

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



**For the  
Fiscal Year Ended  
September 30, 2004**

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

**For the Fiscal Year Ended  
September 30, 2004**



**Prepared by  
The Finance Department**

# City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2004

## Table of Contents

	<u>PAGE</u>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	x
List of City Officials .....	xi
Organizational Chart.....	xii
<b>II. FINANCIAL SECTION</b>	
Report of Independent Certified Public Accountants .....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets .....	21
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Statement of Net Assets - Proprietary Funds .....	27
Statement of Revenues, Expenses and Changes in Fund Net Assets-Proprietary Funds ..	29
Statement of Cash Flows - Proprietary Funds .....	30
Statement of Fiduciary Net Assets - Fiduciary Funds .....	32
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds .....	33
Notes to Basic Financial Statements.....	34
Required Supplementary Information:	
Schedule of Employer Contributions - General Employees and Firefighters and Police Officers.....	85
Schedule of Funding Progress- General Employees and Firefighters and Police Officers .....	86
Budgetary Comparison Schedule – General Fund .....	87
Notes to Budgetary Comparison Schedule .....	89
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet-Nonmajor Governmental Funds .....	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds .....	93

# City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2004

## Table of Contents

	<u>PAGE</u>
<b>II. FINANCIAL SECTION (Continued)</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Debt Service Fund .....	95
Nonmajor Governmental Funds	
Road and Bridge Fund .....	96
State Housing Initiative Program.....	96
Community Development Block Grant .....	97
Law Enforcement Grant.....	97
ADA Paratransit Program.....	98
Police Community Service Grant.....	98
COPS Grants.....	99
Community Bus Program.....	99
Schools chartered by Broward County School Board .....	100
Schools chartered by Florida State University.....	100
Older Americans Act.....	101
Confiscated – Treasury .....	101
Confiscated – Justice .....	102
\$2 Police Assessment.....	102
FDLE .....	103
Wetland Mitigation Trust Fund.....	103
Combining Statement of Fiduciary Net Assets – Pension Trust Funds .....	104
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds .....	105
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	106
 <b>III. STATISTICAL SECTION</b>	
Government-wide Information:	
Government-wide Expenses by Function.....	107
Government-wide Revenues.....	108
Fund Information:	
General Governmental Expenditures by Function .....	109
General Governmental Revenues by Source .....	110
Property Tax Levies and Collections .....	111
Property Tax Rates - Direct and Overlapping Governments .....	112
Special Assessment Collections .....	113
Computation of Legal Debt Margin .....	114
Computation of Direct and Overlapping Debt.....	116
Debt Service Coverage - Electric Public Service Tax Revenue Certificate of 1991, Public Improvement Revenue Bonds, Series 1993, Public Improvement Revenue Bonds, Series 1998, Public Improvement Revenue Bonds, Series 2001, Public Improvement Revenue Bonds Series 2004 A, and Public Improvement Revenue Bonds, Series 2004 B .....	117

# City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2004

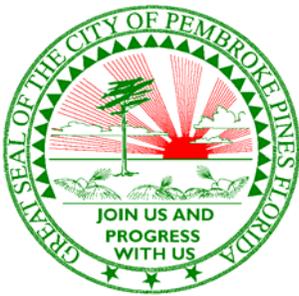
## Table of Contents

	<u>PAGE</u>
<b>III. STATISTICAL SECTION (Continued)</b>	
Debt Service Coverage – Public Improvement Refunding Revenue Bonds, Series 1992, Capital Improvement Revenue Bonds, Series 1993, Capital Improvement Revenue Bonds, Series 1995, and Capital Improvement Revenue Bonds, Series 1999 .....	118
Debt Service Coverage – Charter School Revenue Bonds, Series 2001A, and Charter School Revenue Bonds, Series 2001B.....	119
Debt Service Coverage – Taxable Communications Services Tax Revenue Bonds, Series 2003A, and Taxable Communications Services Tax Revenue Bonds, Series 2004 .....	120
Schedule of Debt Service on Outstanding Bonds.....	121
Demographic Statistics .....	122
School Enrollment.....	123
Level of Educational Attainment for Pembroke Pines Residents Aged 25 Years and Over.....	124
Property Value and Construction .....	125
Principal Taxpayers .....	126
Miscellaneous Statistical Data .....	127
Schedule of Insurance in Force.....	128
General Information.....	129

# I. INTRODUCTORY SECTION

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





# City of Pembroke Pines

**Frank C. Ortis, Mayor**  
**Ben Fiorendino, Vice-Mayor**  
**Charles F. Dodge, City Manager**

**William B. Armstrong, Commissioner**  
**Angelo Castillo, Commissioner**  
**Iris A. Siple, Commissioner**

March 10, 2005

To the Citizens of the City of Pembroke Pines:

State law requires that every general-purpose local government publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2004.

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 Rachlin Cohen & Holtz LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2004 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, 2004, 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, 2004.

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

### **Profile of the Government**

The City of Pembroke Pines is the 9<sup>th</sup> largest city in Florida. As of September 30, 2004, the most recent official population estimate was 150,435. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the rapidly growing City of Miramar, to the northwest are the upscale 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 and four Commissioners who are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of various advisory boards, the City Manager, the City Attorney, and the Finance Director. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances and appoints and supervises the department directors of the City.

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

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions of the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 6.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated by any department. The City's budget is approved at the department level. The City Manager and Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented on pages 87-90 as part of the Required Supplementary Information.

The City of Pembroke Pines is the proud recipient of the All-America City Award for 2004, as bestowed by the National Civic League. The National Civic League is one of the leading advocates of citizen democracy in the United States. It was founded 110 years ago by Theodore Roosevelt and other government reformers, and has honored communities with this award since 1949. It is the nation's longest running and most prestigious civic recognition program, and cities receiving this award typically receive a variety of benefits, including national recognition, enhanced community pride, and in many cases,

tangible economic benefits that range from new grants to improved bond ratings, increased tourism, and greater economic activity. Thirty cities were invited to present their programs as finalists in Atlanta June 10-12, 2004, and ten cities, including Pembroke Pines, were honored with the All-America City Award. Five other Florida cities were invited to compete, but only Pembroke Pines was selected for the award this year.

**Factors Affecting Financial Condition**

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

**Local Economy**

The City of Pembroke Pines’ positioning for progress is undoubtedly ensured for periods that extend far beyond the forty-four years of its existence. Its geographic location, surrounded by the affluent tri-county market of the recently established Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area (MSA), which according to the latest statistics, is the sixth (6<sup>th</sup>) largest in the United States, trailing only Los Angeles, New York, Chicago, Philadelphia and Dallas, opens up an area that has a population of more than 5.3 million people, and retail sales that exceed \$56 billion. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the twelfth (12<sup>th</sup>) busiest container port in the United States.

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

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

	<u>FY2004</u>	<u>FY2003</u>
City of Pembroke Pines	3.1%	3.7%
Broward County	4.7%	5.7%
State of Florida	4.6%	5.2%
United States	5.5%	6.0%

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

The State of Florida continues to lead the national job market in employment growth, while unemployment remains below the national average, according to figures released in December 2004 from the Agency for Workforce Innovation. Broward County was also ranked third in the State in overall employment growth.

The strong employment statistics also gives credence to the population growth that has taken place in the County as well as the City of Pembroke Pines, in last couple of years. Population growth projections are extremely important to allow for future planning needs, and economic resource allocation, especially as vacant land becomes a scarce commodity throughout the City. The population estimates as researched by

Broward County in September 2004, presents the City's annual population growth rate at 2 percent to the year 2010, and at 0.3 percent for the years 2010 to 2025. It estimates that the City's population will be approximately 173,500 by the year 2025, and that Pembroke Pines will become the third largest city in the County trailing only Fort Lauderdale and Hollywood. Currently, the City is the second largest in the County following Fort Lauderdale. Overall, the County will also continue to experience positive growth trends throughout the same period with a 2 percent projected growth rate from 2000 to 2010 and a 1.4 percent growth rate from 2010 to 2025. Although these estimates seem optimistic, they provide an indication that despite the potential for build-out, the County and the City will remain a vibrant and growing community, responding to the needs of its residents.

The business environment within the County, neighboring cities and within Pembroke Pines itself provides us with a sense of pride and confidence as many new businesses are opening their doors, or are scheduled to open sometime in the near future. Taxable sales in Broward County totaled more than \$25.6 billion in 2003, and for the first six months of 2004 taxable sales totaled \$14.2 billion, a record level increase of more than 9.5 percent over the same period in 2003. Pembroke Pines is also experiencing growth in its commercial development, and as such, the City will be adding to its list of successful business partners in the western portion of the City an Acura dealership, Costco, and a new Rooms to Go furniture store. Additionally, the expansion of the Pembroke Lakes Mall, with Burdines Macy's to add a second building, and the proposal of a new parking deck, are indications that there continues to be successful economic opportunities for business owners within the City. The City will continue its efforts to advertise the benefits of locating in Pembroke Pines in three national "site selection magazines" that are distributed to Chief Executive Officers (CEO's) nationwide and, through its Economic Development Board, will continue to plan seminars and symposiums that specifically benefit our small business partners.

Although the City is approximately 95 percent built out, Pembroke Pines continues to maintain one of the lowest tax rates within Broward County, and currently has the ninth lowest millage rate among all the 30 cities in Broward. The City's current millage rate is 4.5990, which remained unchanged from the previous fiscal year. Increases in property values over the last year have helped to mitigate increases in the City's millage rate. The City's gross taxable property values, which includes the value of new construction, increased by 13.8 percent over last year, as compared with a 9.5 percent increase for the prior year. The City is steadfast in its resolve to continue to be progressive and by leveraging its current resources in innovative ways, will remain true to its strategic vision and motto "Join us and progress with us". The vision continues to be one that seeks to provide its residents with the highest quality of life, at an affordable cost, utilizing cost efficiencies in every way possible.

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

Strategic goals and objectives are constantly being reviewed by the City in light of the various economic challenges that arise. As the City approaches build-out, the long-term strategic focus has had to shift from one of growth to one of redevelopment, yet the overall long-term goals remain targeted on the health, welfare, safety and quality of life for our residents. The development of the City's capital improvement

plans, as well as the annual budget, has lead the City to pursue a moderate and more conservative approach to revenue forecasts as well as renewed focus on cost containment especially for personnel-related costs which accounted for approximately 72.6 percent of the General Fund operating expenditures.

Over the last year, the City has developed the budget in such a way as to retain fund balance in the General Fund of at least 25 percent of the total annual General Fund expenditures. This also provides a contingency for unexpected future events.

### **Major Initiatives**

On January 13, 2005 the City Commission decided to undertake a bold new initiative in the City, which has been dubbed the “Building Our Future Program”. On March 8, 2005 the qualified voters of the City passed the bond referendum, authorizing the City to issue up to \$100 million in General Obligation Bonds with maturity not exceeding 30 years, and which will be repaid from the proceeds of ad valorem taxes. This is the first time that the City will issue General Obligation Bonds. These bonds will be issued in staggered amounts of \$40 million in fiscal year 2005, \$40 million estimated in fiscal year 2007, and if necessary, \$20 million in fiscal year 2009. The projects which are expected to be funded from the proceeds range from various roadwork projects, recreational and cultural amenities, to economic development and neighborhood revitalization. Some of these projects are direct responses to the requests made from the citizenry, while others are as a result of the visions of progress, and the proactive stance of the City’s Commissioners.

As part of the City’s continued efforts to enhance the functionality and services of the Senator Howard C. Forman Human Services Campus, the City has renovated a number of existing buildings at the site, and currently has plans to expand this facility to provide a wide array of educational, professional, and health-related services, as well as residential treatment facilities to special-needs groups, senior residents and the community at large.

On January 26, 2005 the City issued \$7,910,000 in variable rate Capital Improvement Revenue Bonds to fund the planning, development, design and construction of a 40-unit residential complex, an administrative and treatment building, and an Early Development Center designed to serve up to 150 children. This was part of an agreement between the City and the Susan B. Anthony Center, Inc., a Florida Non-Profit Organization that provides transitional housing for women with children recovering from substance abuse. The project will be located on approximately 5 acres at the Senator Howard C. Forman Human Services Campus, and is expected to be completed in the fall of 2005. See also Note 5. “Subsequent Events” for additional information.

The plans for a “City Center” remains to be a project of significant importance in terms of both financial implications and resource allocation needed for the development. This project was initially started in fiscal year 2003 with the purchase of approximately 115 acres of undeveloped land adjacent to City Hall, for \$22 million. This site is the last major piece of property along the Pines Boulevard corridor, and will provide a unique opportunity for the City to ensure that the needs and well-being of our residents are properly evaluated and provided for in a controlled environment. The City intends to oversee the development of this property as a “City Center” that will include an interesting mix of residential, commercial, professional and governmental services to residents. It includes plans for a 120-suite hotel, a conference center, town houses, apartments, office buildings, restaurants, small shops, and a central plaza with a fountain, all within a pedestrian-friendly setting. It is estimated that the City will spend a total of approximately \$46 million for the purchase and development of this property, which will be recovered by the sale of building sites to various businesses. It is projected that the “City Center” will be completed by 2007 and will result in increased property tax revenues to the City of approximately \$2 million per year.

The recent slew of hurricanes that ravaged many parts of Florida during the last quarter of the year, have led the City in many ways to re-examine its current policies and practices regarding disaster preparedness. This will ensure that the City will be well prepared to meet the needs of its residents without creating any undue financial burdens. One of the decisions taken by the Commission at the end of the fiscal year was to increase the City's reserve for disaster assistance from \$125,000 to \$2,125,000. Although the Federal and State Emergency Management Agencies provide assistance for disaster recovery, the City is usually responsible for 12.5 percent of these expenditures. By increasing the reserve for disaster assistance by \$2 million, the City would be prepared to match damages for up to \$17 million in Federal and State assistance. During the year the City also designed and outfitted its own Emergency Operations Center to ensure that essential information and resources would be available to the residents and that in the event of a disaster, that essential services would become operational within the shortest time possible. During the hurricanes, various city department directors, officials, and employees were mobilized to respond to the needs of residents. The City sustained minor damage to property, any damage suffered centered around fallen trees and vegetative debris relating to hurricane Frances. The City spent approximately \$0.6 million in hurricane-related expenditures, and should recover most of the cost from Federal and State agencies.

The City is always striving to enhance the quality of life for its residents by increasing the availability of services and facilities. The City has become a haven for working families, as seen by the growth and demand for additional housing and schools. In an effort to respond to the overcrowding in schools, the City opened its first Charter School in 1998 and currently owns and operates seven Charter Schools. The City also has one of the largest parks systems in the County with strong youth programs and services. In continued response to the needs of its residents for youth-driven programs, the City Commission approved a \$4 million appropriation which will be used for the design and development of the SW Nature Soccer Park. This park would include six soccer fields, and an accompanying wetlands park located at Pines Boulevard and 196<sup>th</sup> Avenue. The City acquired this 56.5 acre property in 2003 through the Broward County Safe Parks and Land Preservation bond issue. It is anticipated that the soccer fields will be completed by fall of 2005, or early 2006 depending on when the environmental permits are issued.

On January 8, 2005, the City opened the beautiful Chapel Trail Nature Preserve, located at 19800 Sheridan Street just east of U.S. 27. The 450 acres of reconstructed natural habitat includes a 1,650 foot nature walk, an Environmental Interpretative Center, and a floating dock removed from civilization accessible only by boat. Visitors can rent canoes or walk the boardwalk. The Preserve was slated to open in 2002, but a fire destroyed approximately 450 feet of the boardwalk. The Preserve is home to more than 120 species of birds, deer, marsh rabbits, alligators, snakes, turtles, fish and insects. This will provide nature lovers with an opportunity to enjoy the environment within close proximity to home.

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

Undergirding the development of the City's long-term strategic goals and objectives are financial policies of the City that help to ensure that the programs and projects are implemented in the most cost effective manner, minimizing the restrictions that would seek to hinder the future borrowing capacity of the City.

The City invests operating funds in an effort to earn a competitive yield on its portfolio, while maintaining adequate liquidity to meet the demands of the City's day-to-day operational activities. This is consistent with its primary objective of safeguarding public assets by minimizing the level of credit and market risks assumed. The investment priority is safety of capital, liquidity of funds, and investment income, in that order. To that end, the City's investments are guided by a detailed investment policy, adopted by Ordinance and further explained in Note 3.a. of the notes to the basic financial statements. During the year, surplus funds were administered by the State Board of Administration, the Florida

League of Cities, managed by external investment managers such as Wachovia Bank N.A, and invested in certificates of deposit of a qualified public depository.

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

<u>Money Manager</u>	<u>Average Balance</u>	<u>Interest Income</u>	<u>Average Rate of Return (%)</u>
State Board of Administration	\$58,033,166	\$733,240	1.26%
Florida League of Cities	\$27,542,794	\$327,720	1.19%
Wachovia Bank N.A.	\$38,462,127	\$420,914	1.09%

In FY 2004, the City earned \$2,183,919 in investment income, as compared with \$3,383,341 earned in fiscal year 2003; this represents a 35% decrease from the previous year. The extremely low interest rate environment significantly impacted the performance of the portfolio during the year. Also, in anticipation that interest rates would be on the rise, and in an effort to minimize any potential losses, the City decided to shorten the weighted average duration of its investment portfolio, which means the City would be less affected by interest rate fluctuations, but also would have a lower rate of return. However, the City will continue to closely monitor and evaluate its investment earnings and portfolio holdings as new economic conditions unfold.

### **Self-Insurance Program**

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

<u>Coverage</u>	<u>Self-Insurance Retention Per Occurrence</u>	<u>Insured</u>
General/Auto Liability	\$150,000	\$ 1,000,000
Fidelity Bond	25,000	75,000
Workers' Compensation	350,000	25,000,000
Property –Real property	25,000	188,743,904
Personal property	25,000	12,483,166
Vehicles	25,000	(depreciated value of vehicle)

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

The City maintains two single-employer defined benefit pension plans, which are: the General Employees Pension Plan (GEPP) and the City Pension Fund for Firefighters and Police Officers (CPFFPO). Once a year, an independent actuary is engaged by the pension plans to calculate the annual required contribution the City must make to ensure that the plans will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As of September 30, 2004, the net assets of the GEPP totaled \$82,107,669 and the net assets of the CPFFPO totaled \$161,754,580. These balances represent significant increases over the prior year as a result of two bonds issued by the City which were used to maintain the City's contribution at the same level prior to the enhanced pension benefits approved. The

lump sum contribution made to the CPFFPO was \$62,920,000, and the contribution made to the GEPP was \$19,370,924.

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

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

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

In addition to the defined benefit plans described above, the City maintains a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The plan provides benefits for the employees of the Charter Schools and Early Development Centers. The City's required contribution to this plan is 5% of the plan members' gross salary, while members are allowed to contribute up to a maximum of 10% of compensation as defined by the Plan. These contributions are submitted to an external retirement corporation that is responsible for management of the investments as directed by the employee. As of September 30, 2004, the value of assets approximated \$2,633,000.

The City also provides postretirement health care and life insurance benefits for retirees. Spouses are included in this coverage, for a limited number of employees hired before October 1, 1991. As of September 30, 2004 there were 185 retirees receiving this benefit. The allocated premium related to the retiree's health care and life insurance benefits are recognized as expenditures by the City. For the fiscal year ended September 30, 2004, those costs totaled \$1,160,330.

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2003. This was the nineteenth 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 generally accepted accounting principles 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, 2003. The City of Pembroke Pines has received this award consecutively for seven years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

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

The City of Pembroke Pines Charter School also received its first Distinguished Budget Presentation Award from the GFOA for the year beginning July 1, 2004. It is the first Charter School in the nation to have received this award.

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

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

Sincerely,



Charles F. Dodge  
City Manager



René González  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

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.



*Nancy L. Zjelke*

President

*Jeffrey R. Emer*

Executive Director

# List of City Officials

## City Commission:

*Frank C. Ortis, Mayor*

*Ben Fiorendino, Vice Mayor*

*William B. Armstrong, Commissioner*

*Angelo Castillo, Commissioner*

*Iris A. Siple, Commissioner*

## City Manager:

*Charles F. Dodge LLC*

## City Attorney:

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

## City Clerk:

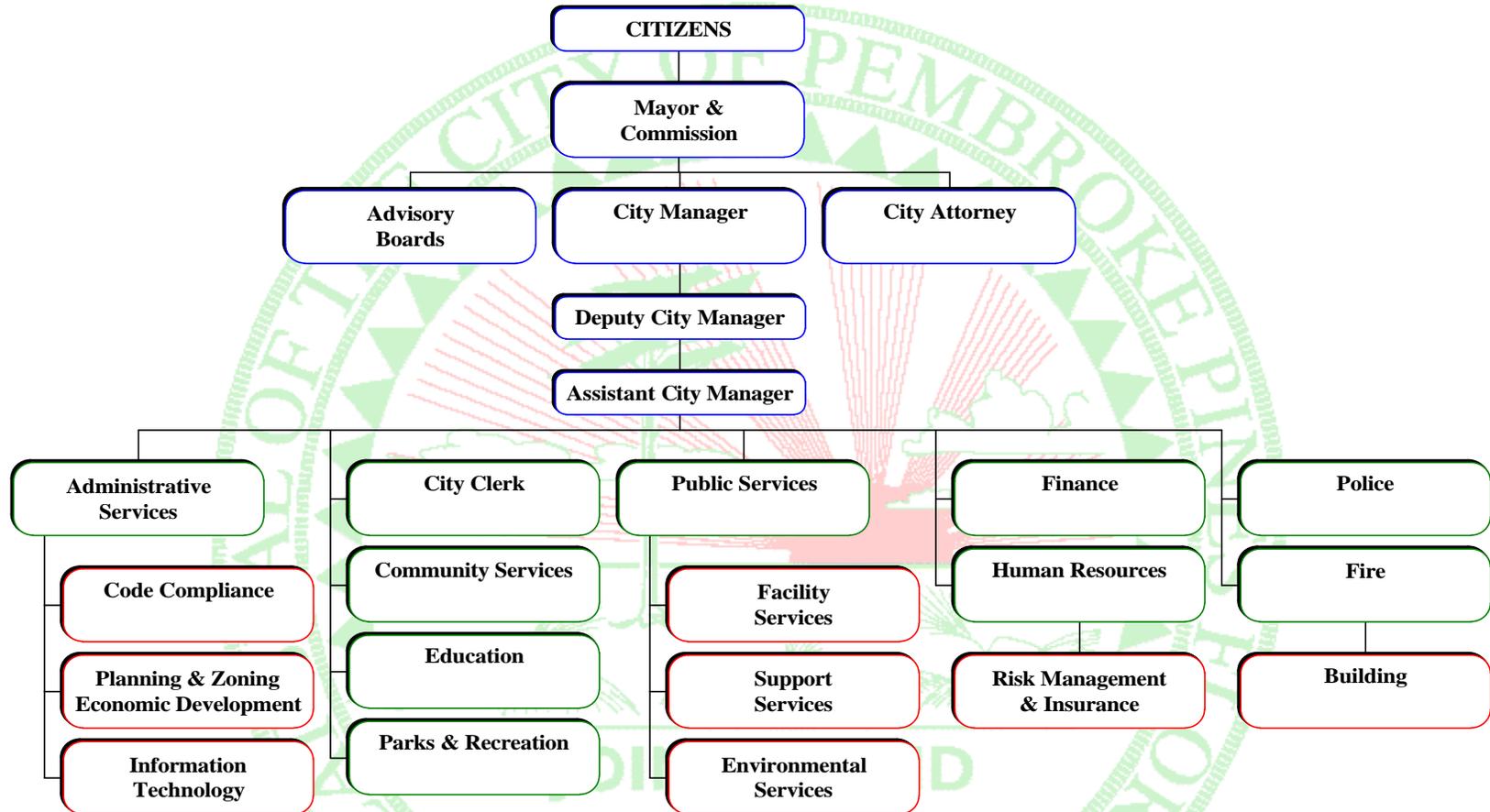
*Judith A. Neugent*

## Finance Director:

*René D. González*



# City of Pembroke Pines Organizational Chart



## **II. FINANCIAL SECTION**

- **Report of Independent Certified Public Accountants**
- **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**



**Report of Independent  
Certified Public Accountants**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pembroke Pines, Florida (the City) as of and for the fiscal year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 65% and 53%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2005 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's Discussion and Analysis and the Required Supplementary Information on pages 3-20 and pages 85-90, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Similarly, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

*Rachlin Cohen + Holtz LLP*

Fort Lauderdale, Florida  
January 28, 2005

# 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, 2004. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to ix of this report. All amounts, unless otherwise indicated are in millions of dollars.

### Financial Highlights

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$380.7 million (*net assets*), as compared with \$383.3 million for the previous fiscal year as restated for a prior period adjustment of \$0.2 million. Of this amount, \$34.7 million (*unrestricted net assets*) may be used to meet the ongoing obligations to citizens and creditors.
- The City's total net assets decreased only slightly by \$2.6 million (or -0.7 percent) during the current fiscal year. Included in the total net assets are governmental net assets which decreased by \$3.5 million (-2.4 percent), and the business-type net assets which increased by \$0.9 million (or 0.4 percent).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$142.8 million, a decrease of \$3.5 million (-2.4 percent) in comparison with the prior year. Approximately 2 percent of this total amount is available for spending at the City's discretion (*unrestricted fund balance*).
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities were \$2.8 million, or 1.7 percent of total governmental activities expenses.
- The City's total revenue bonds increased by \$122.2 million (83.9 percent) during the current fiscal year, as a result of four additional bonds issued by the City. These included two Taxable Communications Services Tax Revenue Bonds used to fund enhanced retirement benefits for the Police, Fire and General Employees Pension Plans, and two additional Public Improvement Revenue bonds to fund the construction of an additional senior housing project consisting of two five-story residential buildings, containing a total of 394 one and two bedroom apartments.

### Overview of the Financial Statements

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

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

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

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

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

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

The government-wide financial statements can be found on pages 21-22 of this report.

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 91-94 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule, and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with this budget, on pages 87-90. The basic governmental fund financial statements can be found on pages 23-26 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.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

The City uses an enterprise fund to account for its water and sewer operations. An *internal service fund* is used to account for the City's insurance coverage's provided to all departments on a cost reimbursement basis. The City of Pembroke Pines is self-insured.

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

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

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

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

The notes to the basic financial statements can be found on pages 34-84 of this report.

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

Required supplementary information can be found on pages 85-90 of this report.

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

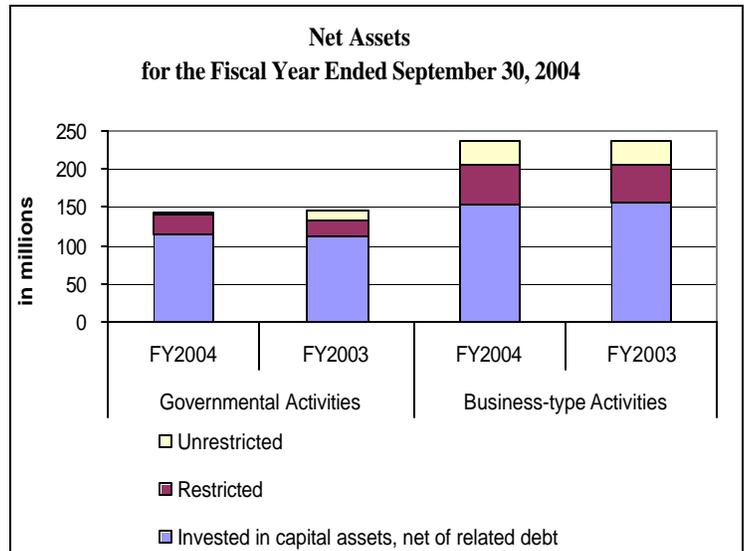
Combining and individual fund statements and schedules can be found on pages 91-94 of this report.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets exceeded liabilities by \$380.7 million at the close of the most recent fiscal year, which represents a 0.7 percent decrease compared to last year's net assets of \$383.3 million. By far the largest portion of the City's net assets \$267.1 million (70 percent), represents investment in capital assets, which includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.



