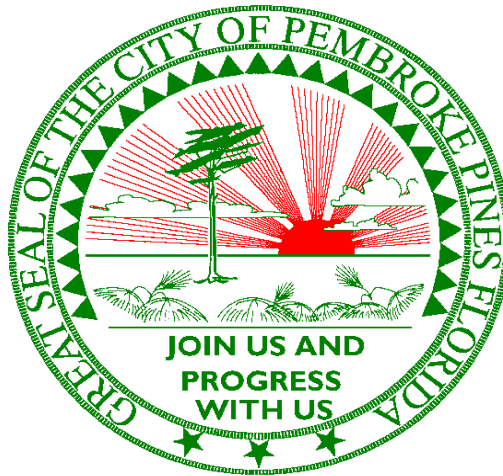




**Comprehensive Annual Financial
Report
and Compliance Reports
of the
City of Pembroke Pines, Florida**



**For the
Fiscal Year Ended
September 30, 2006**

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

**For the Fiscal Year Ended
September 30, 2006**



**Prepared by
The Finance Department**

City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2006

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I. INTRODUCTORY SECTION

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





City of Pembroke Pines



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

William B. Armstrong, Commissioner
Angelo Castillo, Commissioner
Carl Shechter, Commissioner

January 24, 2007

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

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, 2006.

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 Watson Rice 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, 2006 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, 2006, 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, 2006.

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 9th largest city in Florida. As of September 30, 2006, the most recent official population estimate was 151,786. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the rapidly growing City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who then makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are then conducted to inform the taxpayers of the proposed budget, to receive their comments, and respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 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 the Finance Director may amend the adopted budget for adjustments within a department. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented on pages 94-97 as part of the Required Supplementary Information.

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-seven years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Statistical Area (MSA), which according to the latest statistics, is the sixth (6th) 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 5.4 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 (12th) 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.

Since the economic environment has remained positive nationally, this has also had a positive outcome on the local economy. Although U.S. economic growth has remained positive over the last three years, the rate of growth has continued to show signs of slowing down by the end of the fiscal year ended September 30, 2006. The real Gross Domestic Product, as released by the U.S. Department of Commerce, has shown the rate of growth for the period July 2006 to September 2006 was 2.0 percent, versus an annual growth rate of 3.2 percent for the entire year 2005, and 3.9 percent for 2004. This has been significantly impacted by the "cooling down" of the housing market, which has had a far-reaching effect on other economic factors, and which has cut 1.2 percentage points from the growth in the July to September quarter. Investment in home building declined at an 18.7 percent rate, and was the largest cut in 15 years. Yet despite these indicators, inflation has been moderate and unemployment remains low.

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

	<u>2006*</u>	<u>2005*</u>
City of Pembroke Pines	2.7%	3.4%
Broward County	3.1%	3.8%
State of Florida	3.2%	3.9%
United States	4.7%	5.1%

* Average unemployment data for 2006 is on a fiscal year basis October 1, 2005 to September 30, 2006; but data for 2005 is on a calendar year basis ending December 2005.

The State of Florida continues to post unemployment rates which are well below the average for United States as a whole over the past four years. The latest unemployment rate for the State of Florida, as released by the U.S Department of labor on December 8, 2006 was 4.3% for November. The White House recently revised its estimate of the nation's unemployment rate to 4.7% for the 2006 year, which is an improvement over the 5.1% reported last year. Additionally, Florida's job growth rate remains twice as fast as the rest of the United States, and the State has added a total of 211,400 jobs since last year November. Broward County's unemployment rate edged up slightly from 2.8 percent in October 2006 to 3 percent in November. This past year, jobs in the construction industry have steadily declined as a result of the slowing down of the housing market. Construction growth throughout the State of Florida was 5 percent in November, which is off from a peak of 12.8 percent in mid 2004.

