835	1,110,760	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	756,028	323,604	703,784	1,057,647	25,599,467
2018	-	2,981,222	3,416,813	1,387,732	1,110,587	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	760,426	330,091	707,676	1,057,182	25,601,024
2019	-	2,977,119	3,415,088	1,386,942	1,109,059	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	752,100	336,376	705,234	1,056,701	25,584,483
2020	-	2,978,838	3,414,919	1,389,365	1,110,701	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	749,244	342,461	706,283	1,056,203	25,590,108
2021	-	2,976,078	3,412,881	1,384,763	1,105,656	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	751,823	343,395	706,141	1,055,687	25,578,395
2022	-	2,973,692	3,408,578	1,383,263	1,109,294	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	750,773	359,078	708,345	1,055,153	25,592,708
2023	-	2,971,381	3,404,791	1,384,831	1,106,253	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	1,882,808	369,409	708,938	1,054,601	26,723,695
2024	-	2,963,995	3,406,134	1,383,844	1,106,125	2,796,707	-	3,366,363	1,713,100	2,678,875	2,157,720	374,490	707,946	1,054,029	23,709,328
2025	-	2,966,088	3,397,481	1,380,725	1,104,125	2,795,945	-	3,250,153	1,716,300	2,680,650	2,026,736	384,319	827,893	1,053,438	23,583,853
2026	-	2,962,210	3,397,212	1,379,750	1,105,500	2,797,208	-	3,249,963	1,717,287	2,679,500	2,061,926	393,848	827,123	1,052,826	23,624,353
2027	-	2,957,212	3,389,875	1,380,625	1,105,125	2,795,282	-	3,245,028	1,716,038	2,680,425	3,575,603	398,125	829,084	-	24,072,422
2028	-	2,955,648	3,386,500	1,379,250	1,103,000	2,795,170	-	1,148,687	1,713,375	2,683,200	4,692,437	417,052	-	-	22,274,319
2029	-	2,952,069	3,386,563	1,375,625	1,099,125	2,796,745	-	1,142,569	1,713,750	2,683,400	4,822,476	430,526	-	-	22,402,848
2030	-	2,946,177	3,384,669	1,374,625	1,098,375	2,799,270	-	1,144,750	1,716,250	2,679,800	4,936,315	438,649	-	-	22,518,880
2031	-	2,942,524	3,380,556	1,376,000	1,100,500	2,797,520	-	1,140,125	1,715,750	2,682,400	5,049,304	456,370	-	-	22,641,049
2032	-	2,935,662	3,378,831	1,374,625	1,095,500	2,796,495	-	1,138,694	1,717,125	2,680,725	4,876,126	468,640	-	-	22,462,423
2033	-	2,934,994	3,374,100	1,370,500	1,098,250	2,795,825	-	-	1,715,250	2,679,775	4,999,515	480,508	-	-	21,448,717
2034	-	2,929,923	3,366,100	1,368,500	1,093,625	2,795,575	-	-	1,715,000	2,684,313	5,140,327	496,924	-	-	21,590,287
2035	-	-	-	1,368,375	1,091,625	2,795,375	-	-	1,716,125	2,683,863	5,305,130	512,838	-	-	15,473,331
2036	-	-	-	-	-	-	-	-	1,713,500	5,478,425	5,463,641	533,200	-	-	13,188,766
2037	-	-	-	-	-	-	-	-	1,716,875	-	5,628,399	552,960	-	-	7,898,234
2038	-	-	-	-	-	-	-	-	-	-	5,805,356	567,168	-	-	6,372,524
2039	-	-	-	-	-	-	-	-	-	-		585,823	-	-	585,823
Total debt service	$ 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	$ 75,973,300	$ 10,840,520	$ 10,954,138	$ 14,788,398	$ 576,248,352
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 **1.05%** interest rate which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10, which was**0.16%** + the 0.89% Direct Purchase spread to the bondholder for a three year term from May 17, 2011.