Another portion of the City's net assets, \$78.9 million (21 percent), represent resources that are subject to external restrictions on how they may be used. This balance increased by approximately \$8.3 million (12 percent) over last year. The restricted net assets of the governmental funds increased by \$6.5 million (34 percent), mainly as a result of debt service restrictions resulting from four additional bond issues, while business-type restricted assets increased by approximately \$1.7 million (3 percent), and is designated for expansion. The remaining balance is unrestricted net assets of \$34.7 million (9 percent), which decreased by \$10.2 million (-22 percent) over last year, primarily due to the degree of which ongoing expenses exceeded similar increases in ongoing revenues, and a larger portion of fund balance was restricted as a result of the four additional bonds issues.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

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

	Net Assets (in millions)					
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	(As restated)		(As restated)		(As restated)	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 66.8	\$ 56.7	\$ 11.4	\$ 11.6	\$ 78.2	\$ 68.3
Restricted assets	37.3	16.8	56.1	54.9	93.4	71.7
Negative net pension obligation	78.2	-	4.1	-	82.3	-
Capital assets, not being depreciated	155.1	136.6	5.0	4.9	160.1	141.5
Capital assets, being depreciated, net	129.8	132.6	147.4	150.1	277.2	282.7
Total assets	467.2	342.7	224.0	221.5	691.2	564.2
Long-term liabilities	289.3	163.0	1.6	1.8	290.9	164.8
Other liabilities	35.1	33.4	(15.5)	(17.3)	19.6	16.1
Total liabilities	324.4	196.4	(13.9)	(15.5)	310.5	180.9
Invested in capital assets, net of related debt	114.6	112.8	152.5	155.0	267.1	267.8
Restricted	25.3	18.9	53.6	51.8	78.9	70.7
Unrestricted	2.9	14.6	31.8	30.2	34.7	44.8
<b>Total net assets</b>	<b>\$ 142.8</b>	<b>\$ 146.3</b>	<b>\$ 237.9</b>	<b>\$ 237.0</b>	<b>\$ 380.7</b>	<b>\$ 383.3</b>

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

Despite an overall slight decrease in net assets of \$2.6 million, the City continues to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

# City of Pembroke Pines, Florida

## Changes in Net Assets (in millions)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Revenues						
Program Revenues:						
Charges for services	\$84.0	\$74.1	\$35.5	\$34.5	\$119.5	\$108.6
Operating grants & contributions	4.9	3.2	-	0.1	4.9	3.3
Capital grants & contributions	0.5	3.0	-	-	0.5	3.0
General Revenues:						
Property taxes	32.4	28.5	-	-	32.4	28.5
Franchise fees on gross receipts	11.4	10.7	-	-	11.4	10.7
Utility taxes	9.1	9.0	-	-	9.1	9.0
Communications services tax	6.5	7.6	-	-	6.5	7.6
Other taxes	4.5	4.1	-	-	4.5	4.1
Intergovernmental - unrestricted	11.8	11.3	-	-	11.8	11.3
Investment earnings, not restricted	1.1	1.9	1.1	1.6	2.2	3.5
Other miscellaneous	0.3	0.4	0.1	-	0.4	0.4
Total revenues	<u>166.5</u>	<u>153.8</u>	<u>36.7</u>	<u>36.2</u>	<u>203.2</u>	<u>190.0</u>
Expenses:						
General government services	21.2	19.8	-	-	21.2	19.8
Public safety	64.8	59.9	-	-	64.8	59.9
Physical environment	3.8	3.7	-	-	3.8	3.7
Transportation	5.7	5.5	-	-	5.7	5.5
Economic environment	2.8	2.8	-	-	2.8	2.8
Human services	43.5	36.1	-	-	43.5	36.1
Culture/Recreation	16.9	15.3	-	-	16.9	15.3
Interest on long-term debt	11.3	7.7	-	-	11.3	7.7
Water utility services	-	-	4.1	3.9	4.1	3.9
Sewer/waste water services	-	-	8.9	9.0	8.9	9.0
Water-sewer combined service	-	-	22.8	19.9	22.8	19.9
Total expenses	<u>170.0</u>	<u>150.8</u>	<u>35.8</u>	<u>32.8</u>	<u>205.8</u>	<u>183.6</u>
Change in net assets	<u>(3.5)</u>	<u>3.0</u>	<u>0.9</u>	<u>3.4</u>	<u>(2.6)</u>	<u>6.4</u>
Net assets, beginning, as previously stated	146.1	143.1	237.0	233.6	383.1	376.7
Prior period adjustment	0.2	-	-	-	0.2	-
Net assets, beginning, as restated	<u>146.3</u>	<u>143.1</u>	<u>237.0</u>	<u>233.6</u>	<u>383.3</u>	<u>376.7</u>
<b>Net assets, ending</b>	<b><u>\$142.8</u></b>	<b><u>\$146.1</u></b>	<b><u>\$237.9</u></b>	<b><u>\$237.0</u></b>	<b><u>\$380.7</u></b>	<b><u>\$383.1</u></b>

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

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

**Governmental activities.** Net assets of the City's governmental activities decreased by 2.4 percent (\$3.5 million) from \$146.3 million in last fiscal year, as restated for a prior period adjustment, compared to \$142.8 million in the current fiscal year.

### ***Revenues:***

Revenues from Governmental activities increased by \$12.7 million (8.3 percent) over last year. This increase was mainly driven by Charges for Services, which increased by \$9.9 million (13 percent), property taxes which increased by \$3.9 million (14 percent), operating grants and contributions, which increased by \$1.7 million (53 percent) and franchise fees on gross receipts, which increased by \$0.7 million (6.5 percent) over last year. Yet these increases in revenues were partially offset by decreases in capital grants and contributions of \$2.5 million (-83 percent) and a \$1.1 million (-14.5 percent) decrease in Communications Services Tax revenues.

Charges for services are intended to fully recover the costs of providing those services. The growing educational needs of the City, coupled with the resounding success of the City's Charter School system lead to the opening of the City's seventh Charter School, the City of Pembroke Pines/Florida State University Charter Elementary School. Of the total increase in Charges for services of \$9.9 million, \$8.1 million was attributable to increases in revenues from the City's Charter Schools. The City of Pembroke Pines has managed to maintain one of the lowest millage rates in Broward County. The increased revenues in property taxes were based on a 13.8 percent increase in gross taxable values over last year, including taxable values of new construction. The City maintained its millage at 4.599 for the fiscal year ending September 30, 2005.

### ***Expenses:***

Expenses increased by \$19.2 million (13 percent) over last year. The increases in governmental expenses were mainly centered around Human Services, Public Safety, and Interest on long-term debt.

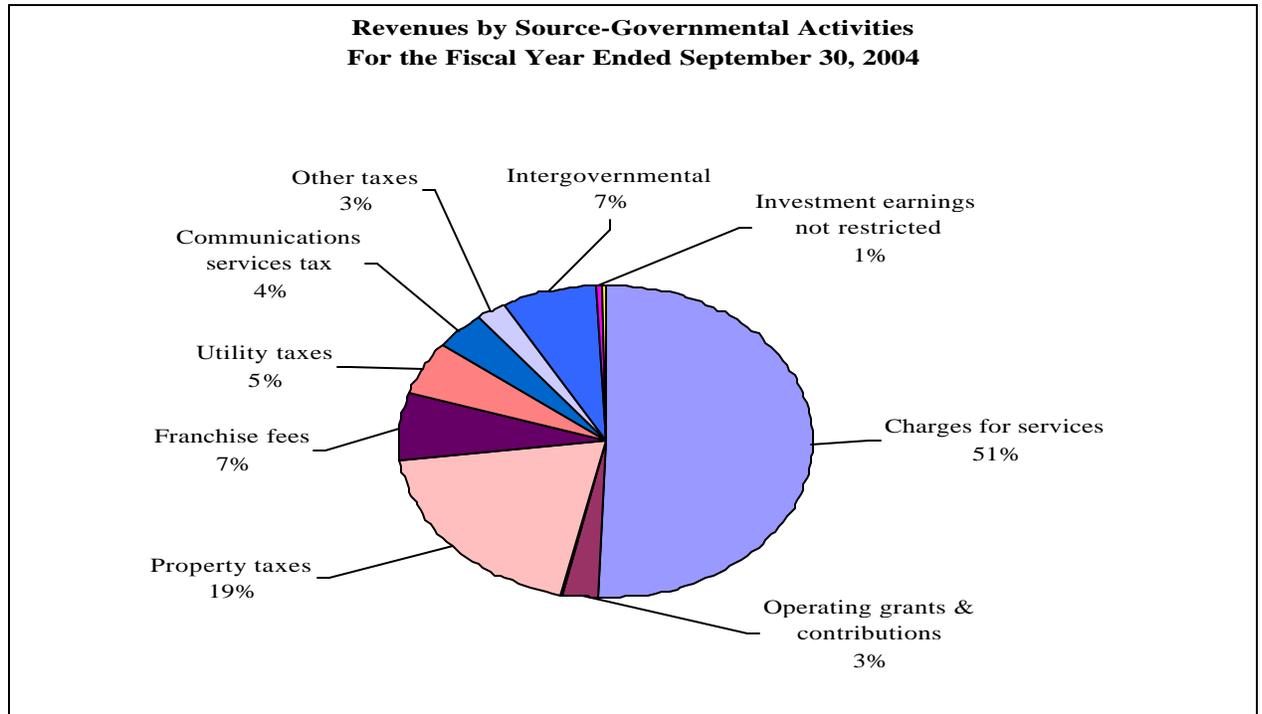
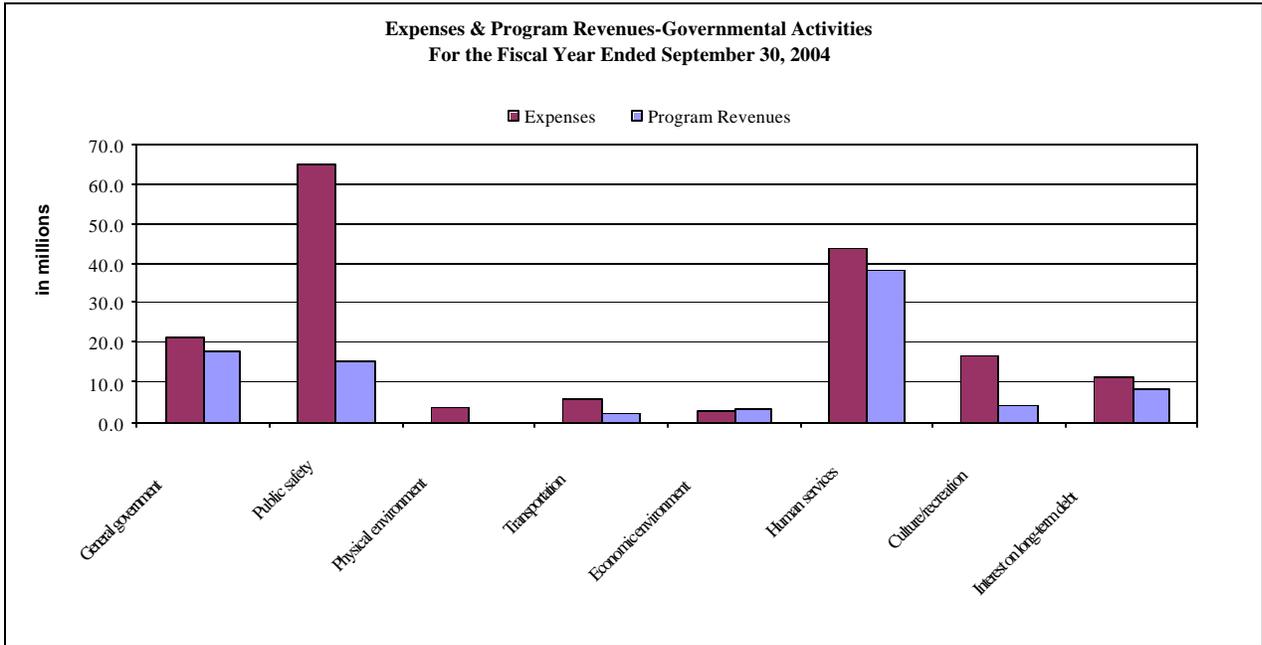
Human services expenses, increased by \$7.4 million (21 percent) over last year primarily as a result of staffing the additional City of Pembroke Pines/Florida State University Charter Elementary School. The amount of increase in Human Services attributable to the City's Charter School system was approximately \$7.7 million.

Public Safety expenses increased by \$4.9 million (8 percent) as a result of the City's growing need to provide a safe environment for its residents. New personnel positions were added in both the Police and Fire Departments. Additionally, the City's Police Officers union contract was approved, which provided for additional benefits for both current and retired members. As a consequence of this new contract, members with 20 years or more of service to the City were provided with an incentive to retire, which further resulted in significant pay-outs of accumulated sick and vacation time. Of the \$4.9 million increase in Public Safety, expenditures relating to the Police Department accounted for 67 percent or \$3.4 million.

Additionally, the hurricanes experienced throughout Florida also increased Public Safety expenditures for the City by approximately \$0.6 million that was not anticipated. The City's largest expense centered around Hurricane Frances, which accounted for approximately 75.8% of all hurricane-related expenditures. The City is anticipating reimbursement from the Federal and State Emergency Management Agencies for a significant portion of these hurricane related expenditures.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

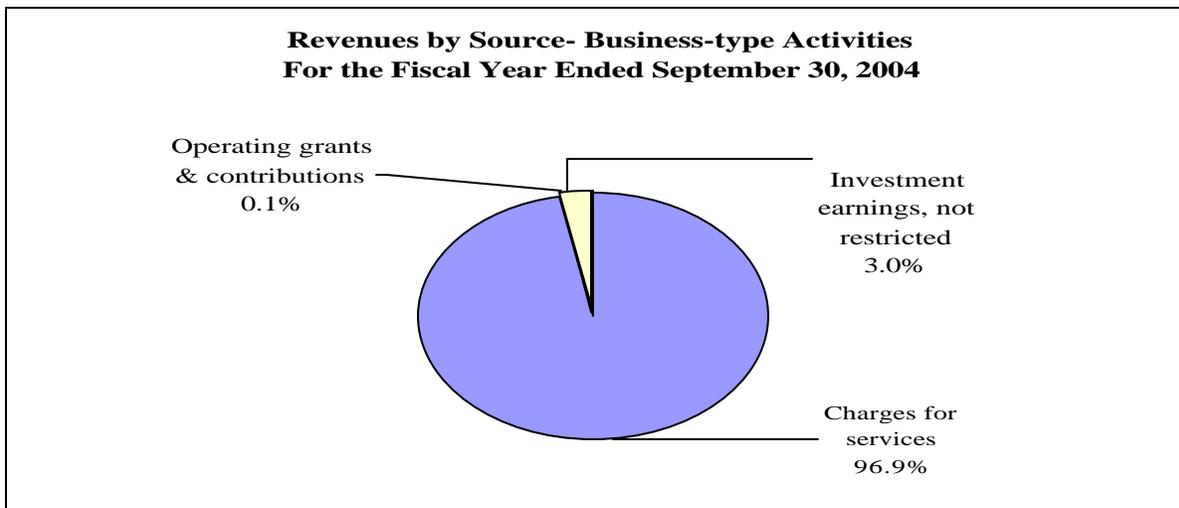
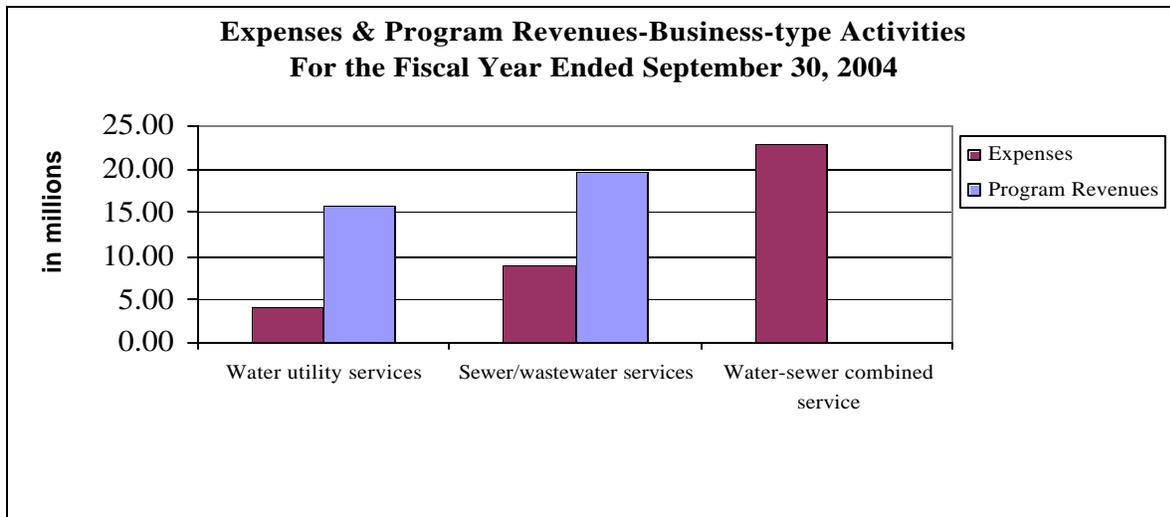
**Business-type activities.** The net assets of the City's business-type activities increased by \$0.9 million (0.4 percent) from \$237.0 million last fiscal year compared to \$237.9 million in the current fiscal year.

**Revenues:**

Revenues were slightly higher than last year, by \$0.5 million (1.4 percent). The main factor contributing to this was an increase of \$1.0 million in charges for services, but offset by the decline in investment earnings, not restricted, which decreased by \$0.5 million, and by a decline in operating grants and contributions which declined by \$0.1 million. The low interest rate environment continued to negatively impact the performance of the City's investment portfolio during the current year. Also, in preparation of an increasing interest rate environment, the City shortened the average duration of its overall investment portfolio. Both these factors combined resulted in lower than expected investment earnings.

**Expenses:**

Expenses of the business-type activities were only slightly higher over last year by \$3.0 million (9 percent). The most significant contributor to this increase related to the water-sewer combined service which increased by \$2.9 million or (15 percent), mainly as a result of a \$1.2 million increase in administrative charges and a \$0.9 million increase in insurance costs over last year.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

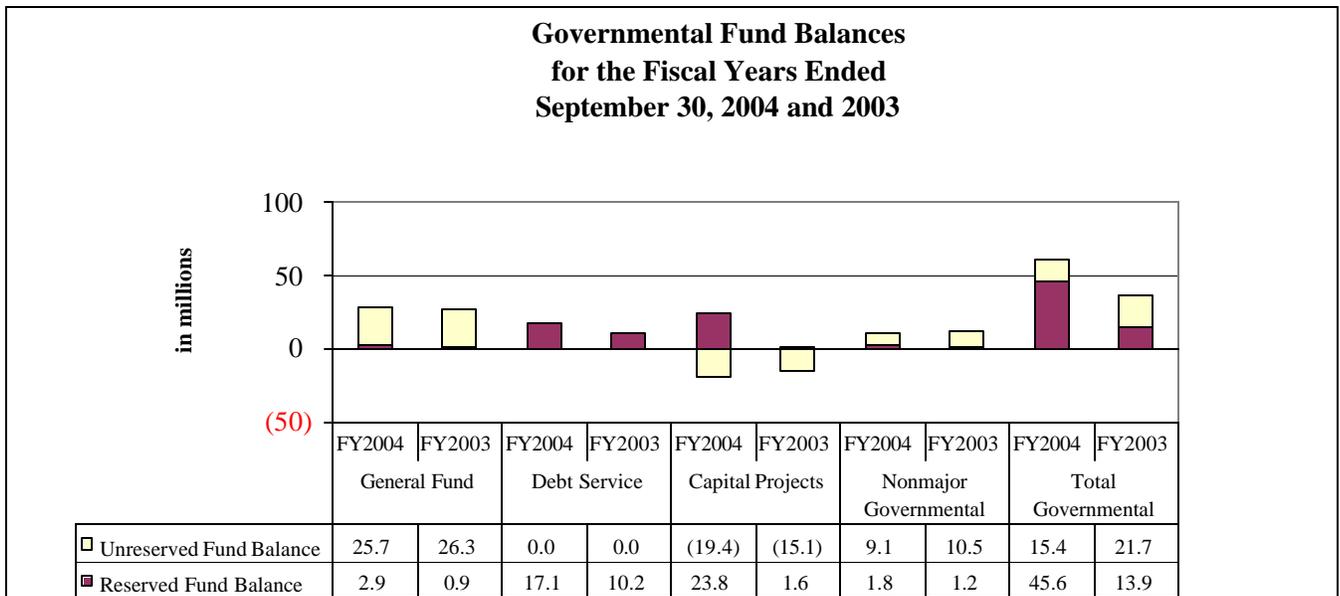
### Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances (both reserved and unreserved) of \$61.0 million, an increase of \$25.4 million in comparison with the \$35.6 million prior year balance, as restated for a prior period adjustment (see Note 2.d. for additional information). This significant increase was mainly attributable to bond proceeds received which were not yet spent during the year in the Capital Projects Fund and the Debt Service Fund.

Approximately \$15.3 million of this total amount (25 percent) represents unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate it is not available for new spending because it has already been committed for a variety of restricted purposes, such as construction projects, debt service, grant expenditures and encumbrances.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

### The General Fund

The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$25.7 million, as compared with \$26.3 million in prior year. Reserved fund balance was increased by \$2.0 million to \$2.9 million for disaster assistance in light of the recent hurricanes that caused such devastation throughout the State of Florida. The additional amount set aside for hurricanes should provide the required 12.5% matching of up to \$17.0 million in Federal and State disaster assistance.

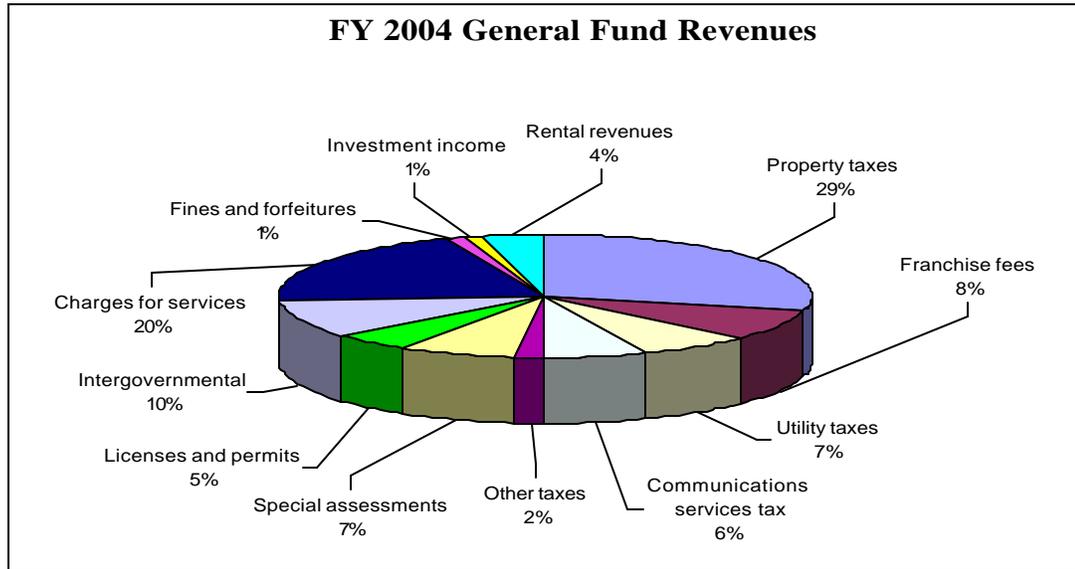
The amount of General Fund revenue by type, their percent of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Revenue Sources</u>	<b>General Fund Revenues (in millions)</b>					
	<b>Percent</b>		<b>Percent</b>		<b>Increase</b>	<b>Percentage</b>
	<b>2004</b>	<b>of</b>	<b>2003</b>	<b>of</b>	<b>(Decrease)</b>	<b>Increase</b>
	<b><u>Amount</u></b>	<b><u>Total</u></b>	<b><u>Amount</u></b>	<b><u>Total</u></b>	<b><u>From 2003</u></b>	<b><u>(Decrease)</u></b>
Property taxes	\$32.4	29%	\$27.8	26%	\$4.6	17%
Franchise fees	9.2	8%	8.4	8%	0.8	10%
Utility taxes	7.4	7%	6.5	6%	0.9	14%
Communications services tax	6.5	6%	7.6	7%	(1.1)	(14)%
Other taxes	1.7	2%	1.4	1%	0.3	21%
Special assessments	7.8	7%	7.6	7%	0.2	3%
Licenses and permits	5.9	5%	6.9	7%	(1.0)	(14)%
Intergovernmental	11.4	10%	11.1	11%	0.3	3%
Charges for services	22.1	20%	21.6	20%	0.5	2%
Fines and forfeitures	0.7	1%	0.8	1%	(0.1)	(13)%
Investment income	0.5	1%	1.3	1%	(0.8)	(62)%
Rental revenues	4.7	4%	4.3	4%	0.4	9%
Other revenues	0.2	0%	0.5	1%	(0.3)	(60)%
<b>Total revenues</b>	<b>\$110.5</b>	<b>100%</b>	<b>\$105.8</b>	<b>100%</b>	<b>\$4.7</b>	<b>4%</b>

Compared to the prior fiscal year, total General Fund revenues increased by \$4.7 million or 4 percent in fiscal year 2004. Property taxes accounted for the bulk of the increase. The \$4.6 million or 17 percent increase in property tax revenue was due to new construction and increases in taxable values, of 13.8 percent over last year as compared with the 9.5 percent increase in the prior fiscal year.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



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

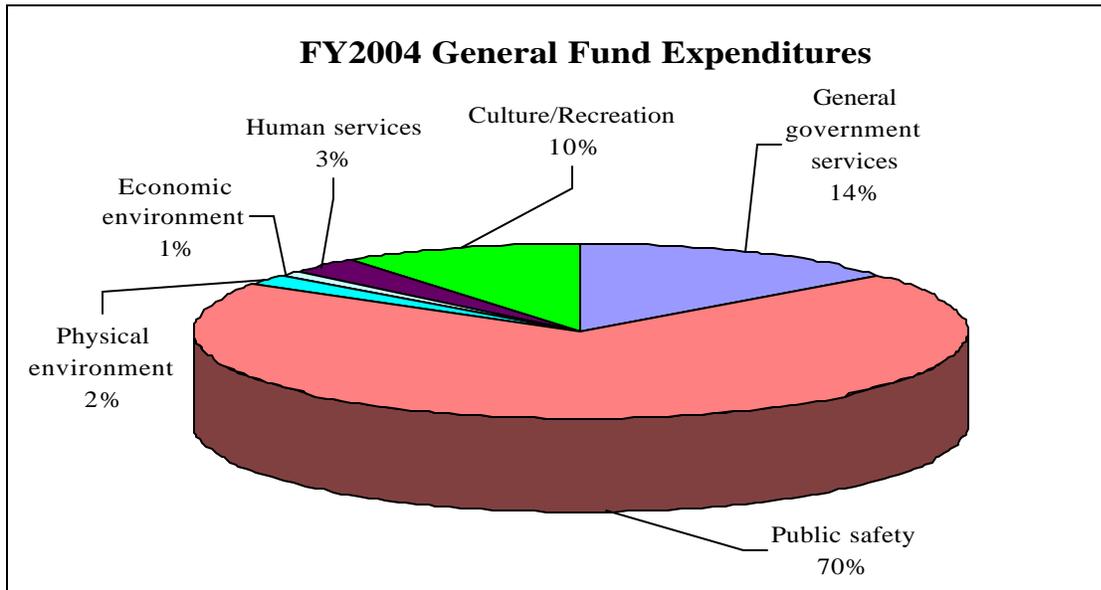
### General Fund Expenditures (in millions)

	2004		2003		Increase (Decrease) From 2003	Percentage Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total		
<b>Expenditures:</b>						
General government services	\$25.7	14%	\$19.3	19%	\$6.4	33%
Public safety	130.6	70%	58.4	57%	72.2	124%
Physical environment	4.4	2%	3.9	4%	0.5	13%
Economic environment	1.4	1%	1.2	1%	0.2	17%
Human services	6.4	3%	5.3	5%	1.1	21%
Culture/Recreation	18.9	10%	14.5	14%	4.4	30%
<b>Total expenditures</b>	<b>\$187.4</b>	<b>100%</b>	<b>\$102.6</b>	<b>100%</b>	<b>\$84.8</b>	<b>83%</b>

In fiscal year 2004, total General Fund expenditures increased by \$84.8 million or 83 percent compared to the prior year. The main increase in expenditures was the result of two Taxable Communications Services Tax Revenue Bonds issued to fund the enhanced benefits of the Police and Fire and General Employees Pension Plans, amounting to approximately \$77.9 million, which were recorded as expenditures of the General Fund. If these amounts were excluded, the increase in General Fund expenditures would be \$6.9 million. The bulk of the increase was due to union-negotiated cost-of-living wage increases of 2 percent on October 1, 2003 (1.5 percent for Police employees), and 2 percent on April 1, 2004 (1.5 percent for Police employees). Overall salary increases amounted to approximately \$2.1 million of the \$6.9 million increase. The cost of health insurance and workers' compensation was another factor for the overall increase in expenses, accounting for approximately \$2.8 million of the increase.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



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

#### **Debt Service Fund**

The net assets in the Debt Service Fund increased by \$6.9 million or (68%), as compared with 2003. This was mainly a result of the capitalized interest, net of closing costs for four additional revenue bonds issued by the City throughout the year. Two bond issues totaling \$89,845,000 were used to finance enhanced benefits for the various pension plans of the City. The other two bond issues totaling \$36,115,000 will be used to construct two Senior Housing Residential Housing Projects at the Senator Howard C. Forman Human Services Campus. Additional information can be found in the Capital Assets and Debt Administration section on page 17.