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 the last few years. Population growth projections are extremely important to allow for future planning needs and economic resource allocation, especially since vacant land has become a scarce commodity in the City. But the latest U.S. census report issued shows that the population boom for Florida has slowed, growing only 1.8 percent in 2006 after back-to-back years of adding more than 2 percent to the population. In 2005, Florida was ranked fourth on the list of fastest-growing states in the nation, and this year the State has slipped to number nine on the list. According to analysts, one factor for this decline in population growth is economics as individuals are moving to States where the cost-of-living is lower. Individuals are leaving the State because of housing inflation, property taxes and other factors. Another important statistic has been the change in the composition and make-up of the Broward County population. From the period 2000 to 2005 Broward's Hispanic population grew by 44 percent; Blacks grew by 22 percent, and 34 percent growth among West Indians. Broward County as well as the City enjoys the benefits of a highly diverse population, which provides an important workforce asset for international companies doing business in the Americas. The City of Pembroke Pines has also recognized this important trend and in January 2007, the City will erect a new sign which will welcome all to this "inclusive community". The sign is part of the Partnership for Working Toward Inclusive Communities, a program sponsored by the National League of Cities. As stated by the City's Mayor, Frank C. Ortis, "we're a City for all people".

Another important factor in looking at the overall economy, not only in Pembroke Pines, but also in Broward County, has been the extremely strong housing market, which is now showing signs of slowing down. The pace of home sales in Florida continued to slow in October 2006, dropping 22 percent since last year for single-family homes, and 31 percent for condominiums. Throughout the same period single-family home sales in the Miami-Fort Lauderdale-Miami Beach, Fl Metropolitan Statistical Area (MSA), increased by 5 percent, while condominium sales declined by 21 percent. Home sales in this region were directly affected by Hurricane Wilma which crossed the state during the last week of October. The median price of existing single-family homes for the Fort Lauderdale MSA declined by 5 percent to \$349,400 in October 2006 compared with \$368,900 in October 2005. Yet, the increase in assessed property values had provided additional property tax revenues to the City and the County. Although analysts are predicting that the housing market may continue to contract in 2007, it is likely that the shrinking availability of vacant land may maintain some pressure on stabilizing the housing prices.

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. Broward County continues to encourage business investment through numerous incentives and provides an effective platform for global companies seeking a convenient location to serve Latin America and the Caribbean, as well as national, regional and local enterprises. Pembroke Pines is also experiencing growth in its commercial development, and as such, the City has added to its list of successful business partners in the western portion of the City a Costco Warehouse, and has issued 776 new occupational licenses throughout the year which 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 almost fully built out, Pembroke Pines continues to maintain one of the lowest tax rates within Broward County, and currently has the seventh lowest millage rate among all the 31 cities in Broward. The City's current operating millage rate is 4.5990, which remained unchanged from the previous fiscal year; however in 2006 the City's millage rate also included a debt service millage of

0.3275 bringing the City's total millage rate to 4.9265. 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 12.0 percent over last year, as compared with a 10.5 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 practicable.

Long-Term Financial Planning

Financial planning continues to be of paramount importance to the City, as we strive to meet the challenges of both the immediate and the foreseeable future. The major projects undertaken by the City have long-term financial implications for the existing as well as future resources of the City, including but not limited to, the 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 led 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 71 percent of total General Fund expenditures for the 2007 Adopted Budget.

Over the last year, the City has developed the budget in such a way as to maintain unreserved, undesignated fund balance in the General Fund between 10 and 30 percent of the total annual General Fund expenditures. This also provides a contingency for unexpected future events. The importance of monitoring of the City's fund balance levels has become such an integral part of the overall financial planning, that on November 1, 2006 the City formally adopted Ordinance Number 1562 creating a Fund Balance Reserve Policy. Currently this policy only covers the General Fund, and specifies the course of action in the event that the undesignated, unreserved fund balance fall below the target range. The City's General Fund unreserved, undesignated fund balance as a percentage of 2007 budgeted expenditures was 20.0% which falls within the established policy guidelines.