** Based on the 2.0079% five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date (September 30, 2011) per GASB Statement No. 38, paragraph 10.

DISCUSSION ON THE EFFECTS OF EXISTING DEBT LEVELS ON CURRENT AND FUTURE OPERATIONS

Per the assumptions as stated in the "Schedule of Debt Service on Outstanding Bonds as of September 30, 2012" regarding the two variable rate bond issues, the total annual debt service will be fairly constant for the next 22 years, 2013 – 2034, at approximately $21,500,000 to$26,700,000. From the year of 2035 forward and as more bonds mature, the total annual debt service will decline significantly, if no additional bonds are issued.



The debt services and related fees of the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 of $8,040,000 continue to be paid by the Susan B. Anthony Center (Center) as rent payments to the City. The Susan B. Anthony Center was built by the City and funded by the City's refunded Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center).

The total outstanding bond principal balance as of September 30, 2012 is $378,725,747, representing a decrease of $10,062,454 from prior year for principal repayment.

Property Taxable Value for fiscal Year Ending Sept. 30, 2012 (2011 Tax Year)

Just Value	12,672,170,184
Less: Property and Personal Exemptions	(3,417,296,513)
Homestead Assessment Differential (1)	(740,224,600)
Non-Homestead Residential Property Differential (2)	(17,052,590)
Certain Residential and Nonresidential Real Property Differential (2)	(14,171,930)
Agricultural Differential (3)	(28,839,820)
Pollution Control Devices Differential (4)	(84,764)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(41,956,052)
Final Taxable Value	8,412,543,915

(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.

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.

The City of Pembroke Pines' limit is governed by the City's Ordinances No. 1560 (Debt Management Policy) and No. 1561 (Derivative Debt Management Policy) adopted on November 1, 2006.

City's debt management policy regarding direct unlimited tax general obligation debt limitation (1.5% of the City's taxable assessed valuation)		**$126,188,159**
General Obligation Bonds (Principal outstanding as of FY2012):		
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**
Legal debt margin		**$46,883,159**

Bond 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
Public Improvement Revenue Bonds, Series 2004B

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

Public Improvement Revenue Refunding Bonds, Series 2006

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

Capital Improvement Revenue Refunding Bonds, Series 2006

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

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

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 *(Reissued in September 2011)*

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 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 adjusted as provided in the bond resolution, is equal to and not less than 120% of the Maximum Bond Service Requirement on all the outstanding Bonds and the Additional Parity Obligations.

Debt Service Fund - Budget Summary

Revenue Category	2009-10 Actual	2010-11 Actual	2011-12 Budget	2012-13 Budget
Ad Valorem Taxes	5,482,360	5,459,564	5,412,172	5,443,121
Public Service Taxes	1,790,358	1,778,293	1,787,007	1,784,705
Communications Service Tax	6,463,395	6,422,409	6,440,655	6,440,111
Franchise Fees	820,652	813,440	811,650	813,605
Investment Income	147,066	125,127	102,437	102,232
Rents & Royalties	12,014,252	12,359,630	11,311,017	12,130,020
Interfund Transfers	-	230,400	961,000	-
Debt Proceeds	8,545,700	-	-	-
Beginning Surplus	-	-	-80,020	-143,012
Total	**35,263,783**	**27,188,864**	**26,745,918**	**26,570,782**

Expenditure Category	2009-10 Actual	2010-11 Actual	2011-12 Budget	2012-13 Budget
Debt Services				
Principal Payments	7,950,000	8,872,500	9,457,600	9,632,400
Interest Payments	17,408,607	17,179,540	17,269,618	16,921,482
Other Debt Service Costs	9,271,084	779,763	9,314	16,900
Debt Services Subtotal	34,629,691	26,831,803	26,736,532	26,570,782
Other				
Transfers	-	-	9,386	-
Bond Issuance	45,349	-	-	-
Other Subtotal	45,349	-	9,386	-
Total	**34,675,040**	**26,831,803**	**26,745,918**	**26,570,782**