#### **Capital Projects Fund**

The deficit in the unrestricted net assets of the Capital Projects Fund increased by \$5.9 million from -\$13.5 million in fiscal year 2003 to -\$19.4 million in fiscal year 2004. The restricted net assets increased significantly by \$22.2 million over last year, to \$23.8 million and represented encumbrances as a result of the Senior Housing Residential Projects being undertaken at the Senator Howard C. Forman Human Services Campus.

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

Unrestricted net assets at the end of the year for the Utility Fund amounted to \$31.8 million compared to \$30.2 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

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

- carryover, from the previous fiscal year, \$0.9 million of unspent funds appropriated for capital expenditures; and
- record the lump sum contributions from bond proceeds of \$62.9 million for the Police and Fire Pension Fund and \$19.4 million for the General Employees Pension Fund to finance enhanced pension benefits.

On September 13, 2004, the City Commission approved the use of \$4.0 million of unrestricted surplus to finance the construction of the Southwest Pines Nature/Recreation Park. Accordingly, the budget for the General Fund was increased to provide for a transfer to the Capital Projects Fund.

The foregoing adjustments increased the budget by a net amount of \$78.6 million; notwithstanding actual charges were \$8.5 million (4.4 percent) below the final budget due largely to savings in:

- **personnel services** of \$2.5 million, consisting primarily of \$2 million in salaries and social security matching for vacancies and partially filled positions during the fiscal year; \$0.7 million in sick leave; and \$1.9 million in contributions to the general and police and fire employees pension plans. These savings were partially offset by a \$1.7 million and a \$0.3 million budget overrun in workers' compensation and health insurance respectively;
- **operating expenses** of \$4.3 million, comprising mainly of \$1.4 million in contingency, \$1.0 million in contractual services and \$0.3 million in repairs and maintenance or land building and improvements. Savings in this category were reduced by a \$0.7 million budget overrun in liability insurance; and
- **capital expenditures** of \$1.8 million which represents projects that could not be completed by the end of the fiscal, savings due to lower cost, and change in project plans. Approximately \$1.0 million was carried over to FY2005 to cover the completion of incomplete FY2004 projects.

Budget savings would have been \$0.6 million higher had it not been for the four hurricanes experienced, particularly hurricane Frances. It is anticipated that the Federal and State Emergency Management Agencies would reimburse these expenses incurred in 2004-05.

Resources available for appropriation were \$1.4 million (1.0 percent) below the final budgeted amount due mostly to:

- the impact of the near build-out of the City and the accompanying shortfall in building permit revenues of \$2.0 million; and
- the Early Development Center fees were budgeted based on full capacity; however enrollment was below expectations resulting in unrealized revenues of \$1.2 million. Corrective action has been taken in the fiscal year ending June 30, 2005, and revenues were estimated based on historical enrollment rather than capacity.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

These negative variances were partially offset by increases of \$0.4 million in Ad Valorem Taxes, \$0.5 million in Franchise Fees and \$0.3 million in Public Service Taxes.

Other financing uses only included transfers out; actual was \$0.6 million below budget because of unrealized Early Development Center profits that would have been transferred to the Charter Middle School.

In view of the aforementioned, the projected change in fund balance was (\$6.4) million. The actual fund balance change was \$1.3 million resulting in a variance of \$7.7 million.

### Capital Assets and Debt Administration

**Capital assets.** The City's capital assets for its governmental and business-type activities as of September 30, 2004, amount to \$437.3 million (net of accumulated depreciation), compared with \$423.9 million over last year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in the City's capital assets for the current fiscal year was 3.2 percent.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Capital assets, not being depreciated:						
Land	\$48.3	\$48.3	\$3.0	\$3.0	\$51.3	\$51.3
Construction in progress	106.8	88.3	2.0	1.9	108.8	90.2
Total capital assets, not being depreciated	<u>155.1</u>	<u>136.6</u>	<u>5.0</u>	<u>4.9</u>	<u>160.1</u>	<u>141.5</u>
Capital assets, being depreciated, net						
Buildings	76.8	78.4	16.9	17.1	93.7	95.5
Improvements other than buildings	29.6	31.3	129.4	131.7	159.0	163.0
Machinery and equipment	16.7	16.3	1.1	1.2	17.8	17.5
Infrastructure	6.7	6.4	-	-	6.7	6.4
Total capital assets, being depreciated, net	<u>129.8</u>	<u>132.4</u>	<u>147.4</u>	<u>150.0</u>	<u>277.2</u>	<u>282.4</u>
Total capital assets	<u><u>\$284.9</u></u>	<u><u>\$269.0</u></u>	<u><u>\$152.4</u></u>	<u><u>\$154.9</u></u>	<u><u>\$437.3</u></u>	<u><u>\$423.9</u></u>

The net addition to capital assets before depreciation for governmental activities was approximately \$24.0 million and included the following items:

- Began construction of Tower One of the Senior Housing Residential Project. So far the City has spent approximately \$10.1 million for the initial design/build phase of the project as of September 30, 2004. It is estimated that the total project cost of construction will be approximately \$17.1 million and will consist of 208 one-bedroom residential units
- Began construction of Tower Two of the Senior Housing Residential Project. The City has spent approximately \$6.3 million as of September 30, 2004. The total cost of construction is estimated to be \$14.0 million, and will consist of an additional 186 one and two-bedroom residential units.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

- Completed construction of a new Fire Training Facility for approximately \$1.3 million. This new facility will be used for simulated fire training.
- Purchased a fire engine, and new rescue ambulance totaling approximately \$1.1 million.
- Purchased and implemented new OSHA-compliant self-contained breathing apparatus for the Fire Department for use in hazardous environments for approximately \$0.4 million.
- Purchase of 25 vehicles for the Police Department for approximately \$0.5 million.
- Completed the construction of the first residential unit for the Children's Harbor, a non-profit organization that provides critical services for abused children.

Of the \$2.0 million increase in capital assets before depreciation for business-type activities, the majority of these purchases included:

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

Additional information on the City's capital assets can be found in Note 3.d. starting on page 49 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total revenue bonds outstanding of \$268.0 million. All of the City's outstanding debt is secured by specified revenue sources.

### Outstanding Debt (in millions)

	Governmental Activities	
	2004	2003
Revenue Bonds	\$ 268.0	\$ 145.8

During the current fiscal year, the City's net outstanding debt increased by \$122.2 million (83 percent). This was attributable to the following bond issues:

- Taxable Communications Services Tax Revenue Bonds, Series 2003A for \$39,935,000, was used to finance the enhanced benefits for the Firefighter members of the City Pension Fund for Firefighters and Police Officers.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

- Taxable Communications Services Tax Revenue Bonds, Series 2004 for \$49,910,000, was used to finance the enhanced benefits for the General Employees Pension Fund and Police Officer members of the City Pension Fund for Firefighters and Police Officers.
- Public Improvement Revenue Bonds, Series 2004A for \$20,140,000, will be used to finance the construction of Tower One of the Senior Housing Residential Project.
- Public Improvement Revenue Bonds, Series 2004B for \$15,975,000, will be used to finance the construction of Tower Two of the Senior Housing Residential Project.

The City has continued to maintain its excellent credit rating, receiving Moody's highest "Aaa" rating and Fitch's "AAA" rating for each of these bond issues.

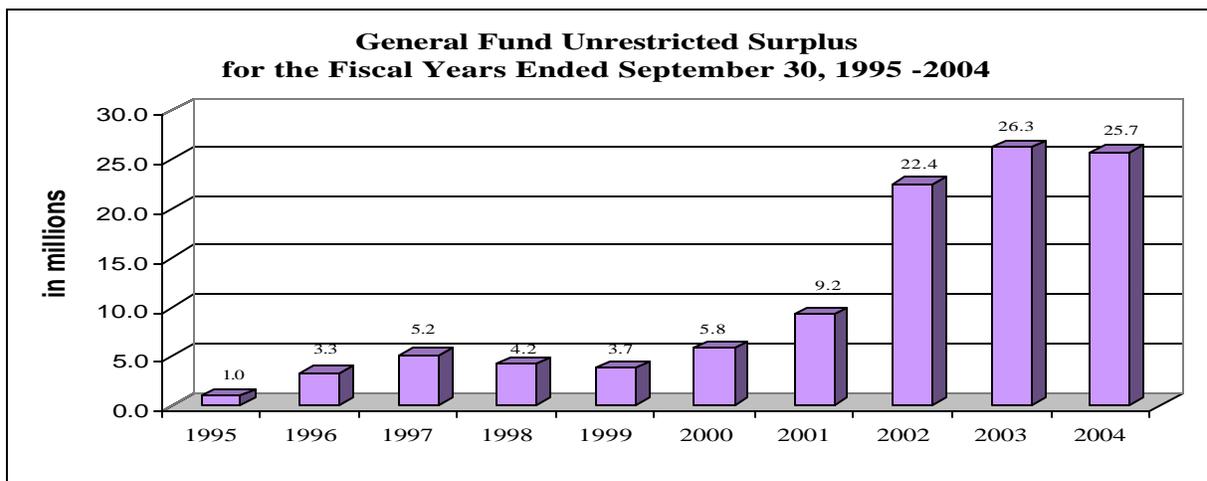
Additional information on the City's long-term debt can be found in Note 3.g. starting on page 55 of this report.

### Economic Factors, and Next Year's Budgets and Rates

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

The unemployment rate for the City of Pembroke Pines is currently 3.1 percent, which is a decrease from 3.7 percent a year ago. This compares favorably to unemployment rates for Broward County, which was 4.7 percent, and 4.6 percent for the State of Florida.

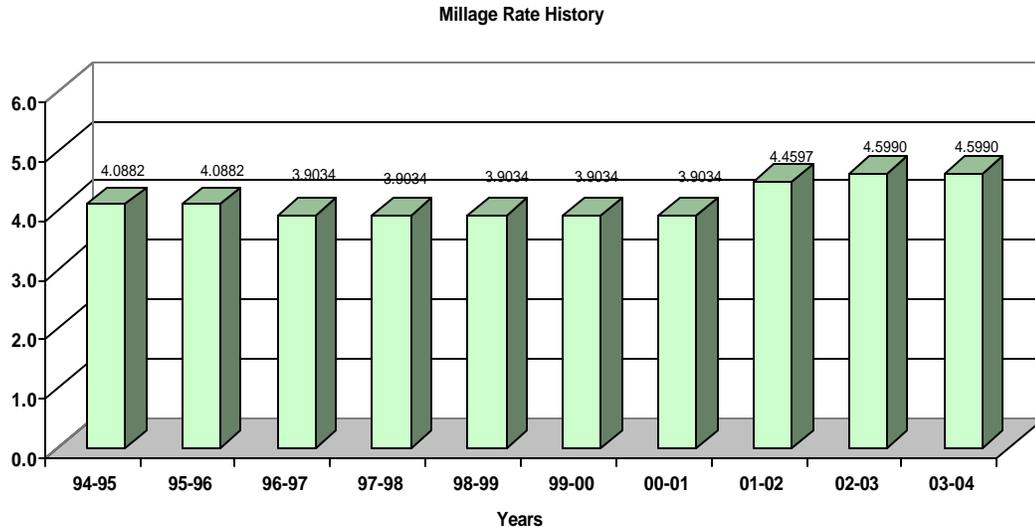
During the current fiscal year, unreserved fund balance in the General Fund decreased slightly to \$25.7 million, compared to \$26.3 million from last year. This \$0.6 million decrease was primarily the result of an additional \$2.0 million reserve for disaster assistance and \$1.3 million positive result from operations in the current year. The \$25.7 million is approximately equal to three months of the General Fund operating expenditures, excluding approximately \$77.9 million relating to the pension obligation bonds. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph. A portion of unreserved fund balance will be used to preclude or moderate future tax and user fee increases.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

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



The water and sewer revenue projections were increased for the 2005 budget year. The water and sewer rates were increased by 2.29 percent effective October 1, 2004 for all residential and commercial customers based on the change in the Consumer Price Index, in accordance with Section 50.34 of the City's Code of Ordinances.

The development of the City's budget for fiscal year 2005 required a more conservative approach to revenue projections in order to minimize exposure to revenue fluctuations, and a focus on expenditure containment due to the rising costs for retirement and health insurance. The population growth was estimated at 0.7 percent based on anticipated new housing starts, and the estimated rate of inflation used was 2.6 percent based on the projected change in the Consumer Price Index for Miami/Fort Lauderdale region from October 2003 to October 2004.

All these and other factors were considered in preparing the City's budget for fiscal year 2005.

### Requests for Information

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

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

# Basic Financial Statements



# Government-wide Financial Statements



**City of Pembroke Pines, Florida**

**Statement of Net Assets**

**September 30, 2004**

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b>Assets</b>			
Pooled cash and cash equivalents	\$24,352,176	\$1,535,518	\$25,887,694
Investments	29,872,114	6,706,016	36,578,130
Receivables, net	6,942,189	3,191,316	10,133,505
Inventories	159,233	-	159,233
Restricted assets:			
Pooled cash and cash equivalents	37,372,062	3,256,049	40,628,111
Investments	-	52,794,634	52,794,634
Prepaid costs	570,753	-	570,753
Negative net pension obligation	78,208,648	4,082,276	82,290,924
Unamortized bond issue costs	4,861,650	-	4,861,650
Capital assets, not being depreciated	155,141,393	5,047,252	160,188,645
Capital assets, being depreciated, net	<u>129,777,510</u>	<u>147,414,675</u>	<u>277,192,185</u>
Total assets	<u>467,257,728</u>	<u>224,027,736</u>	<u>691,285,464</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	11,702,381	403,510	12,105,891
Deposits	1,752,195	-	1,752,195
Internal balances	17,720,111	(17,720,111)	-
Unearned revenue	3,954,418	-	3,954,418
Payable from restricted assets:			
Deposits	-	2,474,565	2,474,565
Noncurrent liabilities:			
Due within one year	14,729,922	542,122	15,272,044
Due in more than one year	<u>274,544,833</u>	<u>457,981</u>	<u>275,002,814</u>
Total liabilities	<u>324,403,860</u>	<u>(13,841,933)</u>	<u>310,561,927</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	114,619,737	152,461,927	267,081,664
Restricted for:			
\$2 Police Education	150,018	-	150,018
Charter schools	3,230,336	-	3,230,336
Debt Service	14,486,017	-	14,486,017
FDLE - Confiscated	1,604,598	-	1,604,598
Justice - Confiscated	226,692	-	226,692
Older Americans Act	205,048	-	205,048
Road & Bridge Fund	4,791,143	-	4,791,143
Treasury - Confiscated	120,536	-	120,536
Expansion	-	53,576,118	53,576,118
Wetlands Mitigation Trust:			
Nonexpendable	446,115	-	446,115
Expendable	137,066	-	137,066
Unrestricted	<u>2,836,562</u>	<u>31,831,624</u>	<u>34,668,186</u>
Total net assets	<u>\$142,853,868</u>	<u>\$237,869,669</u>	<u>\$380,723,537</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**

**Statement of Activities**

**Fiscal Year Ended September 30, 2004**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$21,245,245	\$17,950,136	\$50,000	\$ -	\$(3,245,109)	\$ -	\$(3,245,109)
Public safety	64,769,067	14,630,803	834,814	-	(49,303,450)	-	(49,303,450)
Physical environment	3,788,410	2,593	-	-	(3,785,817)	-	(3,785,817)
Transportation	5,725,790	1,220,800	641,974	-	(3,863,016)	-	(3,863,016)
Economic environment	2,774,502	1,328,939	1,866,922	-	421,359	-	421,359
Human services	43,531,313	36,713,012	1,472,578	-	(5,345,723)	-	(5,345,723)
Culture/Recreation	16,875,139	3,854,108	-	512,573	(12,508,458)	-	(12,508,458)
Interest on long-term debt	11,349,415	8,328,253	-	-	(3,021,162)	-	(3,021,162)
Total governmental activities	<u>170,058,881</u>	<u>84,028,644</u>	<u>4,866,288</u>	<u>512,573</u>	<u>(80,651,376)</u>	<u>-</u>	<u>(80,651,376)</u>
Business-type activities:							
Public safety	19,241	-	19,241	-	-	-	-
Water utility services	4,050,643	15,756,755	-	-	-	11,706,112	11,706,112
Sewer/wastewater services	8,873,928	19,702,803	-	-	-	10,828,875	10,828,875
Water-sewer combined service	22,821,895	83,197	-	-	-	(22,738,698)	(22,738,698)
Total business-type activities	<u>35,765,707</u>	<u>35,542,755</u>	<u>19,241</u>	<u>-</u>	<u>-</u>	<u>(203,711)</u>	<u>(203,711)</u>
Total	<u>\$205,824,588</u>	<u>\$119,571,399</u>	<u>\$4,885,529</u>	<u>\$512,573</u>	<u>(80,651,376)</u>	<u>(203,711)</u>	<u>(80,855,087)</u>
General revenues:							
Property taxes					32,372,655	-	32,372,655
Franchise fees on gross receipts					11,437,462	-	11,437,462
Utility taxes					9,116,958	-	9,116,958
Communication service tax					6,497,257	-	6,497,257
Other taxes					4,514,900	-	4,514,900
Intergovernmental revenue - unrestricted					11,795,659	-	11,795,659
Miscellaneous revenues					211,184	-	211,184
Investment earnings not restricted					1,070,666	1,113,253	2,183,919
Gain on sale of capital assets					122,097	2,000	124,097
Total general revenues					<u>77,138,838</u>	<u>1,115,253</u>	<u>78,254,091</u>
Change in net assets					(3,512,538)	911,542	(2,600,996)
Net assets, beginning, as previously reported					146,138,927	236,958,127	383,097,054
Prior period adjustment					227,479	-	227,479
Net assets, beginning, as restated					<u>146,366,406</u>	<u>236,958,127</u>	<u>383,324,533</u>
Net assets, ending					<u>\$142,853,868</u>	<u>\$237,869,669</u>	<u>\$380,723,537</u>

See notes to basic financial statements.

# Fund Financial Statements



**City of Pembroke Pines, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2004**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 7,484,299	\$ -	\$ -	\$ 13,050,229	\$ 20,534,528
Investments	25,313,980	-	-	-	25,313,980
Receivables:					
Special assessments	-	-	104,078	-	104,078
Franchise fees and taxes	5,117,455	-	-	478,645	5,596,100
Other	53,069	-	-	48,388	101,457
Inventories	111,781	-	-	47,452	159,233
Prepaid costs	479,207	-	35,971	55,575	570,753
Due from other funds	849,426	2,656,500	3,964,029	-	7,469,955
Due from other governments	645,269	-	48,048	550,663	1,243,980
Restricted Assets:					
Pooled cash and cash equivalents	-	14,567,123	22,221,758	583,181	37,372,062
Total assets	<u>\$ 40,054,486</u>	<u>\$ 17,223,623</u>	<u>\$ 26,373,884</u>	<u>\$ 14,814,133</u>	<u>\$ 98,466,126</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	4,148,150	2,233	-	78,692	4,229,075
Accrued liabilities	280,747	108,828	-	354,405	743,980
Retainage payable	-	-	1,444,096	-	1,444,096
Due to other funds	3,964,029	-	2,656,500	849,426	7,469,955
Interfund payables	-	-	1,800,000	-	1,800,000
Due to other governments	6,625	-	-	-	6,625
Deposits	1,339,929	-	-	412,266	1,752,195
Deferred revenue	1,752,776	-	103,426	2,201,642	4,057,844
Advances from other funds	-	-	15,920,111	-	15,920,111
Total liabilities	<u>11,492,256</u>	<u>111,061</u>	<u>21,924,133</u>	<u>3,896,431</u>	<u>37,423,881</u>
Fund balances:					
Reserved for:					
Subsequent years' expenditures	-	-	-	130,859	130,859
Wetland mitigation	-	-	-	452,322	452,322
Prepaid costs	-	-	-	55,575	55,575
Encumbrances	762,984	-	23,892,848	1,159,911	25,815,743
Commodities inventory	-	-	-	47,452	47,452
Debt service	-	17,112,562	-	-	17,112,562
Disaster assistance	2,125,000	-	-	-	2,125,000
Unreserved, reported in:					
General fund	25,674,246	-	-	-	25,674,246
Special revenue funds:					
Designated	-	-	-	3,698,442	3,698,442
Undesignated	-	-	-	5,373,141	5,373,141
Capital projects funds	-	-	(19,443,097)	-	(19,443,097)
Total fund balances	<u>28,562,230</u>	<u>17,112,562</u>	<u>4,449,751</u>	<u>10,917,702</u>	<u>61,042,245</u>
Total liabilities and fund balances	<u>\$ 40,054,486</u>	<u>\$ 17,223,623</u>	<u>\$ 26,373,884</u>	<u>\$ 14,814,133</u>	

(continued)

**City of Pembroke Pines, Florida**  
**Balance Sheet**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**September 30, 2004**

Fund Balances - Total governmental funds (page 23)	\$ 61,042,245
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes capital assets of internal service fund).	284,918,627
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	4,861,650
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,360,956)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(267,899,938)
Deferred amounts for issuance discounts/premiums on refunding, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	1,512,001
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(14,370,528)
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.	78,150,767
Net assets of governmental activities (page 21)	\$ 142,853,868

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, 2004**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 32,372,655	\$ -	\$ -	\$ -	\$ 32,372,655
Franchise fees	9,188,111	517,762	1,731,589	-	11,437,462
Utility taxes	7,363,863	1,753,095	-	-	9,116,958
Communications services tax	6,497,257	-	-	-	6,497,257
Other taxes	1,730,675	-	-	2,784,225	4,514,900
Special assessments	7,785,173	-	213,625	-	7,998,798
Licenses and permits	5,924,673	-	-	-	5,924,673
Intergovernmental	11,423,165	-	512,573	34,728,260	46,663,998
Charges for services	22,090,316	-	-	1,169,155	23,259,471
Fines and forfeitures	731,691	-	-	151,089	882,780
Investment income	525,964	161,990	163,787	166,353	1,018,094
Contributions	1,500	-	28,500	206,906	236,906
Rental revenue	4,710,182	8,328,255	-	1,144,908	14,183,345
Other	215,401	-	-	1,258,063	1,473,464
Total revenues	<u>110,560,626</u>	<u>10,761,102</u>	<u>2,650,074</u>	<u>41,608,959</u>	<u>165,580,761</u>
Current:					
General government	25,730,554	-	126,840	1,460	25,858,854
Public safety	130,560,708	-	2,331,519	702,354	133,594,581
Physical environment	4,373,793	-	-	-	4,373,793
Transportation	-	-	-	4,608,285	4,608,285
Economic environment	1,382,779	-	17,014,491	1,866,922	20,264,192
Human services	6,424,029	-	429,986	35,367,465	42,221,480
Culture and recreation	18,900,737	-	327,653	-	19,228,390
Debt service:					
Principal	-	3,725,000	246,425	-	3,971,425
Interest	-	8,012,377	-	-	8,012,377
Other debt service costs	-	2,716,813	-	-	2,716,813
Total expenditures	<u>187,372,600</u>	<u>14,454,190</u>	<u>20,476,914</u>	<u>42,546,486</u>	<u>264,850,190</u>
Deficiency of revenues over expenditures	<u>(76,811,974)</u>	<u>(3,693,088)</u>	<u>(17,826,840)</u>	<u>(937,527)</u>	<u>(99,269,429)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	4,000,000	469,516	4,469,516
Transfers out	(4,167,286)	-	-	(302,230)	(4,469,516)
Revenue bonds issued	82,290,924	10,633,142	31,812,401	-	124,736,467
Total other financing sources (uses)	<u>78,123,638</u>	<u>10,633,142</u>	<u>35,812,401</u>	<u>167,286</u>	<u>124,736,467</u>
Net change in fund balances	<u>1,311,664</u>	<u>6,940,054</u>	<u>17,985,561</u>	<u>(770,241)</u>	<u>25,467,038</u>
Fund balances, beginning, as previously reported	27,250,566	10,172,508	(13,535,810)	11,461,848	35,349,112
Prior period adjustment	-	-	-	226,095	226,095
Fund balances, beginning, as restated	<u>27,250,566</u>	<u>10,172,508</u>	<u>(13,535,810)</u>	<u>11,687,943</u>	<u>35,575,207</u>
Fund balances, ending	<u>\$ 28,562,230</u>	<u>\$ 17,112,562</u>	<u>\$ 4,449,751</u>	<u>\$ 10,917,702</u>	<u>\$ 61,042,245</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, 2004**

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

Net change in fund balances - total governmental funds (page 25) \$ 25,467,038

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

The details of the difference are as follows:

Capital outlay	23,747,874	
Depreciation expense (excluding depreciation on internal service fund)	<u>(8,965,925)</u>	
Net adjustment		14,781,949

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) 965,586

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

The details of the difference are as follows:

Debt issued:		
2003A Series Taxable Communications Services Tax Revenue Bonds	(39,935,000)	
2004 Series Taxable Communications Services Tax Revenue Bonds	(49,027,687)	
2004A Public Improvement Revenue Bonds	(20,018,884)	
2004B Public Improvement Revenue Bonds	<u>(15,754,895)</u>	
	(124,736,466)	
Principal payments:		
Public Improvement Revenue Bonds	1,425,000	
Charter School Revenue Bonds	1,115,000	
Capital Improvement Revenue Bonds	<u>1,185,000</u>	
	3,725,000	
Bond Issue Costs, Bond Discount/Premium and Bond Refunding	<u>2,282,990</u>	
Net adjustment		(118,728,476)