Managing the City's debt has also been of paramount importance, and to that extent the City adopted Ordinance Numbers 1560 and 1561 creating a Debt Management Policy and a Derivative Debt Management Policy, respectively. The purpose of these policies is to ensure that any debt being issued by the City will be undertaken under careful review, and be in the best interest of the City. As an example of this control, the City may undertake a current refunding if the net present value savings as a percentage of the par amount of the refunding bonds equal or exceed three percent and equal to or greater than \$100,000. On December 1, 2006, the City issued two bonds- the Public Improvement Revenue Refunding Bonds, Series 2006 in the amount of \$29.72 million, the present value savings amounting to \$1.3 million, or 4.2% over the life of the bonds; and the Capital Improvement Revenue Refunding Bonds, Series 2006 in the amount of \$45.05 million, the present value savings amounting to \$1.8 million, or 6.3% over the life of the bonds. The present value savings on these issues both exceeded the minimum requirement stipulated in the Debt Management Policy.

Additionally, on December 20, 2006 the City Commission in being proactive rather than reactive has approved the implementation of an Internal Audit Team, which will report to the City Manager and will provide reports to the City Commission. This is seen as an additional step towards accountability and transparency in a City of this size, and is expected to provide additional assurance to residents that the City is consistently focused on its overall financial health.

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 registered voters of the City passed a bond referendum, authorizing the City to issue up to \$100 million in General Obligation Bonds with maturity not exceeding 30 years, which will be repaid from the proceeds of ad valorem taxes. The first series of these bonds were issued on September 30, 2005 for \$47 million. It is anticipated that the balance of \$53 million may be issued in fiscal year 2007, but this is subject to change based on the prevailing interest rates, and the estimated time line for the various projects.

The projects which are expected to be funded from the proceeds range from various roadwork projects, and recreational and cultural amenities, to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City’s Mayor and Commissioners. Due to the size of the “Building Our Future Program” it is expected to have a significant impact that will benefit both the current and future residents of the City, and is expected to take a number of years to complete.

Many of the planned “Phase I” projects using the funds from the General Obligation Bonds (G.O. Bonds), Series 2005 are well underway and some have also been completed. The City has been careful in scheduling projects in order to minimize disruptions to existing traffic patterns, and to provide its residents and commercial partners the ability to operate “business as usual”. The main thrust of the Phase I projects has been traffic mitigation and roadwork improvements. In fiscal year 2005, the City spent approximately \$7.5 million for the various G.O. Bonds projects, including but not limited to, \$5.2 million for widening of 118th Avenue to 136th Avenue; \$1.3 million for the purchase of approximately 10 acres adjoining the SW Pines Nature and Recreational Park for wetlands; and approximately \$1.0 million for costs of issuance and other park renovations. In fiscal year 2006, the City spent an additional \$16.2 million for the completion of bond projects, but was also reimbursed \$6.0 million as a result of Pines Boulevard construction agreements; \$5.0 million was received from the Florida Department of Transportation (FDOT); and \$1.0 million from the Pembroke Lakes Mall, Ltd.

Some of the major projects in fiscal year 2006 included \$5.5 million for the refunding of the Capital Improvement Revenue Bonds, Series 1993, roadwork improvements in the amount of \$10.3 million, and \$0.4 million for park and recreational renovations. Of the \$10.3 million spent for roadwork improvements, \$2.3 was used to complete the 118th Avenue to 136th Avenue road widening project. The total cost of this project is \$8 million. An additional \$5.6 million was spent for improvements to the main corridor which is Pines Boulevard between 136 Avenue and Hiatus Road, based on a contract awarded to Stiles Corporation, and approximately \$2.0 million was spent on road improvements in the western portion of the City on 172nd Avenue from Sheridan Street to Pembroke Road.

On March 15, 2006, the City Commission approved the purchase of property from Chapel Trail Associates, in the amount of \$8.9 million, which consists of an abandoned Winn-Dixie and three other stores in the shopping center, however the City was unable to conclude this transaction, but is currently exploring other viable options for the construction of a community recreation teen and senior facility in the western portion of the City.

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. There have been significant improvements to this site thus far, including the completion of the two Senior Housing Residential Complexes. Tower I was completed in May 2005 and consists of 208 residential units, and Tower II was completed in fiscal year 2006 and consists of an additional 186 residential units. Additionally, in February 2006, the City completed the 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. These projects were all funded by revenue bonds.

The City continues to foresee additional opportunities for the Senator Howard C. Forman Human Services Campus, and has been forging ahead with its overall master plan for this property. On December 1, 2006 the City issued \$45.05 million in Capital Improvement Revenue Refunding Bonds, Series 2006. The funds from this bond issue will be used to refund a portion of the Capital Improvement Revenue Bonds, Series 1999, in the amount of \$28.5 million, and \$16.8 million to finance the various projects at the Senator Howard C. Forman Human Services Campus. These projects include, but are not limited to, the renovations to existing buildings for an additional senior center; career educational programs and medical support facilities; renovation of buildings for emergency services and backup operations; completion of a central kitchen to be used for food services to the City's charter schools and emergency food preparation; and fuel tanks which will also be used for emergency preparedness. Additional information can be found in Note 5- "Subsequent Events".

Also, on January 24, 2007 the City issued \$26.805 million of Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, which will be used for the construction of Tower III of the Senior Housing Residential Complex consisting of 220 one bedroom units, and renovations of existing senior housing facilities owned and operated by the City. Tower I and Tower II were previously constructed and has been a very successful venture benefiting the City's senior residents. This new building will bring the total number of units available to seniors at that location to 614 units. Additional information can be found in Note 5- "Subsequent Events".

The plans for "City Center" are fast becoming a reality, and remain to be a project of significant importance in terms of both financial implications and resource allocation needed for its development. This project was initially started in fiscal year 2003 with the purchase of approximately 115 acres of undeveloped land adjacent to City Hall, for \$22 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 is overseeing 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. The City is expected to recover its development costs through the sale of building sites to various businesses and developers. As a result of the enormous implications of this project, the City Commission requested an independent market and cost-benefit analysis of the viability of the project, which indicated that this project was still beneficial to the City, but that escalating costs of construction could impede the project. To date, the City has spent approximately \$8.0 million on the "City Center" project. The contract was awarded to Stiles Corporation for the overall development of this property. Phase I of the project is currently underway and includes earthwork, lake creation and mitigation construction which will cost approximately \$18.6 million.

During the fiscal year, the City continued its recovery from the devastating damages of Hurricane Wilma which occurred on October 24, 2005. The City has spent a total of \$35.9 million for debris removal, repairs, and other cleanup efforts, but has also been fortunate to receive actual reimbursements from the Federal Emergency Management Agency (FEMA) in the amount of \$25.6 million. Additionally pending reimbursement claims amounting to \$3.2 million is still outstanding. In addition, Hurricane Wilma caused such widespread damage throughout the region, that as part of the restoration process the City signed a loan agreement with the South Broward Drainage District providing \$0.8 million for the restoration of lake- shoreline eroded during the hurricane. The loan is expected to be paid back in fiscal year 2008 and currently earns the Florida State Board of Administration's (SBA) participant rate of return.

Additionally the City is planning on becoming more self reliant and efficient in responding to future disasters. The City plans on establishing a "mini FEMA" in which a company would be contracted to supply its residents with food, water, ice and tarps within 24 hours after a disaster strikes. Other future preparation and mitigation efforts include providing wireless local area networks in key locations throughout the City, including City Hall, the Senior Centers, and the Police and Fire Stations. The City has been meeting with FEMA representatives regarding the possibility of constructing an industrial kitchen to feed the residents of the City, in an overall effort to ensure that the emergency needs of its residents are met. Throughout the year the City also made purchases of special generators for a total cost of \$0.8 million to be used for emergency operations at the water and wastewater plants in the case of major power outages, and is in the process of purchasing portable traffic signals. The City is committed to being prepared for future disasters and is moving ahead with these projects as described previously, independently of whether it has to fund them through bond issues and other various means, and later request reimbursements of the funding from State or Federal Agencies.

Awards and Acknowledgements

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 on 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 that year.

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, 2005. This was the Twenty-first 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, 2005. The City of Pembroke Pines has received this award consecutively for nine 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.

On November 17, 2006, the City won four awards for "municipal excellence" from the Florida League of Cities, a private organization that advocates for the State's municipalities and provides training for officials. Pembroke Pines won in the categories of: Florida City of Excellence, City Spirit, Mayor of the Year and Financial Official of the Year. Pembroke Pines was named City of Excellence for its efficient administration, resident outreach and innovation. The League noted projects such as the Academic Village for students of all ages, the city-run charter school system, City Center and the Senator Howard C. Forman Human Services Campus.