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

The details of the difference are as follows:

Compensated absences		(1,246,185)
Accrued interest		(2,903,217)

Proceeds of pension obligation bonds issued during the current period were contributed to the pension plans. Governmental funds report such outlays as expenditures. However, the outlay is reported as an asset on the Statement of Net Assets and does not impact the Statement of Activities. 78,150,767

Change in net assets of governmental activities (page 22)		<u><u>\$ (3,512,538)</u></u>
---	--	------------------------------

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2004**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Assets</b>		
Current:		
Pooled cash and cash equivalents	\$ 1,535,518	\$ 3,817,648
Investments	6,706,016	4,558,134
Accounts receivable:		
Customer accounts, net	2,807,187	-
Special Assessments	310,185	-
Other	54,703	-
Due from other governments	19,241	-
Interfund receivables	1,800,000	-
Total current assets	<u>13,232,850</u>	<u>8,375,782</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	3,256,049	-
Investments	52,794,634	-
Total restricted assets	<u>56,050,683</u>	<u>-</u>
Advances to other funds	15,920,111	-
Negative net pension obligation	4,082,276	57,881
Capital Assets:		
Land	3,006,562	-
Buildings and utility plant	186,330,915	-
Construction-in-progress	2,040,690	-
Machinery and equipment	5,255,104	13,294
Less accumulated depreciation	(44,171,344)	(13,018)
Total capital assets (net of accumulated depreciation)	<u>152,461,927</u>	<u>276</u>
Total noncurrent assets	<u>228,514,997</u>	<u>58,157</u>
Total assets	<u>\$ 241,747,847</u>	<u>\$ 8,433,939</u>

(continued)

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**(Continued)**  
**September 30, 2004**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts Payable	\$ 403,510	\$ 165,641
Claims payable	-	8,255,320
Total current liabilities	<u>403,510</u>	<u>8,420,961</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	<u>2,474,565</u>	<u>-</u>
Noncurrent liabilities:		
Compensated absences	<u>1,000,103</u>	<u>12,978</u>
Total noncurrent liabilities	<u>1,000,103</u>	<u>12,978</u>
Total liabilities	<u>3,878,178</u>	<u>8,433,939</u>
Net Assets:		
Invested in capital assets, net of related debt	152,461,927	276
Restricted for expansion	53,576,118	-
Unrestricted	<u>31,831,624</u>	<u>(276)</u>
Total net assets	<u>237,869,669</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 241,747,847</u>	<u>\$ 8,433,939</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Fiscal Year Ended September 30, 2004**

	<b>Business-type Activities <u>Enterprise Fund</u> <u>Utility Fund</u></b>	<b>Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u></b>
<b>Operating revenues:</b>		
Charges for services	\$ 28,508,536	\$ 20,736,195
Other	<u>141,272</u>	<u>1,049,561</u>
Total operating revenues	<u>28,649,808</u>	<u>21,785,756</u>
<b>Operating expenses:</b>		
Operating, administrative and maintenance	31,262,256	21,837,530
Depreciation	<u>4,503,451</u>	<u>800</u>
Total operating expenses	<u>35,765,707</u>	<u>21,838,330</u>
Operating loss	<u>(7,115,899)</u>	<u>(52,574)</u>
<b>Nonoperating revenues:</b>		
Interest income	1,113,253	52,574
Settlement	3,716,065	-
Other income	<u>21,241</u>	<u>-</u>
Total nonoperating revenues	<u>4,850,559</u>	<u>52,574</u>
Loss before contributions	(2,265,340)	-
Capital contributions	<u>3,176,882</u>	<u>-</u>
Change in net assets	911,542	-
Net assets, beginning	<u>236,958,127</u>	<u>-</u>
Net assets, ending	<u>\$ 237,869,669</u>	<u>\$ -</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended September 30, 2004**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from operating activities</b>		
Cash received from customers:		
For services	\$ 28,313,028	\$ 20,736,195
For deposits	(588,072)	-
Cash payments to suppliers for goods and services	(9,699,569)	(17,784,554)
Cash payments to employees for services	(9,546,641)	(100,269)
Quasi-external operating payments	(15,731,796)	-
Other operating revenues	<u>129,379</u>	<u>1,049,561</u>
Net cash provided (used) by operating activities	<u>(7,123,671)</u>	<u>3,900,933</u>
<b>Cash flows from noncapital financing activities</b>		
Settlement	3,716,065	-
Interest earned from other funds	246,425	-
Operating grants received	<u>5,865</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>3,968,355</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Increase in due to other funds		
Acquisition and construction of capital assets	(310,905)	-
Other	19,241	-
Proceeds from sale of equipment	2,000	-
Capital contributions provided by developers	1,463,462	-
Decrease in advances to other funds	<u>1,851,539</u>	<u>(57,881)</u>
Net cash provided (used) by capital and related financing activities	<u>3,025,337</u>	<u>(57,881)</u>

(continued)

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**(Continued)**  
**Fiscal Year Ended September 30, 2004**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	\$ (574,146)	\$ (1,593,992)
Interest on cash and cash equivalents	<u>87,830</u>	<u>20,110</u>
Net cash used by investing activities	<u>(486,316)</u>	<u>(1,573,882)</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(616,295)	2,269,170
Pooled cash and cash equivalents at beginning of year	<u>5,407,862</u>	<u>1,548,478</u>
Pooled cash and cash equivalents at end of year	<u>\$ 4,791,567</u>	<u>\$ 3,817,648</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities</b>		
Operating loss	\$ (7,115,899)	\$ (52,574)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	4,503,451	800
Change in assets and liabilities:		
Receivables:		
Increase in customer accounts, net	(195,508)	-
Increase in other, net	(11,893)	-
Increase in accounts payable	352,800	3,950,897
Increase in other liabilities	13,726	1,810
Decrease in customer deposits	<u>(588,072)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (3,041,395)</u>	<u>\$ 3,900,933</u>
<b>Noncash investing, capital, and financing activities</b>		
Property contributed by developers	\$ 1,713,420	\$ -
Increase in fair value of investments	778,998	32,464

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2004**

	<b><u>Pension Trust Funds</u></b>	<b><u>Agency Funds</u></b>
<b>Assets</b>		
Pooled cash and cash equivalents	\$ -	\$ 2,565,890
Investments:		
Short-term investments	9,059,581	-
U.S. Government securities	23,303,456	-
Corporate bonds	33,376,271	-
Common stocks	87,796,406	-
Foreign bonds	500,000	-
Mutual funds	109,532,977	-
Receivables:		
Accrued interest and dividends	783,023	-
Other	321,716	1,149,338
Total assets	<u>264,673,430</u>	<u>3,715,228</u>
<b>Liabilities</b>		
Deferred City pension contribution	479,207	-
DROP participants payable	20,058,880	-
Accounts payable	273,094	1,149,338
Accrued liabilities	-	2,565,890
Total liabilities	<u>20,811,181</u>	<u>3,715,228</u>
<b>Net Assets</b>		
Held in trust for pension benefits and other purposes	<u>\$ 243,862,249</u>	<u>\$ -</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Fiscal Year Ended September 30, 2004**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Plan members	\$ 4,653,926
Employee buyback	352,410
Employer:	
Required contribution	8,136,268
City Bonds	82,290,924
State/County	<u>1,730,676</u>
Total contributions	<u>97,164,204</u>
Investment earnings:	
Investment earnings	18,088,302
Less investment expenses	<u>836,563</u>
Net investment earnings	<u>17,251,739</u>
Total additions	<u>114,415,943</u>
<b>Deductions</b>	
Pension benefits	14,475,108
Refunds of contributions	70,417
Administrative expenses	<u>422,202</u>
Total deductions	<u>14,967,727</u>
Change in net assets	99,448,216
Net assets- beginning	<u>144,414,033</u>
Net assets- ending	<u>\$ 243,862,249</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, 2004

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### a. Financial Reporting Entity

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

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

#### *Blended Component Units*

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

#### *Discretely Presented Component Units*

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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. 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund, and is always classified as a major fund. It accounts for all financial resources of the 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 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:

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

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

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

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

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

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

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

#### d. Assets, Liabilities and Net Assets or Equity

##### 1. Deposits and Investments

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

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

date of acquisition, and short-term investments with original maturities of three months or less from the date of acquisition.

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

##### 2. Interfund Receivables and Payables

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

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

##### 3. Receivables

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

##### 4. Capital Assets

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

##### 4. Capital Assets (continued)

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

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

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

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

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

##### 5. Inventories and Prepaid Items

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

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

##### 6. Restricted Assets

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

##### 7. Compensated Absences

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

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

##### 8. Long-Term Obligations

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

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

##### 9. Property Taxes

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

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

##### 10. Fund Equity

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

##### 11. Use of Estimates

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

### NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

#### a. Fund Accounting Requirements

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

#### b. Revenue Restrictions

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

#### b. Revenue Restrictions (continued)

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

For the year ended September 30, 2004, the City complied, in all material respects, with these revenue restrictions.

#### c. Deficit Fund Equity

As of September 30, 2004 three Special Revenue Funds of the City, the ADA Paratransit Program, the Community Bus Program, and the City of Pembroke Pines/Florida State University Charter Elementary School reported deficit fund balances of (\$200,251), (\$102,543), and (\$262,723) respectively.

The ADA/Paratransit program, otherwise known as TOPS for transportation options, is administered in collaboration with Broward County. Eligibility is solely determined by Broward County, Paratransit Services Division. The program is geared towards individuals with physical, cognitive or visual disabilities who are functionally unable to use the fixed-route bus system. Under this program, the City of Pembroke Pines provides program trips only to qualifying individuals. The major contributing factor for the deficit as shown was a result of a mid-year rate reduction by Broward County, a decrease in clients and client trips, as well as increases in employee insurance costs. The City, however, remains dedicated to this program and will ensure that it continues to be maintained. The City will explore additional funding opportunities in fiscal year 2005 to address this deficit.

The Community Bus Program provides public transportation services to designated stops throughout the City via subscription, advance reservations and a fixed route system. The deficit this year arose from the fact that in an effort to increase the ridership throughout the system, the City removed one of its buses and placed it in a non-revenue producing route which in turn reduced the amount of revenues reimbursed by Broward County. The City has re-established

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

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

#### c. Deficit Fund Equity (continued)

this route, and is continuing to monitor the financial viability of this program in an effort to ensure that this deficit is addressed.

During the fiscal year the City opened its seventh Charter School, the City of Pembroke Pines/FSU Charter Elementary School. This partnership between the City and the Florida State University was the first of its kind in Broward County. The Charter was granted to establish a Developmental Research Laboratory School, with the primary goal being to enhance educational instruction, and research of reading, and other disciplines. As this was the first year of operation, the main reason for the deficit fund balance was that actual revenues received fell below projection by approximately \$710,000. The City will continue to monitor this to ensure that this deficit will be corrected.

#### d. Prior Period Adjustments

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

In past years, the City recorded a current liability for compensated absences based on an estimated amount expected to be paid in the following year. However, GASB Interpretation No. 6 states that the accumulation of financial resources in a governmental fund for the eventual payment of unmatured liabilities does not constitute an outflow of current financial resources. Therefore, the reclassification of the previously reported expense of \$226,095 for compensated absences in the governmental funds has been recorded as a prior period adjustment, restating the beginning fund balance of the Other Governmental Funds for the City Charter Schools.

##### *Accumulated Depreciation in the Government-wide Statement of Activities*

Also, in the prior year, the City overstated the accumulated depreciation by \$227,479 on capital assets in the government-wide financial statements for the Charter Schools chartered by Broward County. To correct this overstatement, an adjustment to the beginning net assets is presented.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS

#### a. Deposits and Investments

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

##### *Deposits*

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

##### *Investments*

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Investments (continued)*

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

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

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

<u>Types of Investment</u>	<u>Category 1</u>	<u>Carrying Value</u>
US government securities and agencies	\$ 35,910,718	\$ 35,910,718
Corporate bonds	47,561,425	47,561,425
Foreign bonds	500,000	500,000
Common stocks	102,222,422	102,222,422
Mortgage-backed securities	<u>2,128,792</u>	2,128,792
	<u>\$ 188,323,357</u>	
Investments not subject to risk categorization:		
Investment pools		108,563,456
Mutual funds		95,106,961
Investment in real estate land trust		<u>22,857,035</u>
Total investments		<u>\$ 414,850,809</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Investments (continued)*

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

By Category:

Deposits	\$ 7,172,341
Investments	<u>414,850,809</u>
	<u>\$ 422,023,150</u>
Statement of Net Assets:	
Pooled cash and cash equivalents	\$ 25,887,694
Investments	36,578,130
Restricted Assets:	
Pooled cash and cash equivalents	40,628,111
Investments	52,794,634
Statement of Fiduciary Net Assets:	
Pooled cash and cash equivalents, Agency Funds	2,565,890
Investments, Pension Trust Funds	<u>263,568,691</u>
	<u>\$ 422,023,150</u>

##### *Risks and Uncertainties*

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2004 are as follows:

<u>Receivables</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Customer accounts	\$ -	\$2,878,303	\$2,878,303
Special assessments	652	310,185	310,837
Franchise fees and taxes	5,596,100	-	5,596,100
Other	101,457	54,703	156,160
Due from other governments	<u>1,243,980</u>	<u>19,241</u>	<u>1,263,221</u>
Gross receivables	6,942,189	3,262,432	10,204,621
Less: allowance for uncollectible accounts	<u>-</u>	<u>(71,116)</u>	<u>(71,116)</u>
Total receivables, net	<u>\$6,942,189</u>	<u>\$3,191,316</u>	<u>\$10,133,505</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### c. Restricted Assets

The City is required to segregate and restrict certain amounts in connection with the ordinances governing the issuance of Revenue Bonds.

Amounts segregated and restricted related to these ordinances and related reserves at September 30, 2004 are as follows:

	Capital Improve Revenue Bonds Series <u>1993</u>	Capital Improve Revenue Bonds Series <u>1995</u>	Public Improve Revenue Bonds Series <u>1998</u>	Capital Improve Revenue Bonds Series <u>1999</u>	Public Improve Revenue Bonds Series <u>2001</u>	Charter School Revenue Bonds Series <u>2001A</u>	Charter School Revenue Bonds Series <u>2001B</u>	Taxable Com Serv Tax Revenue Bonds Series <u>2003A</u>	Taxable Com Serv Tax Revenue Bonds Series <u>2004</u>	Public Improve Revenue Bonds Series <u>2004A</u>	Public Improve Revenue Bonds Series <u>2004B</u>	<u>Totals</u>
Investments held for:												
Sinking fund for payment of principal and interest	\$ 271,484	\$ -	\$ 1,358,857	\$ 1,564,943	\$ 1,111,749	\$ 536,951	\$ 368,424	\$ 1,215,689	\$ 2,574,160	\$ 375,440	\$ 163,407	\$ 9,541,104
Reserve fund for payment of principal and interest	<u>528,553</u>	<u>719,106</u>	<u>-</u>	<u>172,769</u>	<u>-</u>	<u>2,135,000</u>	<u>1,470,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,026,019</u>
Total restricted assets related to debt	<u>\$ 800,037</u>	<u>\$ 719,106</u>	<u>\$ 1,358,857</u>	<u>\$ 1,737,712</u>	<u>\$ 1,111,749</u>	<u>\$ 2,671,951</u>	<u>\$ 1,839,015</u>	<u>\$ 1,215,689</u>	<u>\$ 2,574,160</u>	<u>\$ 375,440</u>	<u>\$ 163,407</u>	<u>14,567,123</u>
Total restricted assets - capital projects - construction funds												<u>22,221,758</u>
Utility Supported Equivalent Residential Connections (ERC's)												883,475
Customer deposits												2,471,311
Water sewer connections												52,695,897
Total restricted assets - enterprise funds												<u>56,050,683</u>
Total restricted assets - other governmental funds -Wetland Mitigation												583,181
Total restricted assets												<u>\$ 93,422,745</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### d. Capital Assets

Capital asset activity for the year ended September 30, 2004 was as follows:

	Beginning <u>Balance</u>	Prior Period <u>Adjustment</u>	Beginning Balance <u>as Restated</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance
<b><u>Governmental activities:</u></b>						
Capital assets, not being depreciated:						
Land	\$ 48,289,580	\$ -	\$ 48,289,580	\$ -	\$ -	\$ 48,289,580
Construction in progress	88,293,514	-	88,293,514	18,558,299	-	106,851,813
Total capital assets, not being depreciated	<u>136,583,094</u>	<u>-</u>	<u>136,583,094</u>	<u>18,558,299</u>	<u>-</u>	<u>155,141,393</u>
Capital assets, being depreciated:						
Buildings	93,192,527	-	93,192,527	19,045	-	93,211,572
Improvements other than buildings	42,159,554	-	42,159,554	376,711	-	42,536,265
Machinery and equipment	45,439,182	-	45,439,182	4,640,648	(767,748)	49,312,082
Infrastructure	31,747,309	-	31,747,309	1,124,455	-	32,871,764
Total capital assets, being depreciated	<u>212,538,572</u>	<u>-</u>	<u>212,538,572</u>	<u>6,160,859</u>	<u>(767,748)</u>	<u>217,931,683</u>
Less accumulated depreciation for:						
Buildings	(14,764,873)	-	(14,764,873)	(1,650,906)	-	(16,415,779)
Improvements other than buildings	(10,843,785)	-	(10,843,785)	(2,137,973)	-	(12,981,758)
Machinery and equipment	(29,190,074)	227,479	(28,962,595)	(4,425,060)	762,053	(32,625,602)
Infrastructure	(25,378,248)	-	(25,378,248)	(752,786)	-	(26,131,034)
Total accumulated depreciation	<u>(80,176,980)</u>	<u>227,479</u>	<u>(79,949,501)</u>	<u>(8,966,725)</u>	<u>762,053</u>	<u>(88,154,173)</u>
Total capital assets, being depreciated, net	132,361,592	227,479	132,589,071	(2,805,866)	(5,695)	129,777,510
Governmental activities capital assets, net	<u>\$ 268,944,686</u>	<u>\$ 227,479</u>	<u>\$ 269,172,165</u>	<u>\$ 15,752,433</u>	<u>\$ (5,695)</u>	<u>\$ 284,918,903</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### d. Capital Assets (continued)

	Beginning Balance	Increases	<u>Decreases</u>	Ending Balance
<b><u>Business-type activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction in progress	1,862,027	178,663	-	2,040,690
Total capital assets, not being depreciated	<u>4,868,589</u>	<u>178,663</u>	<u>-</u>	<u>5,047,252</u>
Capital assets, being depreciated:				
Buildings	19,381,154	-	-	19,381,154
Improvements other than buildings	165,236,191	1,713,570	-	166,949,761
Machinery and equipment	5,145,357	132,092	(22,345)	5,255,104
Total capital assets, being depreciated	<u>189,762,702</u>	<u>1,845,662</u>	<u>(22,345)</u>	<u>191,586,019</u>
Less accumulated depreciation for:				
Buildings	(2,330,728)	(166,999)	-	(2,497,727)
Improvements other than buildings	(33,489,936)	(4,017,347)	-	(37,507,283)
Machinery and equipment	(3,869,574)	(319,105)	22,345	(4,166,334)
Total accumulated depreciation	<u>(39,690,238)</u>	<u>(4,503,451)</u>	<u>22,345</u>	<u>(44,171,344)</u>
Total capital assets, being depreciated, net	150,072,464	(2,657,789)	-	147,414,675
Business-type activities capital assets, net	<u>\$ 154,941,053</u>	<u>\$ (2,479,126)</u>	<u>\$ -</u>	<u>\$ 152,461,927</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 598,631
Public safety	2,308,877
Physical environment	89,863
Transportation	1,813,775
Economic environment	63,335
Human services	2,531,295
Culture/recreation	1,560,949
Total depreciation expense - governmental activities	<u>\$ 8,966,725</u>
Business-type activities:	
Water-sewer combined service	\$ 4,503,451
Total depreciation expense - business-type activities	<u>\$ 4,503,451</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

The composition of interfund balances and transfers as of September 30, 2004 is follows:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Community Development Block Grant	\$ 68,446	Provide temporary resources
General	Law Enforcement Grants	27,710	Provide temporary resources
General	ADA/Paratransit Program	200,251	Provide temporary resources
General	Community Bus Program	102,543	Provide temporary resources
General	FSU Charter Elementary School	450,476	Provide temporary resources
Debt Service	Capital Projects	2,656,500	Construct new Senior Housing Residential Towers
Capital Projects	General Fund	3,964,029	Construct Southwest Pines Nature/Recreation Park
Total		<u>\$7,469,955</u>	

##### Interfund receivables/payables:

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	Capital Projects	\$15,920,111	Capital projects expenditures
Total		<u>\$15,920,111</u>	

\*This amount is not expected to be paid within one year from September 30, 2004.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### e. Interfund Receivables, Payables and Transfers (continued)

##### Interfund Transfers:

	Transfer in:					Total	Purpose
	Law Enforcement Grants	Capital Projects	Charter Middle School	Charter High School			
<b>Transfer out:</b>							
General fund	\$ 122,383	\$ -	\$ -	\$ -	\$ -	\$ 122,383	Required contributions for grant match funds
General fund	-	4,000,000	-	-	-	4,000,000	Construct Southwest Pines/Nature Recreation Park
General fund	-	-	44,903	-	-	44,903	Supplement other fund
Charter Elementary School	-	-	-	302,230	-	302,230	Supplement other fund
<b>Total</b>	<b>\$ 122,383</b>	<b>\$ 4,000,000</b>	<b>\$ 44,903</b>	<b>\$ 302,230</b>	<b>\$ -</b>	<b>\$ 4,469,516</b>	

#### f. Operating Leases

The City leases to a private business, 800 square feet located on the site of a previous City Hall location, and 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce at the City Hall Building. In the Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist, 270 square feet to a provider of physical, occupational and speech therapies, and 525 square feet to Nova Southeastern University which provides medical services to the Center's residents. The 11,950 square foot restaurant at the City's Golf & Racquet Club is also leased out to an operator. The City's assets, which are leased as of September 30, 2004, consist of \$72,700 in land and \$212,077 in buildings for a total of \$284,777. The accumulated depreciation and the net book value of the buildings as of September 30, 2004 are \$82,255 and \$202,522, respectively. Office space at City Hall is provided at no cost to several Federal, State and County elected officials who represent portions of the City.

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 4.c. "Commitments"). As of September 30, 2004 the City had sub-leased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Youth Services International, Citrus Health Network, and the Department of Juvenile

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### f. Operating Leases (continued)

Justice, Jose Maria Vargas University, Bayview Center for Mental Health, Psychotherapeutic Services, and several other lessees at various rentals and terms.

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

On April 20, 1998 the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1.00 per year with two ten-year renewal periods upon mutual consent.

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### f. Operating Leases (continued)

The approximate minimum future rentals to be received, excluding cost of living increases or expected lease renewals, on non-cancelable operating leases as of September 30, 2004 are:

Fiscal year ending September 30:	
2005	\$3,051,520
2006	2,019,121
2007	1,632,711
2008	1,294,488
2009	1,263,678
2010-2013	<u>3,632,015</u>
Total minimum future rentals	<u>\$12,893,533</u>

On November 23, 2004 the City executed a Sub-Sublease Agreement with the Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization, leasing a 5.2-acre site in the Senator Howard C. Forman Human Services Campus. The City has agreed to construct a 40-unit Residential Complex for the SBA Center to provide transitional housing for women with children whom are recovering from substance abuse, as well as an Administration and Treatment Building and an Early Learning Center. The City expects to finance the SBA Center project by issuing approximately \$7,910,000 in variable rate Capital Improvement Revenue Bonds plus an additional \$700,000 cash contribution from the City. The City has also agreed to provide the SBA Center with \$8,500 to assist them in acquiring a telephone system. The SBA Center is obligated to make a \$350,000 payment to the City for Pre-Design costs and another \$350,000 for Permit Application costs. The Agreement requires the SBA Center to pay for specified insurance coverage and repairs and maintenance expenses, and various rental charges including \$100 annually for the land, monthly rentals covering the City's debt service on the bonds, and additional monthly rental payments to the City based on a \$50,000 annual finance charge, and a \$24,000 site administrative charge indexed to the annual changes in the Consumer Price Index (CPI) for Miami, Florida. (See Note 5 "Subsequent Events").

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

#### g. Long-Term Debt

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

**Capital Improvement Revenue Bonds, Series 1993** - On November 17, 1993, the City issued \$7,780,000 for the purpose of funding the acquisition, construction and equipping the Southwest Focal Point Senior Center. These bonds have an outstanding balance of \$6,375,000 and are due in varying installments through December 1, 2023 and bear interest at rates from 3.10% to 5.375%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon (i) net revenues of the Senior Center and (ii) the City's electric franchise fee revenues which have previously been pledged by the City to secure the Series 1992 Bonds.

The bonds maturing on and after December 1, 2004 are subject to redemption at the option of the City, on or after December 1, 2003, in such order of maturity as the City selects, plus accrued interest to the redemption date:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ 190,000	\$ 331,683	\$ 521,683
2006	200,000	322,295	522,295
2007	210,000	312,170	522,170
2008	220,000	301,420	521,420
2009	230,000	290,055	520,055
2010-2014	1,335,000	1,254,438	2,589,438
2015-2019	1,735,000	849,115	2,584,115
2020-2024	2,255,000	315,917	2,570,917
	<u>\$ 6,375,000</u>	<u>\$ 3,977,093</u>	<u>\$10,352,093</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Public Improvement Revenue Bonds, Series 1998** - On September 23, 1998, the City issued \$24,055,000 for the purpose of acquiring land for a Charter High School, construction and equipping of a Charter Middle School, site development for the Academic Village, a communication system for the Fire Department and improvements to the City's fire stations and police annex. The Academic Village is the site for the Charter High School, a branch of the Florida International University (FIU), a branch of The Broward County Southwest Regional Library, and a branch of Broward Community College. These bonds have an outstanding balance of \$23,285,000 and are due in varying installments through October 1, 2022, and bear interest at rates which range from 3.90% to 5.0%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the Charter Middle School and the Charter High School. The bonds maturing on and after October 1, 2009 are subject to redemption at the option of the City, on or after October 1, 2008, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ 805,000	\$ 1,088,045	\$ 1,893,045
2006	835,000	1,055,245	1,890,245
2007	870,000	1,020,710	1,890,710
2008	900,000	983,750	1,883,750
2009	940,000	944,415	1,884,415
2010-2014	5,375,000	4,040,117	9,415,117
2015-2019	6,800,000	2,573,250	9,373,250
2020-2023	6,760,000	696,500	7,456,500
	\$ 23,285,000	\$ 12,402,032	\$35,687,032

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Capital Improvement Revenue Bonds, Series 1999** – On April 27, 1999, the City issued \$45,240,000 for the purpose of providing funds to finance the construction and equipping of the Charter High School and certain other City projects. In addition, the City used \$10,985,000 of these bonds to refund the City’s outstanding Capital Improvement Revenue Bonds, Series 1995. These bonds have an outstanding balance of \$42,740,000 and are due in varying installments through December 1, 2026 and bear interest at rates from 3.10% to 5.25%, with interest paid semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise fee revenues, and rentals from the City’s Charter Schools, Early Development Centers, and senior housing facility. These bonds were issued on parity with both of the Capital Improvement Revenue Bonds, Series 1992 and Series 1993. The bonds maturing on and after December 1, 2009 are subject to redemption at the option of the City, on or after December 1, 2008, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ 1,045,000	\$ 2,053,253	\$ 3,098,253
2006	1,080,000	2,013,400	3,093,400
2007	1,125,000	1,970,942	3,095,942
2008	1,170,000	1,925,605	3,095,605
2009	1,220,000	1,877,195	3,097,195
2010-2014	6,970,000	8,527,207	15,497,207
2015-2019	8,805,000	6,695,746	15,500,746
2020-2024	11,355,000	4,167,132	15,522,132
2025-2027	9,970,000	803,512	10,773,512
	\$ 42,740,000	\$ 30,033,992	\$72,773,992

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Public Improvement Revenue Bonds, Series 2001** – On October 12, 2001, the City issued \$19,600,000 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. These bonds have an outstanding balance of \$18,945,000 and are due in varying installments through October 1, 2022 and bear interest at rates from 3.5% to 5.5%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues and rentals from the City of Pembroke Pines/Florida State University Charter Elementary School. These bonds were issued on parity with both of the Public Improvement Revenue Bonds, Series 1993 and 1998. 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:			
2005	\$ 670,000	\$ 868,850	\$ 1,538,850
2006	695,000	844,962	1,539,962
2007	720,000	820,200	1,540,200
2008	750,000	794,475	1,544,475
2009	775,000	765,850	1,540,850
2010-2014	4,350,000	3,324,450	7,674,450
2015-2019	5,470,000	2,142,100	7,612,100
2020-2023	5,515,000	568,125	6,083,125
	\$ 18,945,000	\$ 10,129,012	\$29,074,012

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Charter School Revenue Bonds, Series 2001A** – On December 11, 2001, the City issued \$31,910,000 for the purpose of providing funds for the construction and equipping of a Central Campus comprising of an Early Development Center, a Charter Elementary School, and a Charter Middle School, as well as enabling the payoff of the remaining \$9,016,628 principal and \$411,168 accrued interest of the Certificate of Indebtedness, Series 1997. These bonds have an outstanding balance of \$31,310,000 and are due in varying installments through July 1, 2031 and bear interest at rates from 2.7% to 5.375%, with interest paid semi-annually on January 1st and July 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the rentals from the City’s Charter Schools and Early Development Centers. The bonds maturing on and after July 1, 2012 are subject to redemption at the option of the City, on or after July 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ 615,000	\$ 1,518,379	\$ 2,133,379
2006	635,000	1,499,314	2,134,314
2007	655,000	1,477,724	2,132,724
2008	680,000	1,454,144	2,134,144
2009	705,000	1,426,944	2,131,944
2010-2014	4,000,000	6,663,805	10,663,805
2015-2019	5,120,000	5,537,662	10,657,662
2020-2024	6,565,000	4,100,500	10,665,500
2025-2029	8,370,000	2,287,500	10,657,500
2030-2031	3,965,000	299,750	4,264,750
	<u>\$ 31,310,000</u>	<u>\$ 26,265,722</u>	<u>\$57,575,722</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Charter School Revenue Bonds, Series 2001B** – On April 4, 2002, the City issued \$20,060,000 for the purpose of purchasing 30 new school buses, and for providing funds for the construction of an 88,000 square foot shared educational facility with a capacity of 400 high school students to be located on the City’s existing Academic Village Charter High School campus. These bonds have an outstanding balance of \$19,370,000 and are due in varying installments through July 1, 2031 and bear interest at rates from 3% to 5.25%, with interest paid semi-annually on January 1st and July 1st. The principal and interest on these bonds are payable from a pledge of and lien upon rentals from the Charter Schools. The City entered into an Interlocal Agreement with Florida International University on March 13, 2002 allowing FIU specified usage of the shared educational facility for 10 years, for increasing annual rentals starting at \$400,000 per year, payable to the Charter High School in quarterly advance payments beginning January 1, 2003. Such rental payments are also pledged to pay the debt service on this bond issue. The Series 2001B Bonds were issued on a parity with Charter School Revenue Bonds, Series 2001A. The bonds maturing on and after July 1, 2013 are subject to redemption at the option of the City, on or after July 1, 2012, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ 530,000	\$ 933,768	\$ 1,463,768
2006	555,000	916,277	1,471,277
2007	570,000	896,298	1,466,298
2008	595,000	874,067	1,469,067
2009	615,000	849,673	1,464,673
2010-2014	2,990,000	3,830,212	6,820,212
2015-2019	2,890,000	3,167,775	6,057,775
2020-2024	3,680,000	2,371,313	6,051,313
2025-2029	4,700,000	1,347,925	6,047,925
2030-2031	2,245,000	178,237	2,423,237
	\$ 19,370,000	\$ 15,365,545	\$34,735,545

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ -	\$ 2,384,120	\$ 2,384,120
2006	-	2,384,120	2,384,120
2007	-	2,384,120	2,384,120
2008	630,000	2,365,314	2,995,314
2009	665,000	2,326,658	2,991,658
2010-2014	3,980,000	10,967,487	14,947,487
2015-2019	5,320,000	9,588,717	14,908,717
2020-2024	7,120,000	7,743,984	14,863,984
2025-2029	9,515,000	5,278,225	14,793,225
2030-2034	12,705,000	1,984,279	14,689,279
	\$ 39,935,000	\$ 47,407,024	\$87,342,024
	\$ 39,935,000	\$ 47,407,024	\$87,342,024

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Taxable Communications Services Tax Revenue Bonds, Series 2004** – On April 1, 2004, the City issued \$49,910,000 for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$49,910,000, are due in varying installments through October 1, 2033, and bear interest at rates from 2.25% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2003A Bonds and any additional bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ -	\$ 2,557,485	\$ 2,557,485
2006	-	2,448,656	2,448,656
2007	405,000	2,444,100	2,849,100
2008	415,000	2,433,838	2,848,838
2009	1,025,000	2,411,475	3,436,475
2010-2014	5,700,000	11,447,025	17,147,025
2015-2019	7,065,000	10,034,726	17,099,726
2020-2024	8,955,000	8,092,303	17,047,303
2025-2029	11,490,000	5,467,631	16,957,631
2030-2034	14,855,000	2,029,256	16,884,256
	\$ 49,910,000	\$ 49,366,495	\$ 99,276,495

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Public Improvement Revenue Bonds, Series 2004A** – On May 6, 2004, the City issued \$20,140,000 for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of \$20,140,000 due in varying installments through October 1, 2034, and bear interest at rates from 3.0% to 5.0%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. These bonds were issued on parity with both of the Public Improvement Revenue Bonds, Series 1998 and 2001. The bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ -	\$ 838,565	\$ 838,565
2006	-	928,873	928,873
2007	-	928,873	928,873
2008	-	928,873	928,873
2009	-	928,873	928,873
2010-2014	1,980,000	4,519,081	6,499,081
2015-2019	2,920,000	4,027,641	6,947,641
2020-2024	3,595,000	3,331,065	6,926,065
2025-2029	4,530,000	2,365,975	6,895,975
2030-2034	5,780,000	1,084,250	6,864,250
2035	1,335,000	33,375	1,368,375
	\$ 20,140,000	\$ 19,915,444	\$40,055,444
	\$ 20,140,000	\$ 19,915,444	\$40,055,444

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### *Revenue Bonds (continued)*

**Public Improvement Revenue Bonds, Series 2004B** – On July 14, 2004, the City issued \$15,975,000 for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of \$15,975,000 due in varying installments through October 1, 2034, and bear interest at rates from 3.5% to 5.0%, with interest paid semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. These bonds were issued on parity with the Public Improvement Revenue Bonds, Series 1998, 2001, and 2004A. The bonds maturing on and after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2005	\$ -	\$ 541,067	\$ 541,067
2006	-	757,915	757,915
2007	-	757,915	757,915
2008	-	757,915	757,915
2009	-	757,915	757,915
2010-2014	1,535,000	3,680,800	5,215,800
2015-2019	2,280,000	3,272,507	5,552,507
2020-2024	2,850,000	2,688,029	5,538,029
2025-2029	3,625,000	1,891,875	5,516,875
2030-2034	4,620,000	866,250	5,486,250
2035	1,065,000	26,625	1,091,625
	\$ 15,975,000	\$ 15,998,813	\$31,973,813

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

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

*Water and Sewer Revenue Bonds, Series 1972* - The outstanding balance is \$135,000. These bonds were defeased by the Water and Sewer Refunding Revenue Bonds, Series 1983 and subsequently these bonds were refunded by the Consolidated Utility Systems Revenue Bonds, Series 1992. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. The Water and Sewer Refunding Bonds, Series 1983 were called on September 1, 1993.

*Consolidated Utility Systems Revenue Bonds, Series 1992* - The outstanding balance is \$20,380,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

*Capital Improvement Revenue Bonds, Series 1995* – The outstanding balance is \$9,420,000. These bonds were defeased on April 27, 1999. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity. This advance refunding resulted in an economic gain of approximately \$400,000.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

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

##### Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2004 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds and loans payable:					
Revenue bonds:					
Capital improvement Revenue					
Bonds, Series 1993	\$ 6,555,000	\$ -	\$ (180,000)	\$ 6,375,000	\$ 190,000
Public Improvement Revenue					
Bonds, Series 1998	24,055,000	-	(770,000)	23,285,000	805,000
Capital improvement Revenue					
Bonds, Series 1999	43,745,000	-	(1,005,000)	42,740,000	1,045,000
Public Improvement Revenue					
Bonds, Series 2001	19,600,000	-	(655,000)	18,945,000	670,000
Charter School Revenue Bonds, Series 2001A	31,910,000	-	(600,000)	31,310,000	615,000
Charter School Revenue Bonds, Series 2001B	19,885,000	-	(515,000)	19,370,000	530,000
Taxable Communications Services					
Tax Revenue Bonds, Series 2003A	-	39,935,000	-	39,935,000	-
Taxable Communications Services					
Tax Revenue Bonds, Series 2004	-	49,910,000	-	49,910,000	-
Public Improvement Revenue					
Bonds, Series 2004A	-	20,140,000	-	20,140,000	-
Public Improvement Revenue					
Bonds, Series 2004B	-	15,975,000	-	15,975,000	-
<b>Total revenue bonds</b>	<b>145,750,000</b>	<b>125,960,000</b>	<b>(3,725,000)</b>	<b>267,985,000</b>	<b>3,855,000</b>
Less deferred amounts:					
For issuance discounts/premiums	(424,977)	(1,223,534)	51,448	(1,597,063)	(85,062)
On refunding	(127,083)	-	127,083	-	-
Total bonds payable	145,197,940	124,736,466	(3,546,469)	266,387,937	3,769,938
Estimated self-insurance claims	4,426,939	21,823,732	(17,995,351)	8,255,320	2,161,519
Compensated absences	13,341,182	8,746,717	(7,456,401)	14,631,498	8,798,465
Governmental activity					
Long-term liabilities	<b>\$ 162,966,061</b>	<b>\$ 155,306,915</b>	<b>\$ (28,998,221)</b>	<b>\$ 289,274,755</b>	<b>\$ 14,729,922</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 986,377	\$ 609,136	\$ (595,410)	\$ 1,000,103	\$ 542,122
Business-type activity					
Long-term liabilities	<b>\$ 986,377</b>	<b>\$ 609,136</b>	<b>\$ (595,410)</b>	<b>\$ 1,000,103</b>	<b>\$ 542,122</b>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION

#### a. Risk Management

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors, and omissions, injuries to employees, and natural disasters. The City established a risk management fund (an Internal Service Fund) to account for the uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$350,000 for each workers' compensation claim, \$150,000 per occurrence for each general liability claim, and \$25,000 for each occurrence of damage to City-owned property. The City's exposure on health insurance coverage is limited to \$1,003 per month per covered employee. Total maximum loss exposure to the City for health insurance on covered employees was \$17,200,130 for the fiscal year ended September 30, 2004. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$8,255,320 reported in the fund at September 30, 2004 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>
2002-2003	\$2,438,777	\$17,884,210	\$(15,896,048)	\$4,426,939
2003-2004	4,426,939	21,823,732	(17,995,351)	8,255,320

#### b. Contingent Liabilities

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

#### b. Contingent Liabilities (continued)

The City is involved in various lawsuits incidental to its operation. In the opinion of management and legal counsel, any potential losses resulting from claims against the City would not have a material adverse effect on the financial position of the City.

#### c. Commitments

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida, (Hollywood). The agreement provides for the connection of the 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. On December 3, 2003 the Hollywood City Commission agreed to settle for approximately \$4,000,000, a lawsuit outstanding since 2001, in which the City alleged that Hollywood was overcharging the City for sewage treatment based upon inaccurate meter readings from which Hollywood's flow was determined. The Pembroke Pines City Commission approved the terms of the settlement on December 17, 2003. However, when Hollywood paid the \$4,000,000 settlement to the City approximately \$1,800,000 came from a debt service reserve fund that belonged to the City of Pembroke Pines and other Large Users that share in the utilization of Hollywood's sewage plant. In accordance with the laws of Florida, the City has placed the City of Hollywood on notice that it intends to file suit to recover the \$1,800,000 that the City alleges was improperly paid from these reserves.

In 1986, the City entered into a lease with the Broward County School Board and Walter C. Young Resource Center for fifty (50) years at \$1.00 per year. The City holds title to the Resource Center. The City also entered into an Interlocal Agreement in 1989 with the Broward County School Board to operate the Walter C. Young Resource Center. The City is responsible for a prorated share of the operating costs based on its usage as defined in the agreement. The Center includes a Middle School for 6th, 7th and 8th graders, with a current enrollment of 1,841 students.

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank™ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site comprised of approximately 450 acres located in the Chapel Trail Nature Preserve. This agreement, which was extended on October 2, 2002 until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the wetlands for a five-year period once construction was completed and the sales and marketing of the mitigation credits. As of September 30, 2004 all available acres have been sold. FW paid a \$1,000 maintenance fee per acre contracted to the Wetland Mitigation Trust Fund until the time that the acreage was sold. In addition, FW paid a \$7,000 license fee per acre for the first 75 acres, then \$8,500 per acre to the capital projects fund until the time that the acreage was sold. FW will maintain each project for 5 years, at which time the City will assume responsibility and maintenance of the site, along with a Trust Fund to maintain the preserve in perpetuity.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

#### c. Commitments (continued)

In December 2004 the City completed its improvements to the site with an Environmental Interpretive Center, restrooms, canoe rental facilities and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

On March 15, 2001, the City entered into an Interlocal Agreement with The Florida Department of Children & Families (DCF), which provides for the City to develop, operate and maintain the 157-acre site of the former South Florida State Hospital. The site was originally leased by DCF from the State of Florida on January 4, 1973. The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and is currently subleasing the site's facilities to various lessees. (See Note 3.f. "Operating Leases"). The City is constructing two senior housing towers with a total of 394 apartment units, and a Susan B. Anthony Center ("SBA") providing transitional housing 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 will finance the SBA Center by issuing \$7,910,000 in variable rate Capital Improvement Revenue Bonds plus an additional \$700,000 cash contribution by the City. (See Note 5 "Subsequent Events").

The City has the following construction commitment as of September 30, 2004:

<u>Vendor</u>	<u>Description</u>	<u>Original Amount</u>	<u>Balance September 30, 2004</u>
The Haskell Company	Senior Housing Towers I & II	\$31,292,934	\$15,865,507

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

Ordinances 990, 1015, and 1024, adopted on April 15, 1992, November 4, 1992, and February 17, 1993, respectively, provide coverage of health and life insurance to employees and their spouses, if hired before October 1, 1991, who have reached normal retirement age and completed service as prescribed by the City Pension Plan which covers the employee. Coverage for employees hired after October 1, 1991 was limited to employee (single) coverage only. Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage. The allocated premium related to the retiree's health care and life insurance benefits is recognized as an expenditure by the City. For the fiscal year ended September 30, 2004, those costs totaled \$1,160,330. As of September 30, 2004, there were 185 eligible retirees or spouses receiving this benefit.

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

#### e. Municipal Employees Retirement Plans

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

#### *Summary of Significant Accounting Policies*

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

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

#### ***Plan Membership Information***

At October 1, 2003, the date of the latest actuarial valuation, the Plans’ membership consisted of:

	<u>General Employees</u>	<u>Firefighters and Police Officers</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	286	124
Current employees:		
Fully Vested	201	181
Partially Vested	95	n/a
Non-vested	<u>206</u>	<u>216</u>
Total	<u>788</u>	<u>521</u>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements (continued)

## NOTE 4. OTHER INFORMATION (continued)

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

#### General Employees Pension Plan

The General Employees Pension Trust Fund does not issue separate stand-alone financial statements, therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2004.

#### General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2004

	<u>2004</u>
<b>Assets</b>	
Investments	\$ 81,987,141
Receivables	120,528
Total assets	<u>82,107,669</u>
<b>Liabilities</b>	<u>-</u>
<b>Net Assets</b>	
Net assets held in trust for pension benefits	<u><u>\$ 82,107,669</u></u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

##### General Employees Pension Trust Fund Statement of Changes in Fiduciary Net Assets For the Year Ended September 30, 2004

<b>Additions:</b>	<b><u>2004</u></b>
Contributions	
Plan members	\$ 1,882,429
Employer:	
Required contribution	4,961,285
City bonds	<u>19,370,924</u>
Total contributions	<u>26,214,638</u>
Investment earnings:	
Investment earnings	5,268,294
Less investment expenses	<u>28,518</u>
Net investment earnings	<u>5,239,776</u>
Total additions	<u>31,454,414</u>
<b>Deductions:</b>	
Pension benefits	3,703,700
Refunds of contributions	(23,924)
Administrative expenses	<u>50,198</u>
Total deductions	<u>3,729,974</u>
Change in net assets	27,724,440
Net assets, beginning	<u>54,383,229</u>
Net assets, ending	<u>\$82,107,669</u>

#### **Plan Description**

The General Employees Pension Plan of the City of Pembroke Pines was established by Referendum in 1973 (collectively known as the "Referendum") as restated October 1, 1989, as amended by Ordinance 992 dated April 15, 1992, Ordinance 1058 dated December 15, 1993, Ordinance 1297 dated March 17, 1999, Ordinance 1413 dated June 19, 2002, and Ordinance 1479 dated March 17, 2004. The Plan, which is a single-employer plan, was established to provide retirement benefits to general and utility employees of the City of Pembroke Pines. A more detailed description of the Plan and its provisions appears in the Referendum constituting the Plan and in the summary plan description. The Plan does not issue a stand-alone financial report, but is included in the reporting entity of the City as a pension trust fund.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

##### General Employees Pension Plan (continued)

###### Eligibility

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

###### Service Retirement Benefits

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

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

###### Disability Benefits

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

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

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

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

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

###### Funding Policy

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

##### General Employees Pension Plan (continued)

##### Funding Policy (continued)

Participants are required to contribute 8.5% of regular wages, while the City's contribution of \$4,961,285 or 24.5% of annual covered payroll, is based on the actuarial report using the entry age normal frozen initial liability method with the unfunded liabilities being amortized over 20 years. Chapter 112, Part VII, Florida Statutes requires amortization of unfunded liabilities over a period no longer than 30 years. The weighted average remaining period is 14 years.

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

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

##### Investments

As of September 30, 2004, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1383. Investments in equities are limited to 50% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investments accounts offered by the Principal Life Insurance Company. As of September 30, 2004, the investments held by the Plan were not required to be categorized per Statement No. 3 of the Governmental Accounting Standards Board. See Note 3 (Part a.) for risk categorization of investments. The Plan's net investments earnings for the year ended September 30, 2004 were \$5,268,294 which represented a 9% decrease from last year's investment earnings of \$5,810,480.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements (continued)

**NOTE 4. OTHER INFORMATION** (continued)

**e. Municipal Employees Retirement Plans** (continued)

**General Employees Pension Plan** (continued)

**Annual Pension Cost and Net Pension Obligation**

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

Annual required contribution	\$ 4,961,285
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	4,961,285
Contributions made	(24,332,209)
Increase in net pension obligation/(asset)	(19,370,924)
Net pension obligation/(asset), beginning of year	-
Net pension obligation/(asset), end of year	\$ (19,370,924)

The annual required contribution for the current year was determined as part of the October 1, 2003 actuarial valuation using the entry age normal-frozen initial liability actuarial cost method. The actuarial assumptions included a 7.75% investment rate of return, net of administrative expenses and projected salary increases of 8.5%, and include an inflation component of 3.0%.

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2002	\$ 3,604,737	\$ 3,604,737	100 %	\$ -
9/30/2003	4,273,282	4,273,282	100	-
9/30/2004	4,961,285	24,332,209	100 +	(19,370,924)

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

##### General Employees Pension Plan (continued)

###### DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the general employees' pension plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation is five (5) years. For the fiscal year ended September 30, 2004, \$809,071 was contributed to the DROP.

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

###### Plan Description

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

<b>Ordinance Number</b>	<b>Dated</b>	<b>Ordinance Number</b>	<b>Dated</b>
557	February 19, 1981	1249	January 7, 1998
829	March 4, 1987	1318	November 17, 1999
967	September 19, 1991	1321	December 15, 1999
1014	November 4, 1992	1325	January 19, 2000
1067	February 16, 1994	1353	September 20, 2000
1091	September 8, 1994	1360	November 15, 2000
1131	September 6, 1995	1443	June 18, 2003
1198	December 18, 1996	1480	March 17, 2004

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

###### Eligibility

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

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

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

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

###### Service Retirement Benefits

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

###### Service Retirement Benefits (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

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

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

###### Death Benefits

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

###### Termination Benefits

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

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

A service or disabled retired Police Officer or beneficiary of a Police Officer receiving pension or DROP benefits, is entitled to receive a benefit payment of up to 2% of investment return in excess of 9% (8% for Police Officers who retired prior to October 1, 2003) based upon present value of future pension payments of current Police Officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount allocated to eligible members is based upon years of service, with pro-rata share during first year of entitlement.

###### Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, including amounts from the State, was \$4,905,659 or 18.52% of covered payroll.

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

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

###### Funding Policy (continued)

Under ordinance 1353, certain employees who were once ineligible to participate may buyback contributions in order to credit them for periods of service not taken into account under the Plan. For the fiscal year ended September 30, 2004, the total employee buybacks were \$352,410.

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

###### Investments

As of September 30, 2004, the Plan held no single investment that exceeded 5% of Plan net assets. The Plan's investment policy requires certain performance measures, authorized investments and limitations. Investments in common stock shall not exceed 60% of the Plan's assets at market value. The investment guidelines state that no more than 7% of the total market value of equity investments shall be invested in the equity securities of any one company and no more than 4.9% of total market value shall be invested in the outstanding capital stock of any one issuing company. Investments in American Depository Receipts (A.D.R.'s) or foreign multinationals shall be limited to 10% of the equity portfolio. In addition, no more than 5% of the total market value of all fixed income investments shall be invested in debt obligations of any one fixed issuer except for securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitations. A more detailed description of the investment guidelines appears in the Statement of Investment Guidelines adopted by the Board of Trustees. Investments of the Plan are all considered to be Category 1 level of risk, as defined by Statement No. 3 of the Governmental Accounting Standards Board. See Note 3(a) for risk categorization of investments.

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

The Plan's net appreciation in fair value of investments for the year ended September 30, 2004 was \$9,293,530.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

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

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

Annual required contribution	\$ 4,905,659
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	4,905,659
Contributions made	(67,825,659)
Increase in net pension obligation/(asset)	(62,920,000)
Net pension obligation/(asset), beginning of year	-
Net pension obligation/(asset), end of year	\$ (62,920,000)

The annual required contribution for the current year was determined as part of the October 1, 2003 actuarial valuation using the frozen initial liability cost method. The actuarial assumptions included an 8% investment rate of return, net of administrative expenses and projected salary increases of 6%, which include an inflation component of 4%.

##### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2002	\$ 4,877,023	\$ 4,877,023	100 %	\$ -
9/30/2003	4,898,628	4,898,628	100	-
9/30/2004	4,905,659	67,825,659	100 +	(62,920,000)

##### DROP Plan

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

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

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

###### DROP Plan (continued)

On June 18, 2003 the Plan adopted Ordinance 1143 dated June 18, 2003, which allowed for firefighter members to elect to have DROP payments contributed to a member's DROP account earn or lose investment income at the same rate and frequency as in the Plan, less reasonable and necessary expenses, or earn an annual fixed interest rate of 8% on future payments to the member's DROP account and on all or any portion of the member's DROP account balance. As an incentive to encourage membership in the DROP, retroactive benefits related to Ordinance 1443 and Ordinance 1480 were offered and totaled \$4,288,653 in 2004, which were included in the DROP participants payable as of September 30, 2004 totaling \$20,058,880.

For the year ended September 30, 2004 investment income in the financial statements of the CPFPO excluded investment income on DROP accounts totaling \$1,113,904. No benefit payments are made from a member's DROP account during their participation in the DROP. Benefits are paid upon termination.

###### Optional Benefits

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

Effective April 1, 2005, and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants will receive either a 2% cost of living increase to their retirement benefit, or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in the collective bargaining agreement to bargaining unit members, for the City's fiscal year commencing the preceding October 1, whichever is greater.

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements (continued)

### NOTE 4. OTHER INFORMATION (continued)

#### f. Defined Contribution Plans

The City offers two defined contribution plans as follows:

##### *City Employees*

As of fiscal year ended September 30, 2003, the City no longer offers membership in the defined contribution plan (the Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Resolution Number 1558. The Plan provided a portable retirement program for “mobile” administrative, professional, and technical employees of the City.

##### *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, 2004, there were four hundred and eleven (411) Plan members. The Charter Schools’ Plan members may contribute ten (10%) percent of their gross salary up to \$13,000 during the fiscal year, effective January 1, 2004. Such contributions are one hundred (100%) percent vested at all times. The City’s required contribution is five (5%) percent of the Plan member’s gross salary. For the year ended September 30, 2004, the City contributed \$763,550 to the Charter Schools’ Plan. Provisions of the Charter Schools’ Plan may be amended by the City Commission. The Charter Schools’ Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the City has no fiduciary responsibility, and 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 (continued)

### NOTE 5. SUBSEQUENT EVENTS

On November 23, 2004 the City executed a Sub-Sublease Agreement with the 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 SBA Center will lease a 5.2-acre site in the Senator Howard C. Forman Human Services Campus. The City has agreed to plan, develop, design and construct a 40-unit two-story residential complex, consisting of thirty-two (32) two-bedroom and one-bathroom units and eight (8) one-bedroom and one-bath units.

The project also includes the planning, development, design and construction of an administration and treatment building, consisting of a single story building of approximately 13,000 gross square feet, along with a single story building to be used as an Early Learning Center, consisting of approximately 7,800 gross square feet with classrooms and associated support areas and the acquisition of furniture, fixtures and equipment. The City will also develop the land areas with certain off-site improvements, permits, inspection fees, tap fees, impact fees, connections to off-site infrastructure and storm water at the property boundaries, provision of utilities, and provision of on-site parking.

The City has financed the SBA Center project on January 26, 2005 by issuing \$7,910,000 in variable rate Capital Improvement Revenue Bonds plus an additional \$700,000 cash contribution by the City. The City has pledged a portion of its electric franchise revenues for the bond issue, and will make monthly payments of interest calculated on a variable weekly rate period beginning February 2, 2005, and annual payments of principal starting September 30, 2011 with the final debt service payment on September 30, 2035. The City has also agreed to provide the SBA Center with \$8,500 to assist them in acquiring a telephone system. The SBA Center is obligated to make a \$350,000 payment to the City for pre-design costs and another \$350,000 for permit application costs. The Agreement requires the SBA Center to pay for specified insurance coverage and repairs and maintenance expenses, and various rental charges including \$100 annually for the land, monthly rentals covering the City's debt service on the bonds, and additional monthly rental payments to the City based on a \$50,000 annual finance charge, and a \$24,000 annual site administrative charge indexed to the annual changes in the Consumer Price Index (CPI) for Miami, Florida.

On March 8, 2005 the qualified voters of the City approved an election ballot question authorizing the City to issue up to \$100,000,000 in General Obligation Bonds with maturity not exceeding 30 years, and to be repaid from the proceeds of ad valorem taxes. The purpose of the proposed bond issue is to provide for the design, construction, repair, and improvement of streets and roadways within the City, City parks and recreational facilities, senior services facilities, and other public works projects, and refunding of certain existing City bonds.