The City Spirit award is presented for a citywide effort to successfully address a need, and Pembroke Pines has given special attention to seniors. The City built and manages 586 affordable rental apartments and, with the help of more than 300 volunteers, serves clients from 10 southwest Broward County cities with health and social services, adult/Alzheimer's day care, education and recreation and transportation.

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 the preparation of this report. Special recognition is given to the firm of Watson Rice LLP for their assistance and professionalism.

In closing, without the leadership, the vision, 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, 2005

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



President

Executive Director



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List of City Officials

City Commission:

Frank C. Ortis, Mayor

Iris A. Siple, Vice Mayor

William B. Armstrong, Commissioner

Angelo Castillo, Commissioner

Carl Shechter, Commissioner

City Manager:

Charles F. Dodge LLC

City Attorney:

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

City Clerk:

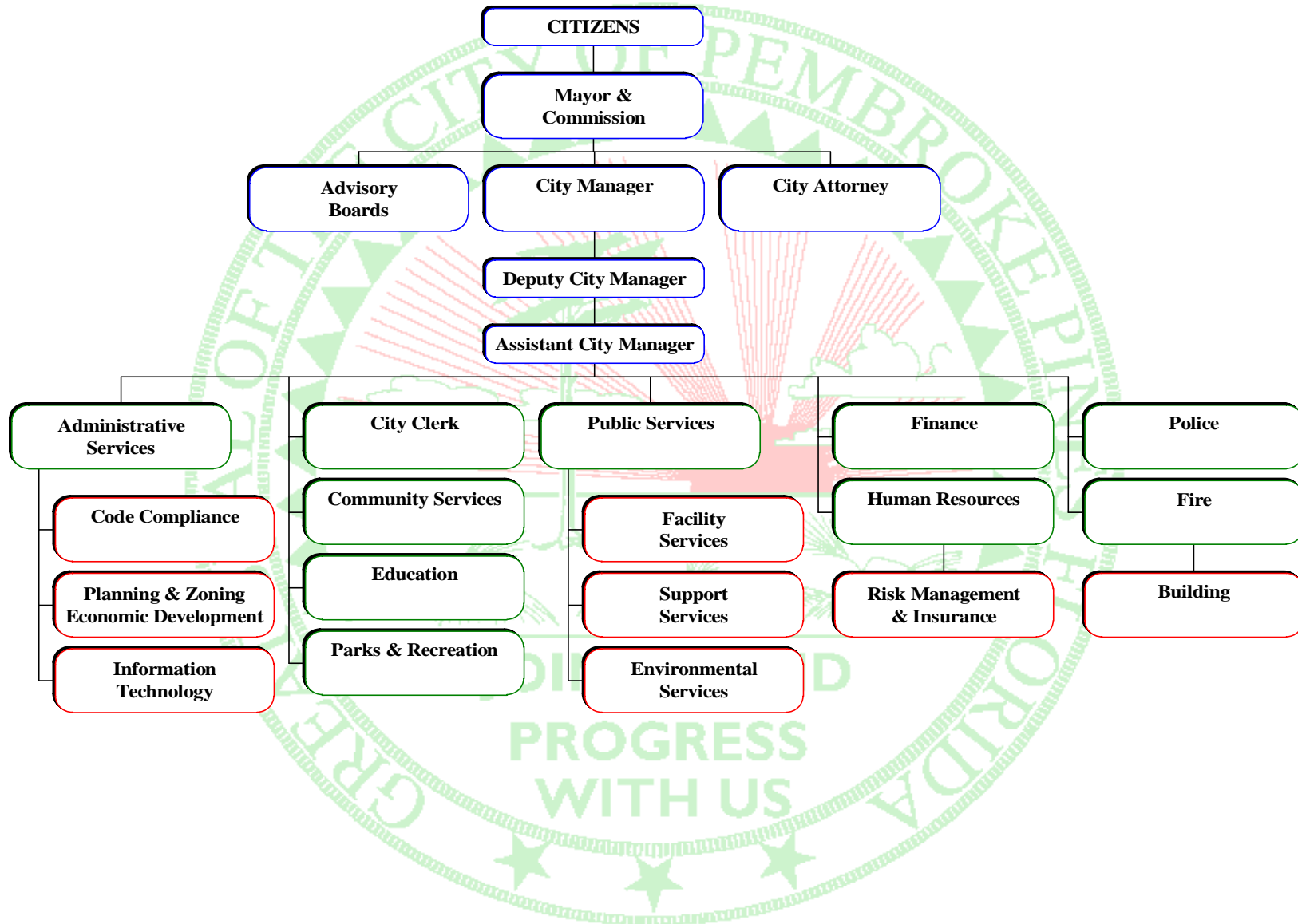
Judith A. Neugent

Finance Director:

René D. González



City of Pembroke Pines, Florida Organizational Chart



II. FINANCIAL SECTION

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



Independent Auditors' Report



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, 2006. 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.

Financial Highlights

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$343.2 million (*net assets*), as compared with \$361.2 million for the previous fiscal year. Of this amount, \$87.4 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$18.0 million (or -5.0 percent) during the current fiscal year. Included in the total net assets are governmental net assets which decreased by \$12.3 million (-9.5 percent), and the business-type net assets which decreased by \$5.7 million (or -2.5 percent). The reasons for the decrease in net assets are analyzed on pages 8-11.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72.0 million, a decrease of \$15.5 million (-17.7 percent) in comparison with the prior year. Approximately \$15.5 million (21.5 percent) of this total amount is available for spending at the City's discretion (*unreserved, undesignated fund balance*). The reasons for the decrease in fund balance are analyzed on page 12.