# Required Supplementary Information



**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**Fiscal Year Ended September 30, 2004**

<u>Fiscal Year</u>	<u>(A) Annual Required Contributions</u>	<u>Employer Contributions</u>	<u>State Contributions</u>	<u>Total Employer Contributions</u>	<u>(B) Percentage Contributed</u>
<b>General Employees</b>					
2004	\$ 4,961,285	\$ 4,961,285 (C) \$	-	\$ 4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
2001	3,361,081	3,361,081	-	3,361,081	100%
2000	2,800,921	2,800,921	-	2,800,921	100%
1999	2,336,107	2,336,107	-	2,336,107	100%
<b>Firefighters and Police Officers</b>					
2004	\$ 4,905,659	\$ 3,654,190 (C) \$	1,730,676	\$ 5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
2001	4,267,395	3,254,269	1,013,126	4,267,395	100%
2000	3,550,488	2,580,359	970,129	3,550,488	100%
1999	2,750,728	1,762,362	988,366	2,750,728	100%

(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.

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

	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
Valuation date	10/1/2003	10/1/2003
Actuarial cost method	Entry age normal frozen initial liability	Frozen initial liability
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	14 years (weighted average)	28 years (weighted average)
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses	Market value with 5 year phase in of investment actuarial gains and losses
Actuarial assumptions:		
Investment rate of return	7.75%	8.0%
Projected salary increases*	8.5%	6.0%
Cost of living adjustments	None	2.0% for firefighters None for police officers
*Includes inflation at	3.0%	4.0%

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**September 30, 2004**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>(c) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (b-a) / (c)</b>
<b>General Employees</b>						
10/1/2003	\$ 56,509,780	\$ 66,987,878	\$ 10,478,098	84.4%	\$ 20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
10/1/2000	41,116,588	48,928,587	7,811,999	84.0%	17,310,177	45.1%
10/1/1999	35,531,088	43,534,603	8,003,515	81.6%	14,777,035	54.2%
10/1/1998	30,441,656	38,673,221	8,231,565	78.7%	13,037,087	63.1%
<b>Firefighters and Police Officers</b>						
10/1/2003	\$ 134,868,154	\$ 208,995,375	\$ 74,127,221	64.5%	\$ 23,954,023	309.5%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
10/1/2000	81,680,000	93,080,000	11,400,000	87.8%	20,958,000	54.4%
10/1/1999	68,869,000	79,095,000	10,226,000	87.1%	19,493,000	52.5%
10/1/1998	58,718,000	64,162,000	5,444,000	91.5%	17,676,000	30.8%

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended September 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$56,441,290	\$55,874,966	\$57,152,561	\$1,277,595
Licenses and permits	7,913,969	7,913,969	5,924,673	(1,989,296)
Intergovernmental revenue	10,773,846	10,823,750	11,423,165	599,415
Charges for services	23,120,423	23,134,949	22,090,316	(1,044,633)
Fines and forfeits	1,036,000	1,036,000	731,690	(304,310)
Miscellaneous revenues	13,206,173	13,214,873	13,238,220	23,347
Debt proceeds	-	82,290,924	82,290,924	-
Total Revenues	<u>112,491,701</u>	<u>194,289,431</u>	<u>192,851,549</u>	<u>(1,437,882)</u>
<b>Expenditures</b>				
General government services				
Administrative Services	3,644,908	5,051,362	4,314,660	736,702
Advisory Boards	28,957	28,957	15,074	13,883
City Attorney	701,550	701,550	688,135	13,415
City Clerk	1,297,721	1,687,887	1,458,979	228,908
City Manager	689,492	758,654	754,459	4,195
Finance	2,157,874	2,959,320	2,741,210	218,110
Human Resources	1,126,708	1,524,615	1,342,640	181,975
Mayor & Commission	438,562	597,865	555,353	42,512
Non-Departmental	6,895,118	6,910,619	5,502,814	1,407,805
Public Services	8,076,148	9,924,095	8,357,229	1,566,866
Total General government services	<u>25,057,038</u>	<u>30,144,924</u>	<u>25,730,553</u>	<u>4,414,371</u>
Public safety				
Administrative Services	825,855	1,187,905	1,123,289	64,616
Emergency & Disaster Relief Services	-	-	566,269	(566,269)
Fire	32,412,928	72,706,781	70,707,000	1,999,781
Police	30,515,721	58,536,546	58,164,150	372,396
Total Public safety	<u>63,754,504</u>	<u>132,431,232</u>	<u>130,560,709</u>	<u>1,870,523</u>

(continued)

See notes to budgetary comparison schedule.

**City of Pembroke Pines, Florida**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**(continued)**

**Fiscal Year Ended September 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Physical environment				
Public Services	4,678,388	5,229,837	4,373,792	856,045
Total Physical environment	<u>4,678,388</u>	<u>5,229,837</u>	<u>4,373,792</u>	<u>856,045</u>
Economic environment				
Community Services	1,345,356	1,396,569	1,382,779	13,790
Total Economic environment	<u>1,345,356</u>	<u>1,396,569</u>	<u>1,382,779</u>	<u>13,790</u>
Human services				
Community Services	1,889,732	2,608,483	2,606,341	2,142
Education	4,421,966	4,304,043	3,817,689	486,354
Total Human services	<u>6,311,698</u>	<u>6,912,526</u>	<u>6,424,029</u>	<u>488,497</u>
Culture/Recreation				
Parks & Recreation	16,215,267	19,800,980	18,900,737	900,243
Total Culture/Recreation	<u>16,215,267</u>	<u>19,800,980</u>	<u>18,900,737</u>	<u>900,243</u>
Total Expenditures	<u>117,362,251</u>	<u>195,916,068</u>	<u>187,372,600</u>	<u>8,543,468</u>
Excess (deficiency) of revenues over expenditures	<u>(4,870,550)</u>	<u>(1,626,637)</u>	<u>5,478,949</u>	<u>7,105,586</u>
<b>Other financing uses</b>				
Transfers out	(697,889)	(4,740,764)	(4,167,286)	573,478
Total Other financing uses	<u>(697,889)</u>	<u>(4,740,764)</u>	<u>(4,167,286)</u>	<u>573,478</u>
Net change in fund balances	(5,568,439)	(6,367,401)	1,311,663	7,679,064
Fund balances, beginning	27,250,567	27,250,567	27,250,567	-
Fund balances, ending	<u>\$21,682,128</u>	<u>\$20,883,166</u>	<u>\$28,562,230</u>	<u>\$7,679,064</u>

See notes to budgetary comparison schedule.

# City of Pembroke Pines, Florida

## Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2004

### **NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING**

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

1. No later than ninety days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 6.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated 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 it is done, this requires the adoption of an amended budget ordinance.
5. The final budget includes budget transfers and supplemental appropriations, which have the effect of adjusting the original adopted budget. General Fund supplemental appropriations amounted to \$82,596,692 for the fiscal year ended September 30, 2004 and consist primarily of lump sum contributions from bond proceeds of \$62.9 million to the Police and Fire Pension Trust Fund, and \$19.4 million to the General Employees Pension Trust Fund to finance enhanced pension benefits.

# City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule (continued)

Fiscal Year Ended September 30, 2004

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

The only General Fund budgetary expenditures that were in excess of appropriations for the fiscal year ended September 30, 2004 relate to the expenditures in connection with the four (4) hurricanes experienced in the fourth quarter. These expenditures amounting to \$0.6 million were unanticipated and as such were not budgeted. Hurricane Frances accounted for 75.8 % of the total hurricane related expenditures. It is expected that the Federal and State Emergency Management Agencies will reimburse the City for a portion of these expenditures in 2004-05.

# Combining and Individual Fund Statements and Schedules



# NONMAJOR GOVERNMENTAL FUNDS

---

## **Special Revenue Funds:**

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

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

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

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

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

1. Home repairs/weatherization.
2. Arch Barrier removal.
3. Public facilities.
4. Commercial revitalization.
5. Administration.
6. Senior Center transportation.

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

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

# **NONMAJOR GOVERNMENTAL FUNDS**

---

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

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

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

Block Grant:

1. Operating expenses.
2. Office equipment.

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

Cops in School:

1. Three (3) full time officers.
2. Benefits.

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

**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 30<sup>th</sup>.

# **NONMAJOR GOVERNMENTAL FUNDS**

---

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

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

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

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

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

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

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

## **Permanent Fund:**

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

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

**City of Pembroke Pines, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2004**

	Special Revenue							
	Road and Bridge	State Housing Initiative Program	Community Development Block Grant	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	COPS Grants	
<b>Assets</b>								
Pooled cash and cash equivalents	\$ 4,031,016	\$ 2,107,424	\$ -	\$ -	\$ -	\$ 27,040	\$ 1,063	\$ -
Receivables:								
Franchise fees and taxes	478,645	-	-	-	-	-	-	-
Other	1,239	-	-	-	-	-	-	-
Total receivables	479,884	-	-	-	-	-	-	-
Commodities inventory	-	-	-	-	-	-	-	-
Due from other governments	100,287	-	12,871	3,079	-	-	23,568	-
Prepaid costs	-	-	55,575	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-
Total assets	4,611,187	2,107,424	68,446	3,079	-	27,040	24,631	-
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts payable	\$ 25,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	68,446	3,079	200,251	-	24,631	102,543
Deposits	-	-	-	-	-	-	-	-
Deferred revenue	-	2,107,424	-	-	-	27,040	-	-
Total liabilities	25,684	2,107,424	68,446	3,079	200,251	27,040	24,631	102,543
Fund balances:								
Reserved for:								
Subsequent years' expenditures	-	-	-	-	-	-	-	-
Wetland mitigation	-	-	-	-	-	-	-	-
Prepaid costs	-	-	55,575	-	-	-	-	-
Encumbrances	328,273	79,525	-	-	-	-	-	-
Commodities inventory	-	-	-	-	-	-	-	-
Unreserved:								
Designated for rent payments	-	-	-	-	-	-	-	-
Undesignated (deficit)	4,257,230	(79,525)	(55,575)	-	(200,251)	-	-	(102,543)
Total fund balances	4,585,503	-	-	-	(200,251)	-	-	(102,543)
Total liabilities and fund balances	\$ 4,611,187	\$ 2,107,424	\$ 68,446	\$ 3,079	\$ -	\$ 27,040	\$ 24,631	\$ -

(continued)

**City of Pembroke Pines, Florida**

Combining Balance Sheet  
Nonmajor Governmental Funds

(Continued)

September 30, 2004

	Special Revenue							Permanent	Total
	Schools Chartered by *		Older	Confiscated	Confiscated	\$2 Police	FDLE	Wetland	Nonmajor
	Broward County School Board	Florida State University	Americans Act	Treasury	Justice	Assessment		Mitigation Trust Fund	Governmental Funds
<b>Assets</b>									
Pooled cash and cash equivalents	\$ 4,537,727	\$ 400	\$ 157,273	\$ 120,536	\$ 226,692	\$ 150,018	\$ 1,691,040	\$ -	\$ 13,050,229
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	478,645
Other	45,309	1,840	-	-	-	-	-	-	48,388
Total receivables	45,309	1,840	-	-	-	-	-	-	527,033
Commodities inventory	43,656	3,796	-	-	-	-	-	-	47,452
Due from other governments	83,731	232,985	94,142	-	-	-	-	-	550,663
Prepaid costs	-	-	-	-	-	-	-	-	55,575
Restricted pooled cash and investments	-	-	-	-	-	-	-	583,181	583,181
Total assets	4,710,423	239,021	251,415	120,536	226,692	150,018	1,691,040	583,181	14,814,133
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 48,709	\$ 4,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,692
Accrued liabilities	311,408	42,997	-	-	-	-	-	-	354,405
Due to other funds	-	450,476	-	-	-	-	-	-	849,426
Deposits	321,852	3,972	-	-	-	-	86,442	-	412,266
Deferred revenue	67,178	-	-	-	-	-	-	-	2,201,642
Total liabilities	749,147	501,744	-	-	-	-	86,442	-	3,896,431
Fund balances:									
Reserved for:									
Subsequent years' expenditures	-	-	-	-	-	-	-	130,859	130,859
Wetland mitigation	-	-	-	-	-	-	-	452,322	452,322
Prepaid costs	-	-	-	-	-	-	-	-	55,575
Encumbrances	219,178	59,805	-	-	-	16,765	456,365	-	1,159,911
Commodities inventory	43,656	3,796	-	-	-	-	-	-	47,452
Unreserved:									
Designated for rent payments	3,698,442	-	-	-	-	-	-	-	3,698,442
Undesignated (deficit)	-	(326,324)	251,415	120,536	226,692	133,253	1,148,233	-	5,373,141
Total fund balances	3,961,276	(262,723)	251,415	120,536	226,692	150,018	1,604,598	583,181	10,917,702
Total liabilities and fund balances	\$ 4,710,423	\$ 239,021	\$ 251,415	\$ 120,536	\$ 226,692	\$ 150,018	\$ 1,691,040	\$ 583,181	\$ 14,814,133

\* As of June 30, 2004

**City of Pembroke Pines, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2004**

	<b>Special Revenue Funds</b>							
	<b>Road and Bridge</b>	<b>State Housing Initiative Program</b>	<b>Community Development Block Grant</b>	<b>Law Enforcement Grant</b>	<b>ADA Paratransit Program</b>	<b>Police Community Service Grant</b>	<b>COPS Grants</b>	<b>Community Bus Program</b>
<b>Revenues:</b>								
Taxes	\$ 2,784,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,183,064	1,024,001	995,353	13,159	241,520	81,735	99,905	229,934
Charges for services	225,000	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	51,216	-	-	-	295	1,228	-	203
Contributions	70,792	-	-	-	-	-	-	5,000
Rental revenue	-	-	-	-	-	-	-	-
Other	159,612	-	-	-	-	-	-	-
Total revenues	<u>4,473,909</u>	<u>1,024,001</u>	<u>995,353</u>	<u>13,159</u>	<u>241,815</u>	<u>82,963</u>	<u>99,905</u>	<u>235,137</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	9,622	-	-	13,159	-	92,477	212,774	-
Transportation	3,515,801	-	152,432	-	505,669	-	-	434,383
Economic environment	-	1,024,001	842,921	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>3,525,423</u>	<u>1,024,001</u>	<u>995,353</u>	<u>13,159</u>	<u>505,669</u>	<u>92,477</u>	<u>212,774</u>	<u>434,383</u>
Excess (deficiency) of revenues over expenditures	<u>948,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263,854)</u>	<u>(9,514)</u>	<u>(112,869)</u>	<u>(199,246)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	9,514	112,869	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,514</u>	<u>112,869</u>	<u>-</u>
Net change in fund balances	<u>948,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263,854)</u>	<u>-</u>	<u>-</u>	<u>(199,246)</u>
Fund balances, beginning, as previously reported	3,637,017	-	-	-	63,603	-	-	96,703
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>3,637,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,603</u>	<u>-</u>	<u>-</u>	<u>96,703</u>
Fund balances, ending	<u>\$ 4,585,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,251)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (102,543)</u>

(continued)

**City of Pembroke Pines, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2004**  
(continued)

	<u>Special Revenue Funds</u>							<u>Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Schools Chartered by *</u>		<u>Older</u>	<u>Confiscated Treasury</u>	<u>Confiscated Justice</u>	<u>\$2 Police Assessment</u>	<u>FDLE</u>	<u>Wetland Mitigation Trust Fund</u>	
	<u>Broward County School Board</u>	<u>Florida State University</u>	<u>Americans Act</u>						
<b>Revenues:</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,784,225
Intergovernmental	26,561,750	3,499,250	798,589	-	-	-	-	-	34,728,260
Charges for services	733,046	211,109	-	-	-	-	-	-	1,169,155
Fines and forfeitures	-	-	-	-	450	32,796	117,843	-	151,089
Investment income	75,002	(3,714)	2,278	1,604	4,255	1,923	24,396	7,667	166,353
Contributions	55,423	124	75,567	-	-	-	-	-	206,906
Rental revenue	1,115,233	29,675	-	-	-	-	-	-	1,144,908
Other	1,005,466	92,985	-	-	-	-	-	-	1,258,063
Total revenues	<u>29,545,920</u>	<u>3,829,429</u>	<u>876,434</u>	<u>1,604</u>	<u>4,705</u>	<u>34,719</u>	<u>142,239</u>	<u>7,667</u>	<u>41,608,959</u>
<b>Expenditures:</b>									
General government	-	-	-	-	-	-	-	1,460	1,460
Public safety	-	-	-	-	115,728	20,686	237,908	-	702,354
Transportation	-	-	-	-	-	-	-	-	4,608,285
Economic environment	-	-	-	-	-	-	-	-	1,866,922
Human services	30,385,736	4,092,152	889,577	-	-	-	-	-	35,367,465
Total expenditures	<u>30,385,736</u>	<u>4,092,152</u>	<u>889,577</u>	<u>-</u>	<u>115,728</u>	<u>20,686</u>	<u>237,908</u>	<u>1,460</u>	<u>42,546,486</u>
Excess (deficiency) of revenues over expenditures	<u>(839,816)</u>	<u>(262,723)</u>	<u>(13,143)</u>	<u>1,604</u>	<u>(111,023)</u>	<u>14,033</u>	<u>(95,669)</u>	<u>6,207</u>	<u>(937,527)</u>
<b>Other financing sources (uses):</b>									
Transfers in	347,133	-	-	-	-	-	-	-	469,516
Transfers out	(302,230)	-	-	-	-	-	-	-	(302,230)
Total other financing sources (uses)	<u>44,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,286</u>
Net change in fund balances	<u>(794,913)</u>	<u>(262,723)</u>	<u>(13,143)</u>	<u>1,604</u>	<u>(111,023)</u>	<u>14,033</u>	<u>(95,669)</u>	<u>6,207</u>	<u>(770,241)</u>
Fund balances, beginning, as previously reported	4,530,094	-	264,558	118,932	337,715	135,985	1,700,267	576,974	11,461,848
Prior period adjustment	226,095	-	-	-	-	-	-	-	226,095
Fund balances, beginning, as restated	<u>4,756,189</u>	<u>-</u>	<u>264,558</u>	<u>118,932</u>	<u>337,715</u>	<u>135,985</u>	<u>1,700,267</u>	<u>576,974</u>	<u>11,687,943</u>
Fund balances, ending	<u>\$ 3,961,276</u>	<u>\$ (262,723)</u>	<u>\$ 251,415</u>	<u>\$ 120,536</u>	<u>\$ 226,692</u>	<u>\$ 150,018</u>	<u>\$ 1,604,598</u>	<u>\$ 583,181</u>	<u>\$ 10,917,702</u>

\* As of June 30, 2004

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

---

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

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual**  
**Debt Service Fund**  
**Fiscal Year Ended September 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Franchise fees	\$ 508,523	\$ 521,333	\$ 517,762	\$ (3,571)
Utility taxes	2,241,581	1,756,296	1,753,095	(3,201)
Investment Income	144,000	144,000	161,990	17,990
Rental revenue	<u>7,810,773</u>	<u>8,368,341</u>	<u>8,328,255</u>	<u>(40,086)</u>
Total revenues	<u>10,704,877</u>	<u>10,789,970</u>	<u>10,761,102</u>	<u>(28,868)</u>
<b>Expenditures</b>				
Debt service:				
Principal	3,725,000	3,725,000	3,725,000	-
Interest	6,926,279	8,012,378	8,012,377	1
Other debt service costs	<u>3,825</u>	<u>2,726,755</u>	<u>2,716,813</u>	<u>9,942</u>
Total expenditures	<u>10,655,104</u>	<u>14,464,133</u>	<u>14,454,190</u>	<u>9,943</u>
Excess (deficiency) of revenues over expenditures	<u>49,773</u>	<u>(3,674,163)</u>	<u>(3,693,088)</u>	<u>(18,925)</u>
<b>Other financing sources:</b>				
Revenue bonds issued	<u>-</u>	<u>10,642,484</u>	<u>10,633,142</u>	<u>(9,342)</u>
Total other financing sources (uses)	<u>-</u>	<u>10,642,484</u>	<u>10,633,142</u>	<u>(9,342)</u>
Net change in fund balances	49,773	6,968,321	6,940,054	(28,267)
Fund balances, beginning	<u>10,172,508</u>	<u>10,172,508</u>	<u>10,172,508</u>	<u>-</u>
Fund balances, ending	<u>\$ 10,222,281</u>	<u>\$ 17,140,829</u>	<u>\$ 17,112,562</u>	<u>\$ (28,267)</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, 2004**

	Special Revenue Funds							
	Road and Bridge Fund				State Housing Initiative Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 2,742,044	\$ 2,742,044	\$ 2,784,225	\$ 42,181	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	1,069,920	1,069,920	1,183,064	113,144	1,243,213	3,602,746	1,024,001	(2,578,745)
Charges for services	225,000	225,000	225,000	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	40,658	40,658	51,216	10,558	15,966	15,966	-	(15,966)
Contributions	-	200,000	70,792	(129,208)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	124,986	159,612	34,626	-	-	-	-
Total revenues	<u>4,077,622</u>	<u>4,402,608</u>	<u>4,473,909</u>	<u>71,301</u>	<u>1,259,179</u>	<u>3,618,712</u>	<u>1,024,001</u>	<u>(2,594,711)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	9,622	(9,622)	-	-	-	-
Transportation	4,340,968	4,870,665	3,515,801	1,354,864	-	-	-	-
Economic environment	-	-	-	-	1,243,213	3,602,746	1,024,001	2,578,745
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,340,968</u>	<u>4,870,665</u>	<u>3,525,423</u>	<u>1,345,242</u>	<u>1,243,213</u>	<u>3,602,746</u>	<u>1,024,001</u>	<u>2,578,745</u>
Excess (deficiency) of revenues over expenditures	<u>(263,346)</u>	<u>(468,057)</u>	<u>948,486</u>	<u>1,416,543</u>	<u>15,966</u>	<u>15,966</u>	<u>-</u>	<u>(15,966)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(263,346)</u>	<u>(468,057)</u>	<u>948,486</u>	<u>1,416,543</u>	<u>15,966</u>	<u>15,966</u>	<u>-</u>	<u>(15,966)</u>
Fund balances, beginning as previously reported	3,637,017	3,637,017	3,637,017	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>3,637,017</u>	<u>3,637,017</u>	<u>3,637,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,373,671</u>	<u>\$ 3,168,960</u>	<u>\$ 4,585,503</u>	<u>\$ 1,416,543</u>	<u>\$ 15,966</u>	<u>\$ 15,966</u>	<u>\$ -</u>	<u>\$ (15,966)</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, 2004**

(continued)

**Special Revenue Funds**

	<b>Community Development Block Grant</b>				<b>Law Enforcement Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	1,093,000	1,860,905	995,353	(865,552)	12,946	12,946	13,159	213
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,093,000</b>	<b>1,860,905</b>	<b>995,353</b>	<b>(865,552)</b>	<b>12,946</b>	<b>12,946</b>	<b>13,159</b>	<b>213</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	12,946	12,946	13,159	(213)
Transportation	163,950	180,471	152,432	28,039	-	-	-	-
Economic environment	929,050	1,680,434	842,921	837,513	-	-	-	-
Human services	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,093,000</b>	<b>1,860,905</b>	<b>995,353</b>	<b>865,552</b>	<b>12,946</b>	<b>12,946</b>	<b>13,159</b>	<b>(213)</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning as previously reported	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**City of Pembroke Pines, Florida**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

**Nonmajor Governmental Funds**

**Fiscal Year Ended September 30, 2004**

(continued)

**Special Revenue Funds**

	<u>ADA Paratransit Program</u>				<u>Police Community Service Grant</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	358,800	358,800	241,520	(117,280)	-	81,734	81,735	1
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	1,346	1,346	295	(1,051)	448	1,518	1,228	(290)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>360,146</u>	<u>360,146</u>	<u>241,815</u>	<u>(118,331)</u>	<u>448</u>	<u>83,252</u>	<u>82,963</u>	<u>(289)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	92,476	92,477	(1)
Transportation	369,411	521,696	505,669	16,027	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>369,411</u>	<u>521,696</u>	<u>505,669</u>	<u>16,027</u>	<u>-</u>	<u>92,476</u>	<u>92,477</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	<u>(9,265)</u>	<u>(161,550)</u>	<u>(263,854)</u>	<u>(102,304)</u>	<u>448</u>	<u>(9,224)</u>	<u>(9,514)</u>	<u>(290)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	(9,673)	9,514	19,187
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,673)</u>	<u>9,514</u>	<u>19,187</u>
Net change in fund balances	<u>(9,265)</u>	<u>(161,550)</u>	<u>(263,854)</u>	<u>(102,304)</u>	<u>448</u>	<u>(18,897)</u>	<u>-</u>	<u>18,897</u>
Fund balances, beginning as previously reported	63,603	63,603	63,603	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>63,603</u>	<u>63,603</u>	<u>63,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 54,338</u>	<u>\$ (97,947)</u>	<u>\$ (200,251)</u>	<u>\$ (102,304)</u>	<u>\$ 448</u>	<u>\$ (18,897)</u>	<u>\$ -</u>	<u>\$ 18,897</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, 2004**  
**(continued)**

	Special Revenue Funds							
	COPS Grants				Community Bus Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	101,759	101,759	99,905	(1,854)	373,488	229,934	229,934	-
Charges for services	-	-	-	-	17,500	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	500	203	(297)
Contributions	-	-	-	-	-	5,000	5,000	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>101,759</u>	<u>101,759</u>	<u>99,905</u>	<u>(1,854)</u>	<u>390,988</u>	<u>235,434</u>	<u>235,137</u>	<u>(297)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	207,089	207,089	212,774	(5,685)	-	-	-	-
Transportation	-	-	-	-	449,309	449,309	434,383	14,926
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>207,089</u>	<u>207,089</u>	<u>212,774</u>	<u>(5,685)</u>	<u>449,309</u>	<u>449,309</u>	<u>434,383</u>	<u>14,926</u>
Excess (deficiency) of revenues over expenditures	<u>(105,330)</u>	<u>(105,330)</u>	<u>(112,869)</u>	<u>(7,539)</u>	<u>(58,321)</u>	<u>(213,875)</u>	<u>(199,246)</u>	<u>14,629</u>
<b>Other financing sources (uses):</b>								
Transfers in	105,330	105,330	112,869	7,539	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>105,330</u>	<u>105,330</u>	<u>112,869</u>	<u>7,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,321)</u>	<u>(213,875)</u>	<u>(199,246)</u>	<u>14,629</u>
Fund balances, beginning as previously reported	-	-	-	-	96,703	96,703	96,703	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,703</u>	<u>96,703</u>	<u>96,703</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,382</u>	<u>\$ (117,172)</u>	<u>\$ (102,543)</u>	<u>\$ 14,629</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, 2004**

(continued)

	Special Revenue Funds							
	Schools Chartered by Broward County School Board*				School Chartered by Florida State University*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	26,519,159	27,016,843	26,561,750	(455,093)	4,015,522	4,042,022	3,499,250	(542,772)
Charges for services	1,015,636	1,015,636	733,046	(282,590)	275,000	275,000	211,109	(63,891)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	70,000	71,500	75,002	3,502	10,000	10,000	(3,714)	(13,714)
Contributions	575,000	575,000	55,423	(519,577)	-	-	124	124
Rental revenue	984,000	1,396,250	1,115,233	(281,017)	80,000	80,000	29,675	(50,325)
Other	991,425	991,425	1,005,466	14,041	162,875	136,375	92,985	(43,390)
Total revenues	<u>30,155,220</u>	<u>31,066,654</u>	<u>29,545,920</u>	<u>(1,520,734)</u>	<u>4,543,397</u>	<u>4,543,397</u>	<u>3,829,429</u>	<u>(713,968)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	31,224,962	31,648,405	30,385,736	1,262,669	4,543,397	4,543,397	4,092,152	451,245
Total expenditures	<u>31,224,962</u>	<u>31,648,405</u>	<u>30,385,736</u>	<u>1,262,669</u>	<u>4,543,397</u>	<u>4,543,397</u>	<u>4,092,152</u>	<u>451,245</u>
Excess (deficiency) of revenues over expenditures	<u>(1,069,742)</u>	<u>(581,751)</u>	<u>(839,816)</u>	<u>(258,065)</u>	<u>-</u>	<u>-</u>	<u>(262,723)</u>	<u>(262,723)</u>
<b>Other financing sources (uses):</b>								
Transfers in	1,242,465	1,242,465	347,133	(895,332)	-	-	-	-
Transfers out	(492,588)	(492,588)	(302,230)	190,358	-	-	-	-
Total other financing sources (uses)	<u>749,877</u>	<u>749,877</u>	<u>44,903</u>	<u>(704,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(319,865)</u>	<u>168,126</u>	<u>(794,913)</u>	<u>(963,039)</u>	<u>-</u>	<u>-</u>	<u>(262,723)</u>	<u>(262,723)</u>
Fund balances, beginning as previously reported	4,530,094	4,530,094	4,530,094	-	-	-	-	-
Prior period adjustment	-	-	226,095	226,095	-	-	-	-
Fund balances, beginning, as restated	<u>4,530,094</u>	<u>4,530,094</u>	<u>4,756,189</u>	<u>226,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,210,229</u>	<u>\$ 4,698,220</u>	<u>\$ 3,961,276</u>	<u>\$ (736,944)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,723)</u>	<u>\$ (262,723)</u>

\* As of June 30, 2004

(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, 2004**  
(continued)

	Special Revenue Funds							
	Older American Act				Confiscated - Treasury			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	826,986	826,986	798,589	(28,397)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	3,507	3,507	2,278	(1,229)	1,497	1,497	1,604	107
Contributions	84,703	85,003	75,567	(9,436)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>915,196</u>	<u>915,496</u>	<u>876,434</u>	<u>(39,062)</u>	<u>1,497</u>	<u>1,497</u>	<u>1,604</u>	<u>107</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	309	89,988	-	89,988
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	950,604	950,904	889,577	61,327	-	-	-	-
Total expenditures	<u>950,604</u>	<u>950,904</u>	<u>889,577</u>	<u>61,327</u>	<u>309</u>	<u>89,988</u>	<u>-</u>	<u>89,988</u>
Excess (deficiency) of revenues over expenditures	<u>(35,408)</u>	<u>(35,408)</u>	<u>(13,143)</u>	<u>22,265</u>	<u>1,188</u>	<u>(88,491)</u>	<u>1,604</u>	<u>90,095</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(35,408)</u>	<u>(35,408)</u>	<u>(13,143)</u>	<u>22,265</u>	<u>1,188</u>	<u>(88,491)</u>	<u>1,604</u>	<u>90,095</u>
Fund balances, beginning as previously reported	264,558	264,558	264,558	-	118,932	118,932	118,932	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>264,558</u>	<u>264,558</u>	<u>264,558</u>	<u>-</u>	<u>118,932</u>	<u>118,932</u>	<u>118,932</u>	<u>-</u>
Fund balances, ending	<u>\$ 229,150</u>	<u>\$ 229,150</u>	<u>\$ 251,415</u>	<u>\$ 22,265</u>	<u>\$ 120,120</u>	<u>\$ 30,441</u>	<u>\$ 120,536</u>	<u>\$ 90,095</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, 2004**  
**(continued)**

	Special Revenue Funds							
	Confiscated - Justice				\$2 Police Assessment			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	450	450	51,395	52,109	32,796	(19,313)
Investment income	7,456	7,456	4,255	(3,201)	2,571	1,857	1,923	66
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>7,456</u>	<u>7,456</u>	<u>4,705</u>	<u>(2,751)</u>	<u>53,966</u>	<u>53,966</u>	<u>34,719</u>	<u>(19,247)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	86,525	319,261	115,728	203,533	52,109	107,840	20,686	87,154
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>86,525</u>	<u>319,261</u>	<u>115,728</u>	<u>203,533</u>	<u>52,109</u>	<u>107,840</u>	<u>20,686</u>	<u>87,154</u>
Excess (deficiency) of revenues over expenditures	<u>(79,069)</u>	<u>(311,805)</u>	<u>(111,023)</u>	<u>200,782</u>	<u>1,857</u>	<u>(53,874)</u>	<u>14,033</u>	<u>67,907</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(79,069)</u>	<u>(311,805)</u>	<u>(111,023)</u>	<u>200,782</u>	<u>1,857</u>	<u>(53,874)</u>	<u>14,033</u>	<u>67,907</u>
Fund balances, beginning as previously reported	337,715	337,715	337,715	-	135,985	135,985	135,985	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>337,715</u>	<u>337,715</u>	<u>337,715</u>	<u>-</u>	<u>135,985</u>	<u>135,985</u>	<u>135,985</u>	<u>-</u>
Fund balances, ending	<u>\$ 258,646</u>	<u>\$ 25,910</u>	<u>\$ 226,692</u>	<u>\$ 200,782</u>	<u>\$ 137,842</u>	<u>\$ 82,111</u>	<u>\$ 150,018</u>	<u>\$ 67,907</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, 2004**

(continued)

	<u>Special Revenue Funds</u>				<u>Permanent Fund</u>			
	<u>FDLE</u>				<u>Wetland Mitigation Trust Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	66,252	117,843	51,591	-	-	-	-
Investment income	28,358	28,358	24,396	(3,962)	10,878	10,878	7,667	(3,211)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>28,358</u>	<u>94,610</u>	<u>142,239</u>	<u>47,629</u>	<u>10,878</u>	<u>10,878</u>	<u>7,667</u>	<u>(3,211)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	1,500	1,500	1,460	40
Public safety	400,551	1,555,942	237,908	1,318,034	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>400,551</u>	<u>1,555,942</u>	<u>237,908</u>	<u>1,318,034</u>	<u>1,500</u>	<u>1,500</u>	<u>1,460</u>	<u>40</u>
Excess (deficiency) of revenues over expenditures	<u>(372,193)</u>	<u>(1,461,332)</u>	<u>(95,669)</u>	<u>1,365,663</u>	<u>9,378</u>	<u>9,378</u>	<u>6,207</u>	<u>(3,171)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(372,193)</u>	<u>(1,461,332)</u>	<u>(95,669)</u>	<u>1,365,663</u>	<u>9,378</u>	<u>9,378</u>	<u>6,207</u>	<u>(3,171)</u>
Fund balances, beginning as previously reported	1,700,267	1,700,267	1,700,267	-	576,974	576,974	576,974	-
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, beginning, as restated	<u>1,700,267</u>	<u>1,700,267</u>	<u>1,700,267</u>	<u>-</u>	<u>576,974</u>	<u>576,974</u>	<u>576,974</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,328,074</u>	<u>\$ 238,935</u>	<u>\$ 1,604,598</u>	<u>\$ 1,365,663</u>	<u>\$ 586,352</u>	<u>\$ 586,352</u>	<u>\$ 583,181</u>	<u>\$ (3,171)</u>

## **FIDUCIARY FUND TYPES**

---

- PENSION TRUST FUNDS
- AGENCY FUNDS

## **PENSION 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.

**City of Pembroke Pines, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Pension Trust Funds**  
**September 30, 2004**

	<b><u>General Employees Pension Fund</u></b>	<b><u>Firefighters and Police Officers Pension Fund</u></b>	<b><u>Totals</u></b>
<b>Assets</b>			
Investments:			
Short-term investments	\$ -	\$ 9,059,581	\$ 9,059,581
U.S. Government securities	-	23,303,456	23,303,456
Corporate bonds	-	33,376,271	33,376,271
Common stocks	-	87,796,406	87,796,406
Foreign bonds	-	500,000	500,000
Mutual funds	81,987,141	27,545,836	109,532,977
Receivables:			
Accrued interest and dividends	-	783,023	783,023
Other	<u>120,528</u>	<u>201,188</u>	<u>321,716</u>
Total assets	<u>82,107,669</u>	<u>182,565,761</u>	<u>264,673,430</u>
 <b>Liabilities</b>			
Deferred City pension contribution	-	479,207	479,207
DROP participants payable	-	20,058,880	20,058,880
Accounts payable	<u>-</u>	<u>273,094</u>	<u>273,094</u>
Total liabilities	<u>-</u>	<u>20,811,181</u>	<u>20,811,181</u>
 <b>Net Assets</b>			
Net assets held in trust for pension benefits	<u>\$ 82,107,669</u>	<u>\$ 161,754,580</u>	<u>\$ 243,862,249</u>

**City of Pembroke Pines, Florida**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**Fiscal Year Ended September 30, 2004**

	<b><u>General Employees Pension Fund</u></b>	<b><u>Firefighters and Police Officers Pension Fund</u></b>	<b><u>Totals</u></b>
<b>Additions</b>			
Contributions:			
Plan members	\$ 1,882,429	\$ 2,771,497	\$ 4,653,926
Employee buyback	-	352,410	352,410
Employer:			
Required contribution	4,961,285	3,174,983	8,136,268
City Bonds	19,370,924	62,920,000	82,290,924
State/County	-	1,730,676	1,730,676
Total contributions	<u>26,214,638</u>	<u>70,949,566</u>	<u>97,164,204</u>
Investment earnings:			
Investment earnings	5,268,294	12,820,008	18,088,302
Less investment expenses	<u>28,518</u>	<u>808,045</u>	<u>836,563</u>
Net investment earnings	<u>5,239,776</u>	<u>12,011,963</u>	<u>17,251,739</u>
Total additions	<u>31,454,414</u>	<u>82,961,529</u>	<u>114,415,943</u>
<b>Deductions</b>			
Pension benefits	3,703,700	10,771,408	14,475,108
Refunds of contributions	(23,924)	94,341	70,417
Administrative expenses	<u>50,198</u>	<u>372,004</u>	<u>422,202</u>
Total deductions	<u>3,729,974</u>	<u>11,237,753</u>	<u>14,967,727</u>
Change in net assets	27,724,440	71,723,776	99,448,216
Net assets, beginning	<u>54,383,229</u>	<u>90,030,804</u>	<u>144,414,033</u>
Net assets, ending	<u>\$ 82,107,669</u>	<u>\$ 161,754,580</u>	<u>\$ 243,862,249</u>

## **AGENCY FUNDS**

---

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

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

**City of Pembroke Pines, Florida**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Fiscal Year Ended September 30, 2004**

	<u>Balance</u> <u>September 30,</u> <u>2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2004</u>
<b>General Trust Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ 3,057,524	\$ 84,771,262	\$ 85,262,896	\$ 2,565,890
Total assets	<u>\$ 3,057,524</u>	<u>\$ 84,771,262</u>	<u>\$ 85,262,896</u>	<u>\$ 2,565,890</u>
Liabilities:				
Accrued liabilities	\$ 3,057,524	\$ 80,133,203	\$ 80,624,837	\$ 2,565,890
Due to other funds	-	4,639,517	4,639,517	-
Total liabilities	<u>\$ 3,057,524</u>	<u>\$ 84,772,720</u>	<u>\$ 85,264,354</u>	<u>\$ 2,565,890</u>
<b>Sanitation Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 16,645,825	\$ 16,645,825	\$ -
Customer accounts receivable	919,658	12,764,538	12,534,858	1,149,338
Total assets	<u>\$ 919,658</u>	<u>\$ 29,410,363</u>	<u>\$ 29,180,683</u>	<u>\$ 1,149,338</u>
Liabilities:				
Accounts payable	919,658	13,168,505	12,938,825	1,149,338
Total liabilities	<u>\$ 919,658</u>	<u>\$ 13,168,505</u>	<u>\$ 12,938,825</u>	<u>\$ 1,149,338</u>
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and cash equivalents	\$ 3,057,524	\$ 101,417,087	\$ 101,908,721	2,565,890
Customer accounts receivable	919,658	12,764,538	12,534,858	1,149,338
Miscellaneous accounts receivable	-	-	-	-
Total assets	<u>\$ 3,977,182</u>	<u>\$ 114,181,625</u>	<u>\$ 114,443,579</u>	<u>\$ 3,715,228</u>
Liabilities:				
Accounts payable	\$ 919,658	\$ 13,168,505	\$ 12,938,825	\$ 1,149,338
Accrued liabilities	3,057,524	80,133,203	80,624,837	2,565,890
Due to other funds	-	4,639,517	4,639,517	-
Total liabilities	<u>\$ 3,977,182</u>	<u>\$ 97,941,225</u>	<u>\$ 98,203,179</u>	<u>\$ 3,715,228</u>

# **III. STATISTICAL SECTION**

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



**City of Pembroke Pines, Florida**

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

Fiscal Year	<u>Governmental Activities</u>								<u>Business-type Activities</u>				<u>Total</u>
	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Interest on Long-term Debt</u>	<u>Public Safety</u>	<u>Water Utility Services</u>	<u>Sewer/ Wastewater Services</u>	<u>Water-sewer Combined Service</u>	
2002	\$20,085,237	\$54,363,115	\$ 3,184,132	\$ 5,785,707	\$ 2,154,679	\$ 24,138,249	\$14,640,884	\$ 6,722,426	\$ -	\$ 3,843,161	\$8,590,253	\$17,112,758	\$ 160,620,601
2003	19,804,913	59,919,473	3,740,853	5,486,631	2,754,664	36,142,870	15,269,764	7,694,630	-	3,917,274	8,974,311	19,865,795	183,571,178
2004	21,245,245	64,769,067	3,788,410	5,725,790	2,774,502	43,531,313	16,875,139	11,349,415	19,241	4,050,643	8,873,928	22,821,895	205,824,588

(1) Information for fiscal years ended September 30, 1995-2001 are unavailable in this format.

## City of Pembroke Pines, Florida

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

Fiscal Year	Program Revenues			General Revenues							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Franchise Fees	Inter- Governmental	Investment Earnings not restricted	Gain on Sale of Capital Assets	Miscellaneous		
2002	\$ 100,263,899	\$ 3,630,457	\$ 4,120,865	\$44,688,105	\$ 8,272,014	\$ 10,560,558	\$ 6,545,712	\$ 510	\$ 61,950	\$ 178,144,070	
2003	108,529,040	3,337,172	2,978,244	49,215,331	10,681,172	11,347,886	3,383,341	71,757	400,364	189,944,307	
2004	119,571,399	4,885,529	512,573	52,501,770	11,437,462	11,795,659	2,183,919	124,097	211,184	203,223,592	

(1) Information for fiscal years ended September 30, 1995-2001 are unavailable in this format.

**City of Pembroke Pines, Florida**  
**General Governmental Expenditures by Function (1)**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Physical Environment</u>	<u>Transportation</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/ Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1995	\$ 6,956,437	\$ 25,638,263	\$ 1,659,277	\$ 1,423,447	\$ 253,653	\$ 413,353	\$ 3,806,170	\$ 7,783,868	\$ 5,719,200	\$ 53,653,668
1996	8,048,977	28,847,511	1,625,914	1,662,015	700,700	687,553	6,310,444	10,570,470	6,706,278	65,159,862
1997	9,446,857	31,523,940	1,884,668	1,955,506	1,175,189	452,925	6,853,420	18,582,225	8,292,627	80,167,357
1998	11,738,447	33,375,468	1,706,350	1,814,599	1,255,744	1,365,655	7,983,387	30,786,009	11,872,425	101,898,084
1999	12,630,675	38,717,663	2,183,408	2,212,580	1,435,000	6,011,970	9,107,760	37,092,691	14,677,388	124,069,135
2000	13,820,415	40,882,902	2,397,188	2,957,048	2,154,668	11,936,830	10,971,957	31,621,355	10,059,541	126,801,904
2001	14,726,757	47,557,927	2,829,740	3,514,568	2,244,331	19,471,201	11,436,951	21,450,938	17,629,720	140,862,133
2002	18,590,168	57,402,925	3,185,017	4,105,968	2,304,252	51,041,052	16,674,222	(2)	30,956,215	184,259,819
2003	19,455,762	59,672,849	3,918,738	3,736,102	2,740,721	45,622,226	15,826,371	(2)	11,264,456	162,237,225
2004	25,858,854	133,594,581	4,373,793	4,608,285	20,264,192	42,221,480	19,228,390	(2)	14,700,615	264,850,190

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

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

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

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Non Ad Valorem Taxes</u>	<u>Licenses and Permits</u>	<u>Special Assessments</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1995	\$9,974,699	\$14,462,030	\$7,606,135	\$2,815,046	\$7,002,149	\$5,535,306	\$902,936	\$1,322,472	\$1,303,679	\$50,924,452
1996	11,749,703	16,180,080	9,901,958	6,139,334	7,742,998	6,577,532	870,885	1,972,863	2,150,222	63,285,575
1997	12,966,754	18,141,244	8,903,487	11,017,284	8,793,307	7,961,641	1,264,895	1,929,827	1,092,369	72,070,808
1998	14,808,039	19,629,361	9,811,982	11,226,489	10,126,718	8,616,379	839,129	2,154,498	3,070,736	80,283,331
1999	16,618,793	22,575,755	10,105,676	10,481,907	14,479,561	12,083,151	1,545,253	2,529,833	3,203,497	93,623,426
2000	18,744,031	23,216,450	7,429,515	7,636,295	25,241,878	14,124,656	1,901,675	3,406,942	9,849,328	111,550,770
2001	20,319,515	25,439,275	9,105,960	8,953,985	27,232,171	17,993,638	1,618,439	3,197,232	7,404,364	121,264,579
2002	25,230,301	27,729,817	9,141,666	8,465,016	32,960,088	20,485,835	1,280,456	2,207,098	8,971,983	136,472,260
2003	28,460,430	31,436,074	6,879,770	8,099,749	40,117,149	22,584,114	1,248,016	1,719,456	12,534,015	153,078,773
2004	32,372,655	31,566,577	5,924,673	7,998,798	46,663,998	23,259,471	882,780	1,018,094	15,893,715	165,580,761

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

## City of Pembroke Pines, Florida

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u> (1)	<u>Current Tax Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes Receivable</u> (2)
1995	\$ 10,392,990	\$ 9,909,319	95.3%	\$ 65,380	\$ 9,974,699	96.0%	\$ 26,051
1996	12,312,139	11,627,581	94.4%	122,122	11,749,703	95.4%	15,694
1997	13,459,086	12,899,885	95.8%	66,869	12,966,754	96.3%	29,570
1998	15,429,999	14,824,322	96.1%	7,701	14,832,023	96.1%	19,791
1999	17,293,027	16,603,304	96.0%	15,489	16,618,793	96.1%	38,157
2000	19,352,972	18,590,738	96.1%	153,293	18,744,031	96.9%	28,642
2001	21,087,326	20,135,936	95.5%	183,579	20,319,515	96.4%	27,271
2002	26,241,228	25,167,556	95.9%	62,745	25,230,301	96.1%	21,012
2003	29,618,789	28,415,401	95.9%	45,029	28,460,430	96.1%	44,430
2004	33,348,014	32,255,971	96.7%	116,684	32,372,655	97.1%	53,565

Note: "Total Tax Levy" - represents gross taxes before cash discounts for early payment.

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

(2) Accountability Statement -Broward County Revenue Collection Division ("Total Unpaid Balance").

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

<u>Fiscal Year</u>	<u>City of Pembroke Pines</u>	<u>Broward County</u>	<u>Broward County Schools</u>	<u>South Florida Water Management District</u>	<u>South Broward Hospital District</u>	<u>Florida Inland Navigational District</u>	<u>Children's Council</u>	<u>Total</u>
Tax Millage Rates (1)								
1995	4.0882	8.1165	10.0366	0.6470	2.1132	0.0400	-	25.0415
1996	4.0882	7.7524	9.9400	0.6720	2.1132	0.0380	-	24.6038
1997	3.9034	7.8380	9.9745	0.6970	2.1132	0.0050	-	24.5311
1998	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470	-	24.0572
1999	3.9034	7.5710	9.7256	0.6970	2.1132	0.0470	-	24.0572
2000	3.9034	7.5710	9.1283	0.6970	2.0831	0.0440	-	23.4268
2001	3.9034	7.5250	8.9553	0.6970	1.9939	0.0410	-	23.1156
2002	4.4597	7.4005	8.7541	0.6970	1.8694	0.0385	0.3055	23.5247
2003	4.5990	7.3650	8.8825	0.6970	1.7336	0.0385	0.3316	23.6472
2004	4.5990	7.0230	8.2695	0.6970	1.5761	0.0385	0.4231	22.6262

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

Source: Broward County Property Appraiser Millage Rate Sheet

## City of Pembroke Pines, Florida

### Special Assessment Collections Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessments Due</u>	<u>Assessments Collected</u>	Ratio of Collections to Amount <u>Due</u>	<u>Current</u>	<u>Delinquent</u>	<u>Deferred</u>	<u>Accrued Interest</u>	<u>Total</u>
1995	\$ 3,245,747	\$ 2,863,631	88%	\$ 318,958	\$ 630,124	\$ 7,904,716	\$ 548,448	\$9,402,246
1996	6,954,283	6,511,740	94%	180,053	720,467	21,324,383	1,039,553	23,264,456
1997	11,850,777	13,276,560	112%	284,218	75,973	15,625,642	154,099	16,139,932
1998	11,409,924	11,507,886	101%	231,753	85,140	10,906,851	99,435	11,323,179
1999	10,801,585	10,993,389	102%	41,005	88,682	6,434,679	94,838	6,659,204
2000	8,100,160	8,015,963	99%	99,506	96,178	3,609,471	113,038	3,918,193
2001	9,028,349	9,144,660	101%	2,436	103,357	2,143,515	86,618	2,335,926
2002	8,773,222	8,623,731	98%	68,880	175,631	951,458	97,391	1,293,360
2003	8,164,480	8,189,293	100%	18,821	209,664	330,090	88,604	647,179
2004	8,308,983	8,315,236	100%	651	221,581	103,426	88,604	414,262

# City of Pembroke Pines, Florida

## Computation of Legal Debt Margin

September 30, 2004

Total Assessed value	\$10,130,564,860
Less: Exempt Property	(1,742,153,367)
Less: Other Exemptions	<u>(1,137,266,930)</u>
Total assessed value of taxable property (2003 Final Gross Taxable Value after Value Adjustment Board and other assessment changes)	<u>\$ 7,251,144,563</u>

### Amount of debt outstanding:

Capital Improvement Revenue Bonds, Series 1993	\$ 6,375,000
Public Improvement Revenue Bonds, Series 1998	23,285,000
Capital Improvement Revenue Bonds, Series 1999	42,740,000
Public Improvement Revenue Bonds, Series 2001	18,945,000
Charter School Revenue Bonds, Series 2001A	31,310,000
Charter School Revenue Bonds, Series 2001B	19,370,000
Taxable Communications Services Tax Revenue Bonds, Series 2003A	39,935,000
Taxable Communications Services Tax Revenue Bonds, Series 2004	49,910,000
Public Improvement Revenue Bonds, Series 2004A	20,140,000
Public Improvement Revenue Bonds, Series 2004B	<u>15,975,000</u>
Total outstanding debt	267,985,000
Less: Reserve for debt service	<u>(17,112,562)</u>
Net amount of debt outstanding	<u>\$250,872,438</u>

### Legal Debt Limit:

Currently, the City is not subject to a legal debt limit since it does not have any general obligation debt. However, the City is governed by the covenants of individual revenue bonds if it plans to issue additional parity bonds. The current covenants are as follows:

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

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

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

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

# City of Pembroke Pines, Florida

## Computation of Legal Debt Margin

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

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

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

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

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

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

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

Additional parity bonds payable from pledged revenues may be issued only if the taxable communications services tax revenues and Water Public Service Tax Revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed bonds. The pledge of the Water Public Service Tax Revenues 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.

### ***Public Improvement Revenue Bonds, Series 2004A Public Improvement Revenue Bonds, Series 2004B***

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

**City of Pembroke Pines, Florida**  
**Computation of Direct and Overlapping Debt**  
**September 30, 2004**

	Gross Debt Outstanding <u>(1)</u>	Percent <u>(2)</u>	<u>Amount</u>
City of Pembroke Pines:			
Total Direct Debt	\$ -	- %	\$ -
Broward County:			
Gross General Obligation Debt	492,140,000	7.13%	35,086,132
Broward County School Board:			
General Obligation Refunding Bonds, Series 1992	9,543,220	7.13%	680,365
General Obligation Refunding Bonds, Series 2002A	61,240,000	7.13%	4,365,983
General Obligation Refunding Bonds, Series 2002	<u>32,235,000</u>	7.13%	<u>2,298,130</u>
Total Overlapping Debt	<u>595,158,220</u>		<u>42,430,610</u>
Total Direct and Overlapping Debt	<u>\$ 595,158,220</u>		<u>\$ 42,430,610</u>

(1) Gross General Obligation Debt outstanding.

(2) Ratio of 2003 Final Gross Taxable Value (after Value Adjustment Board Changes) of City of Pembroke Pines to Broward County as shown on the 2004 Form DR-420.

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

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

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

# City of Pembroke Pines, Florida

## Debt Service Coverage

Electric Public Service Tax Revenue Certificate of 1991,  
Public Improvement Revenue Bonds, Series 1993,  
Public Improvement Revenue Bonds, Series 1998,  
Public Improvement Revenue Bonds, Series 2001  
Public Improvement Revenue Bonds, Series 2004A, and  
Public Improvement Revenue Bonds, Series 2004B

## Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1991 Electric Public Service Tax Certificate	1993 Public Improvement Revenue Bonds (3) (4)	1998 Public Improvement Revenue Bonds (5)	2001 Public Improvement Revenue Bonds (6)	2004A Public Improvement Revenue Bonds (7)	2004B Public Improvement Revenue Bonds (8)	Total	Coverage
1995	\$ 5,049,051	11.8%	\$ 1,725,165	\$ 688,871	\$ -	\$ -	\$ -	\$ -	\$ 2,414,036	2.09
1996	5,547,070	9.9%	1,861,331	688,871	-	-	-	-	2,550,202	2.18
1997	5,984,413	7.9%	425,020	963,551	-	-	-	-	1,388,571	4.31
1998	6,541,977	9.3%	-	2,554,931	-	-	-	-	2,554,931	2.56
1999	6,760,447	3.3%	-	3,033,825	592,291	-	-	-	3,626,116	1.86
2000	6,703,083	-0.8%	-	3,039,144	1,134,175	-	-	-	4,173,319	1.61
2001	6,871,802	2.5%	-	3,034,484	1,134,175	-	-	-	4,168,659	1.65
2002	7,334,212	6.7%	-	3,027,475	1,134,175	451,750	-	-	4,613,400	1.59
2003	7,647,870	4.3%	-	2,424,125	1,134,175	903,500	-	-	4,461,800	1.71
2004	7,612,895	-0.5%	-	-	1,889,160	1,547,038	-	-	3,436,198	2.22

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 7,612,895
Combined Maximum Annual Debt Service (9)	5,933,713
Coverage	1.28

- (1) Exclude bank paying agent fees.
- (2) Pledged revenues consist of the Electric Public Service Tax on an even parity for all issues.
- (3) The 1993 payments represent the Public Improvement Revenue Bonds, Series 1986 which were defeased by the 1993 Bonds.
- (4) This bond issue was paid off on October 1, 2002 with available funds.
- (5) No statistics are available prior to fiscal year 1999 since the bonds were issued on September 23, 1998.
- (6) No statistics are available prior to fiscal year 2002 since the bonds were issued on October 12, 2001.
- (7) No statistics are available prior to fiscal year 2004 since the bonds were issued on May 6, 2004.
- (8) No statistics are available prior to fiscal year 2004 since the bonds were issued on July 14, 2004.

## City of Pembroke Pines, Florida

### Debt Service Coverage

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

#### Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1992 Public Improvement Refunding Revenue Bonds (3)	1993 Capital Improvement Revenue Bonds	1995 Capital Improvement Revenue Bonds (4)	1999 Capital Improvement Revenue Bonds (5)	Total	Coverage
1995	3,394,805	4.7%	454,303	392,498	-	-	846,801	4.01
1996	3,885,515	14.5%	507,700	525,405	262,600	-	1,295,705	3.00
1997	4,560,358	17.4%	511,240	525,933	583,555	-	1,620,728	2.81
1998	4,531,246	-0.6%	513,100	525,906	583,555	-	1,622,561	2.79
1999	4,850,760	7.1%	508,133	525,335	583,555	-	1,617,023	3.00
2000	4,883,095	0.7%	511,115	524,310	-	2,363,264	3,398,689	1.44
2001	6,127,824	25.5%	507,245	522,850	-	2,720,493	3,750,588	1.63
2002	5,902,581	-3.7%	506,673	520,943	-	2,588,923	3,616,539	1.63
2003	6,509,589	10.3%	504,210	523,457	-	2,587,727	3,615,394	1.80
2004	7,001,743	7.6%	-	520,357	-	3,095,926	3,616,283	1.94

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 7,001,743
Combined Maximum Annual Debt Service (6)	3,619,935
Coverage	1.93

(1) Exclude bank paying agent fees.

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

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

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

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

# City of Pembroke Pines, Florida

## Debt Service Coverage

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

### Debt Service Requirements (1)

<u>Fiscal Year</u>	<u>Pledged Revenues (2)</u>	<u>% Change</u>	<u>2001A Charter School Revenue Bonds (3)</u>	<u>2001B Charter School Revenue Bonds (4)</u>	<u>Total</u>	<u>Coverage</u>
2002	\$ 6,294,213	-1.5%	\$ 963,374	\$ 281,038	\$ 1,244,412	5.06
2003	9,157,753	45.5%	1,534,579	1,129,468	2,664,047	3.44
2004	11,667,579	27.4%	2,134,579	1,464,217	3,598,796	3.24

Coverage of Estimated Combined Maximum Annual Debt Service:

Rentals from the Charter Schools, the Early Development Centers, and the Academic Village Campus Shared-Use Facility - Most Recent Fiscal Year	\$ 11,667,579
Combined Maximum Annual Debt Service (5)	3,605,591
Coverage	3.24

(1) Exclude bank paying agent fees.

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

(3) No statistics are available prior to fiscal year 2002 since the bonds were issued on December 11, 2001.

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

# City of Pembroke Pines, Florida

## Debt Service Coverage

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

### Debt Service Requirements (1)

<u>Fiscal Year</u>	<u>Pledged Revenues (2)</u>	<u>% Change</u>	<u>2003A Taxable Communications Services Tax Revenue Bonds (3)</u>	<u>2004 Taxable Communications Services Tax Revenue Bonds (4)</u>	<u>Total</u>	<u>Coverage</u>
2004	\$ 7,787,772	N/A	\$ 1,298,021	\$ -	\$ 1,298,021	6.00

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Service Tax and Water Public Service Tax - Most Recent Fiscal Year	\$ 7,787,772
Combined Maximum Annual Debt Service (5)	6,428,133
Coverage	1.21

(1) Exclude bank paying agent fees.

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

(3) No statistics are available prior to fiscal year 2004 since the bonds were issued on October 17, 2003.

(4) No statistics are available prior to fiscal year 2004 since the bonds were issued on April 1, 2004.

**City of Pembroke Pines, Florida**  
**Schedule of Debt Service on Outstanding Bonds as of September 30, 2004**

Southwest Focal Point Senior Center	Charter Mid School & Academic Village	Charter High School & Other Capital Proj	Police Annex, Park & Other Improv	Charter School Central Campus	Charter School Facility & Buses	Firefighters Pension	Police Officers & Gen Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2
<u>\$7,780,000</u>	<u>\$24,055,000</u>	<u>\$45,240,000</u>	<u>\$19,600,000</u>	<u>\$31,910,000</u>	<u>\$20,060,000</u>	<u>\$39,935,000</u>	<u>\$49,910,000</u>	<u>\$20,140,000</u>	<u>\$15,975,000</u>

Revenue Bonds:	Capital Improv.	Public Improv.	Capital Improv.	Public Improv.	Charter School	Charter School	Taxable Comm. Services Tax	Taxable Comm. Services Tax	Public Improv.	Public Improv.
----------------	-----------------	----------------	-----------------	----------------	----------------	----------------	-------------------------------	-------------------------------	----------------	----------------

Fiscal Y/E September 30	Series 1993	Series 1998	Series 1999	Series 2001	Series 2001A	Series 2001B	Series 2003A	Series 2004	Series 2004A	Series 2004B	Total Debt Service
2005	\$ 521,683	\$ 1,893,045	\$ 3,098,253	\$ 1,538,850	\$ 2,133,379	\$ 1,463,768	\$ 2,384,120	\$ 2,557,485	\$ 838,565	\$ 541,067	\$ 16,970,215
2006	522,295	1,890,245	3,093,400	1,539,962	2,134,314	1,471,277	2,384,120	2,448,656	928,873	757,915	17,171,057
2007	522,170	1,890,710	3,095,942	1,540,200	2,132,724	1,466,298	2,384,120	2,849,100	928,873	757,915	17,568,052
2008	521,420	1,883,750	3,095,605	1,544,475	2,134,144	1,469,067	2,995,314	2,848,838	928,873	757,915	18,179,401
2009	520,055	1,884,415	3,097,195	1,540,850	2,131,944	1,464,673	2,991,658	3,436,475	928,873	757,915	18,754,053
2010	518,070	1,888,027	3,100,410	1,534,350	2,133,743	1,468,535	2,990,764	3,436,269	928,873	757,915	18,756,956
2011	520,256	1,883,787	3,094,651	1,536,650	2,133,609	1,465,477	2,992,332	3,432,188	1,396,747	1,116,527	19,572,224
2012	516,606	1,881,383	3,099,391	1,537,115	2,131,478	1,465,663	2,991,214	3,428,956	1,391,741	1,113,343	19,556,890
2013	517,300	1,880,720	3,100,379	1,535,275	2,132,294	1,208,812	2,987,409	3,426,181	1,390,110	1,114,136	19,292,616
2014	517,206	1,881,200	3,102,376	1,531,060	2,132,681	1,211,725	2,985,768	3,423,431	1,391,610	1,113,879	19,290,936
2015	516,131	1,877,250	3,099,628	1,523,900	2,130,650	1,212,975	2,985,994	3,426,731	1,391,397	1,112,423	19,277,079
2016	518,931	1,874,250	3,097,065	1,528,350	2,131,200	1,212,513	2,982,936	3,420,763	1,389,735	1,109,678	19,265,421
2017	515,791	1,878,000	3,099,426	1,519,775	2,134,062	1,210,012	2,981,445	3,420,331	1,391,835	1,110,760	19,261,437
2018	516,709	1,873,375	3,101,665	1,521,050	2,130,250	1,211,263	2,981,222	3,416,813	1,387,732	1,110,587	19,250,666
2019	516,553	1,870,375	3,102,962	1,519,025	2,131,500	1,211,012	2,977,120	3,415,088	1,386,942	1,109,059	19,239,636
2020	515,322	1,868,750	3,103,463	1,523,750	2,135,000	1,209,263	2,978,838	3,414,919	1,389,365	1,110,701	19,249,371
2021	513,016	1,863,375	3,106,025	1,523,125	2,130,500	1,211,012	2,976,078	3,412,881	1,384,762	1,105,656	19,226,430
2022	514,500	1,864,000	3,105,131	1,519,250	2,133,250	1,211,013	2,973,692	3,408,578	1,383,263	1,109,294	19,221,971
2023	514,641	1,860,375	3,103,069	1,517,000	2,132,750	1,209,262	2,971,381	3,404,791	1,384,831	1,106,253	19,204,353
2024	513,438	-	3,104,444	-	2,134,000	1,210,763	2,963,995	3,406,134	1,383,844	1,106,125	15,822,743
2025	-	-	3,590,737	-	2,131,750	1,210,262	2,966,087	3,397,481	1,380,725	1,104,125	15,781,167
2026	-	-	3,590,900	-	2,131,000	1,207,763	2,962,209	3,397,212	1,379,750	1,105,500	15,774,334
2027	-	-	3,591,875	-	2,131,500	1,208,262	2,957,212	3,389,875	1,380,625	1,105,125	15,764,474
2028	-	-	-	-	2,133,000	1,209,175	2,955,648	3,386,500	1,379,250	1,103,000	12,166,573
2029	-	-	-	-	2,130,250	1,212,463	2,952,069	3,386,563	1,375,625	1,099,125	12,156,095
2030	-	-	-	-	2,133,250	1,212,862	2,946,177	3,384,669	1,374,625	1,098,375	12,149,958
2031	-	-	-	-	2,131,500	1,210,375	2,942,523	3,380,556	1,376,000	1,100,500	12,141,454
2032	-	-	-	-	-	-	2,935,662	3,378,831	1,374,625	1,095,500	8,784,618
2033	-	-	-	-	-	-	2,934,994	3,374,100	1,370,500	1,098,250	8,777,844
2034	-	-	-	-	-	-	2,929,923	3,366,100	1,368,500	1,093,625	8,758,148
2035	-	-	-	-	-	-	-	1,368,375	1,091,625	-	2,460,000
Total debt service	<u>\$ 10,352,093</u>	<u>\$ 35,687,032</u>	<u>\$ 72,773,992</u>	<u>\$ 29,074,012</u>	<u>\$ 57,575,722</u>	<u>\$ 34,735,545</u>	<u>\$ 87,342,024</u>	<u>\$ 99,276,495</u>	<u>\$ 40,055,444</u>	<u>\$ 31,973,813</u>	<u>\$ 498,846,172</u>
Principal outstanding	<u>\$ 6,375,000</u>	<u>\$ 23,285,000</u>	<u>\$ 42,740,000</u>	<u>\$ 18,945,000</u>	<u>\$ 31,310,000</u>	<u>\$ 19,370,000</u>	<u>\$ 39,935,000</u>	<u>\$ 49,910,000</u>	<u>\$ 20,140,000</u>	<u>\$ 15,975,000</u>	<u>\$ 267,985,000</u>

## City of Pembroke Pines, Florida

### Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Income Per Capita (2)	Grade School Enrollment (3)	Commercial Bank Deposits (4)	Unemployment Rate Expressed As a Percentage (5)			
					United States	Florida	Broward County	Pembroke Pines
1995	87,948	\$ 26,192	6,804	\$ 681,363,000	5.6*	5.5*	5.6*	3.7*
1996	89,753	27,129	7,858	715,055,000	5.5*	5.4*	5.5*	3.6*
1997	104,143	27,530	8,058	1,863,205,000	5.0*	4.9*	4.9*	3.2*
1998	112,692	28,546	9,404	808,844,000	4.1	4.5	4.8	3.1
1999	120,091	29,442	10,924	1,382,264,000	4.1	4.1	4.1	2.7
2000	137,427	29,409	11,694	1,380,262,000	4.0	3.6	3.7	2.4
2001	141,659	30,702	11,637	1,374,147,000	4.4	3.9	4.0	2.6
2002	144,792	31,785	11,480	1,575,812,000	5.8	5.3	5.9	3.9
2003	148,280	(2a)	10,995	1,680,393,000	6.0	5.2	5.7	3.7
2004	150,435	(2a)	10,899	1,733,310,000	5.5	4.6	4.7	3.1

Source:

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

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

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

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

(4) Florida Bankers Association commercial deposits as of September 30th. FY2004- represents June 2004

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

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

## City of Pembroke Pines, Florida

### School Enrollment

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Community College: (1)</b>										
Broward Community College										
Pines Center -Academic Village	-	-	-	-	-	666	801	1,188	1,288	1,350
South Campus (1)	<u>7,388</u>	<u>7,332</u>	<u>7,603</u>	<u>7,726</u>	<u>7,427</u>	<u>7,701</u>	<u>7,806</u>	<u>8,290</u>	<u>8,913</u>	<u>8,854</u>
Total BCC Enrollment	<u><u>7,388</u></u>	<u><u>7,332</u></u>	<u><u>7,603</u></u>	<u><u>7,726</u></u>	<u><u>7,427</u></u>	<u><u>8,367</u></u>	<u><u>8,607</u></u>	<u><u>9,478</u></u>	<u><u>10,201</u></u>	<u><u>10,204</u></u>
<b>High School: (2)</b>										
Pembroke Pines Charter High School	-	-	-	-	-	570	1,032	1,214	1,608	1,578
Flanagan	-	2,248	3,311	4,158	4,857	4,925	5,480	5,401	3,701	3,267
Somerset Academy Charter High School	-	-	-	-	-	-	-	-	-	305
Total High School Enrollment	<u>-</u>	<u>2,248</u>	<u>3,311</u>	<u>4,158</u>	<u>4,857</u>	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>	<u>5,309</u>	<u>5,150</u>
<b>Middle Schools (2):</b>										
Pines Middle School	1,571	1,598	1,646	1,665	1,606	1,658	1,837	1,423	1,452	1,487
Silver Trail Middle	-	-	1,881	2,085	1,873	1,926	2,354	2,329	2,423	1,555
Walter C. Young	2,150	2,006	1,772	1,897	2,554	2,044	2,072	1,487	1,841	1,885
Somerset Academy Charter Middle Sch	-	-	-	-	-	-	-	-	-	620
Pembroke Pines Charter Middle School	-	-	-	-	-	672	672	1,189	1,192	1,099
Total Middle School Enrollment	<u>3,721</u>	<u>3,604</u>	<u>5,299</u>	<u>5,647</u>	<u>6,033</u>	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>	<u>6,908</u>	<u>6,646</u>
<b>Elementary Schools (2):</b>										
Pembroke Pines	914	949	918	893	843	896	873	844	850	816
Pembroke Lakes	1,056	1,043	1,009	935	899	942	896	858	841	861
Pines Lakes	998	810	969	814	843	1,011	1,111	965	1,020	1,058
Pasadena Lakes	842	899	876	907	924	899	948	914	881	843
Palm Cove	910	1,065	1,134	1,114	1,149	1,215	1,223	1,087	1,124	1,136
Chapel Trail	1,428	1,498	1,602	1,311	1,365	1,436	1,436	1,410	1,309	1,270
Silver Palms	656	1,594	1,550	1,010	1,379	1,422	1,506	1,434	1,169	1,081
Panther Run	-	-	-	986	1,335	1,360	1,432	986	952	982
Lakeside	-	-	-	730	1,187	1,513	1,112	1,196	1,049	1,057
Somerset Academy Charter Elem	-	-	-	-	-	-	-	-	-	875
Pembroke Pines Charter Elem (East/West/Central)	-	-	-	704	1,000	1,000	1,100	1,786	1,800	1,895
Pembroke Pines/FSU Charter Elem	-	-	-	-	-	-	-	-	-	600
Total Elementary School Enrollment	<u>6,804</u>	<u>7,858</u>	<u>8,058</u>	<u>9,404</u>	<u>10,924</u>	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>	<u>10,995</u>	<u>12,474</u>

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

(2) Broward County School Board, 2004-2005 Twentieth Day Enrollment Report

## City of Pembroke Pines, Florida

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

2000 Census

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

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

## City of Pembroke Pines, Florida

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

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>	<u>Number Units (2)</u>	<u>Valuation</u>		
1995	10,205	6,395	\$ 19,492,223	2,333	\$ 218,452,602	138	\$ 17,541,902	\$ 255,486,727	\$ 3,893,606,915
1996	10,957	8,512	39,062,785	3,916	318,070,814	94	24,132,924	381,266,523	4,503,625,967
1997	11,004	7,361	31,169,956	3,546	275,652,523	97	30,100,323	336,922,802	5,093,162,673
1998	9,268	6,508	29,661,890	2,669	260,529,339	91	58,544,338	348,735,567	5,470,069,790
1999	10,171	8,764	40,339,436	1,828	177,081,893	51	25,844,899	243,266,228	5,726,468,609
2000	9,957	8,881	44,536,688	1,040	124,146,207	36	44,803,999	213,486,894	6,289,968,753
2001	10,368	8,899	65,639,331	1,446	186,519,453	23	12,987,592	265,146,376	6,855,447,486
2002	10,140	9,117	45,421,312	1,005	152,912,991	18	9,069,036	207,403,339	7,579,681,777
2003	9,171	8,997	54,653,023	361	40,571,126	17	14,659,667	109,883,816	8,678,811,181
2004	9,457	9,425	52,063,599	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583

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

(2) Commercial permits include remodeling and partitioning.

(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value. Represents "just value" from 2003 DR403.

## City of Pembroke Pines, Florida

### Principal Taxpayers

September 30, 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Valuation</u>	<u>Percentage of Total Taxable Valuation</u>
Pembroke Lakes Mall LTD	Shopping Center	\$ 109,790,130	1.51%
Pasadena Place Associates PH I, II & III	Apartments and condominiums	74,912,880	1.03%
Prudential Insurance Co. of America	Shopping Center	51,508,150	0.71%
Taplin Falls Ltd.	Apartments and condominiums	39,053,790	0.54%
CCMSC 2000-1 Broward Plaza LLC	Shopping Center	38,102,550	0.53%
Marquesa Apartment Corporation	Apartments and condominiums	37,800,020	0.52%
Jefferson Pembroke LP	Apartments and condominiums	37,680,720	0.52%
WRI/Pembroke Ltd.	Shopping Center	34,318,870	0.47%
Cole Boulevard Square Holdings	Shopping Center	32,755,230	0.45%
KLS Flamingo Land Trust	Shopping Center	<u>32,145,750</u>	<u>0.44%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		\$ 488,068,090	6.73%
Total Taxable Assessed Value of Other Taxpayers		<u>6,763,076,473</u>	<u>93.27%</u>
Total Taxable Assessed Value of All Taxpayers		(1) <u>\$ 7,251,144,563</u>	<u>100.00%</u>

**Source:** (1) Total Taxable Assessed Value taken from 2004 DR420 - "Prior Year Final Gross Taxable Value".  
Broward County Property Appraiser's Tax Roll for 2003 tax year.

# City of Pembroke Pines, Florida

## Miscellaneous Stastical Data

September 30, 2004

Date of Incorporation	1960
Form of Government	Commission/Manager
Area	34.25 square miles
Miles of Streets	455.92
Number of fire stations	6
Number of fire training facility	1
Firemen and support staff	254
Number of police stations	2
Full-time sworn officers and support staff	294
Number of elementary schools	14
Number of students	12,474
Number of middle schools	6
Number of students	6,646
Number of high schools	3
Number of students	5,150
Number of water accounts	44,036
Average daily consumption	13.02 million gallons per day
Miles of water mains	492.47 million gallons per day
Sanitary sewers	400 miles
Number of lift stations	172
Storm sewers	227 miles
Fire hydrants	5,018
Building permits issued	9,457
Number of parks including 1 operated by the county	29 parks with 927.69 acres 1 park with 296.30 acres
Number of golf courses	4 private courses 1 owned by City
Number of libraries	3 operated by Broward County
Number of full-time civil service employees	
Number of part-time and temporary employees	1,398
Total number of employees	<u>469</u> <u>1,867</u>

# City of Pembroke Pines, Florida

## Schedule of Insurance in Force

**Fiscal Year Ended September 30, 2004**

<u>Company</u>	<u>Policy Number</u>	<u>Effective Date</u>	<u>Coverage</u>	<u>Limits</u>	<u>Annual Premium</u>
Hartford Life Insurance Company	ETB-12917	10/1/03-9/30/04	Police & Fire Accidental Death	\$51,138 in the line of duty/pursuit, \$153,415 unlawful & intentional death	\$16,277
Hartford Steam Boiler Insp.& Ins. Co.	FBP4910539	10/1/03-9/30/04	Equipment Breakdown	\$50MM limit; Computers \$1MM; \$1M ded.	21,509
Hartford Steam Boiler Insp.& Ins. Co.	FBP4910538	10/1/03-9/30/04	Equipment Breakdown W.C. Young Human Resource Center	\$50MM limit; Computers \$1MM; \$1M ded.	1,450
United National Insurance Company	CP0065370	10/1/03-9/30/04	Comprehensive General Liability - 3rd Party Liab.;Auto Liab.;Work.Comp.; Empl. Benefits Liab.-Claims Made	Limit \$1,000,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work.Comp.& Employer Liab. \$150,000 Excess \$350,000 SIR per occurrence	510,000
Florida Division of Workers' Comp.	-	10/1/03-9/30/04	Workers' Compensation	State Self-Insurer Annual Assessment	231,520
Florida Municipal Insurance Trust	FMIT # 0470	10/1/03-9/30/04	Buildings and Personal Property Automobiles - 816 vehicles covered	\$25,000 deduct. \$189MM bldg;\$12MM pers. Stoploss \$854,798 on property & \$88,843 autos	920,415 116,944
Gallagher Bassett Services & affiliates	-	10/1/03-9/30/04	Service and Retainer Fees	Service fees-\$95,622; Retainer fee - \$25,000.	120,622
AIG / National Union Fire Ins. Co.	937-93-03	4/1/04-3/31/05	MuniPro Public Officials Liability	\$2MM aggregate; \$50M to \$150M deduct. Also covers four independent contractors	254,573
Western World Insurance Company	NPP813499	10/1/03-9/30/04	Ambulance / EMT liability	\$1MM per occurrence & annual aggregate	32,445
ACE American Insurance Company	WCL014434	10/1/03-9/30/04	Excess Workers' Compensation and Employers Liability Indemnity	\$25,000,000 each accident;\$1,000,000 empl. liab.& \$500,000 retention each occurrence	361,650
Hartford Fire Insurance Company	21BPECM2103	10/1/03-9/30/04	Public Employees Dishonesty including Faithful Performance	\$75,000 Excess \$25,000 Self Insured Retention per Employee and four named positions	2,991
The Hartford Insurance Company	21BSBCK4619	12/10/03-12/9/04	Public Officials Bond	\$100,000 Limit - Covers Finance Director	750
American Bankers Insurance Co.	Various	Various	Flood - 81 different City locations	Limits/premiums vary per location-\$500 ded.	84,480
National Fire & Marine Insurance Co.	72LPE690962	10/1/03-9/30/04	Liability-8 City locations rented out	\$1MM per occurrence/aggregate-\$250 ded.	19,865
Benesight, Inc.	Group No. 100001	10/1/03-9/30/04	Administrative fees / stop loss broker		539,624
Benesight, Inc.	Group No. 100001	10/1/03-9/30/04	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	278,253
Medical Life Insurance Company	MG12351	10/1/03-9/30/04	Employees life insurance and AD&D	1 x base annual salary-max.\$100,000	295,294
Commerce and Industry Insurance Co.	FPL8084644#1	11/26/03-11/26/04	Storage Tank Third-Party Liability	\$1MM each / \$2MM aggregate; \$5,000 ded.	3,437
RLI Insurance Company	LFB 001039-2	3/01/04-2/28/05	Business Auto Liability	\$1,000,000 Combined Single Coverage	162,550
Mt. Hawley Insurance Company	MGL-0139278	6/25/04-6/24/05	General Liability-Walter C. Young Center and SW Regional Library	\$2,000,000 General Aggregate Per Location; \$1,000,000 each occurrence; \$5,000 Medical each person; \$2,500 deductible each claim	15,200
National Fire & Marine Insurance Co.	72LPE690962	10/1/03-9/30/04	Designated Special Use Facility	\$1MM per occurrence & aggreg/\$250 ded.	19,865

# 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-West Palm Beach, FL Metropolitan Statistical Area, which is the 6th largest in the country with an estimated population of 5.3 million. A projected 7.4 million people will reside in the MSA by 2030. The population of Pembroke Pines is currently estimated at 150,435. During the year, the City has a mean average annual temperature of 75.5 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25 square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area. South of the City is the rapidly growing City of Miramar with its thriving Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides senior housing and other senior-related services, and maintains its own Water Treatment Plant.

### Airports

The City of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only 25 miles northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The North Perry Airport is also located in Pembroke Pines; it is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

### Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of paved and signalized roadways, bike paths, and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

### Parks & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the six recreation centers. Programs include such diverse activities as art, music, baseball, softball, football, volleyball, swimming, tennis, soccer, roller-hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing. Over 13,860 children participate in supervised sports programs in Pembroke Pines. Located throughout the City are 29 neighborhood and community parks totaling 927.6 acres. In addition, five golf courses are located within the City including an 18-hole municipal course with club facilities. In August 2002, the City purchased 60 acres in western Pembroke Pines to be developed as a soccer complex to

# City of Pembroke Pines, Florida

## General Information

include wetlands and passive areas. This facility should open in 2006. Cultural arts programs are available at the City's new River of Grass ArtsPark and the Fletcher Art and Cultural Center. A number of the residential developments in the community are served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a new 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. In December 2004 the City completed the Chapel Trail Nature Preserve consisting of 450 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, restrooms, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

## Medical Facilities

Health care services for the City of Pembroke Pines residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street) and the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road). These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics, with a combined staff of 1,312 physicians.

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

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

## Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter elementary school operated in collaboration with Florida State University, two charter middle schools and one charter high school that serve approximately 5,210 students. Of this total, the FSU charter school students include 600 in elementary school, 100 in middle school, and 10 in the Exceptional Student Education (ESE) Program. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the charter schools, within the City are nine elementary schools, three middle schools and one other high school with a combined enrollment of 17,373 students. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

Also within Pembroke Pines is the Somerset Academy, a charter school operated by Academica Corp. with an enrollment of approximately 1,300 students from pre-kindergarten through 9th grade. The school has added the 10<sup>th</sup> grade in the 2003-04 school year, and will add the 11th and 12th grades in each subsequent year, with the first high school graduation class in the school year 2005-06.

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

# City of Pembroke Pines, Florida

## General Information

its Pembroke Pines branch campus with a 30,000 square foot facility offering various associate degree and diploma programs.

Three excellent County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward Community College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center, serve the City.

## Arts and Culture

The City promotes arts and cultural activities for its citizens. The City Hall maintains a Glass Gallery in its lobby for quarterly public exhibitions of works by local artists and sculptors. The artists are selected by the City's Municipal Arts & Culture Advisory Board, and often include special opening exhibit programs accompanied by music and dance performances. The City also provides space for theatrical performances at two of its facilities for the Pembroke Pines Theatre of the Performing Arts, a local theatrical group that stages numerous outstanding performances, including Broadway musicals. Special events are provided to the City's residents through the offices of the City's Special Events Coordinator, and includes such annual activities as the Kids Konnection exhibits and displays for children and their parents, a Fashion Show, the Miss Pembroke Pines Pageant, the Arts Festival and the Music Festival which are both conducted in the River of Grass ArtsPark, the Pines Day parade commemorating the founding of the City in 1960, and various other activities staged throughout the year.

## National Recognition

The City of Pembroke Pines received the All-America City Award for 2004 by the National Civic League. The National Civic League is one of the leading advocates of citizen democracy in the United States. It was founded 110 years ago by Theodore Roosevelt and other government reformers, and has honored communities with this award since 1949. It is the nation's longest running and most prestigious civic recognition program, and cities receiving the award typically receive a variety of benefits, including national recognition, enhanced community pride, and in many cases, tangible economic benefits that range from new grants to improved bond ratings, increased tourism, and greater economic activity. Thirty cities were invited to present their programs as finalists in Atlanta June 10-12, 2004, and ten cities, including Pembroke Pines, were honored with the All-America City Award. Five other Florida cities were invited to compete, but only Pembroke Pines was selected for the award this year.

## Communications

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

City information can also be accessed through the Internet site, [www.ppines.com](http://www.ppines.com). On the web site, information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual financial statements are available.