- At the end of the current fiscal year, unrestricted net assets of the City's governmental activities were \$3.9 million, or 1.6 percent of total governmental activities expenses. The unrestricted net assets of the business-type activities were \$83.5 million, or 202.6 percent of total business-type expenses.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type*

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

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

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

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 98-101 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 94-97. The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. An *internal service fund* is used to account for the City's insurance coverage'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 28-32 of this report.

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

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

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

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

The notes to the basic financial statements can be found on pages 35-91 of this report.

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

Required supplementary information can be found on pages 92-97 of this report.

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

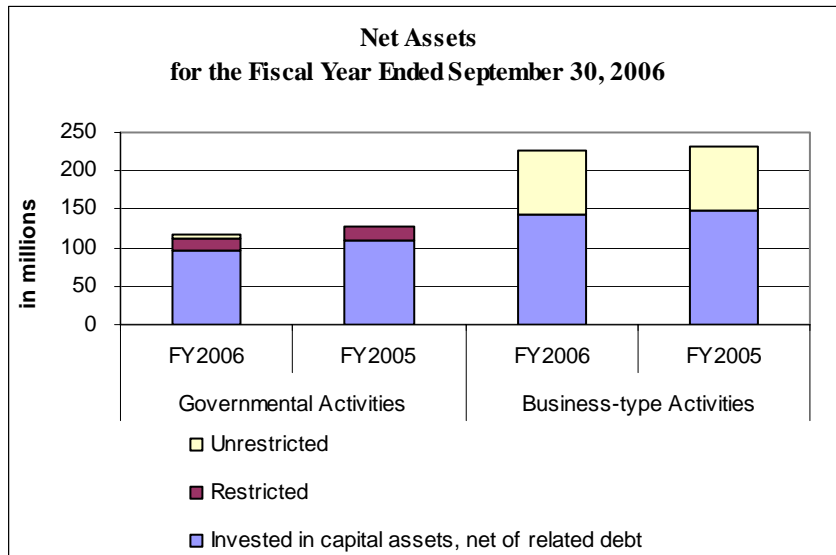
Combining and individual fund statements and schedules can be found on pages 98-101 of this report.

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 \$343.2 million at the close of the most recent fiscal year, which represents a 5.0 percent decrease compared to last year's net assets of \$361.2 million. By far the largest portion of the City's net assets \$238.8 million (69.6 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, \$17.0 million (5.0 percent), represent resources that are subject to external restrictions on how they may be used. This balance decreased by approximately \$2.7 million (-13.8 percent) \$1.8 million related to governmental activities, and \$0.9 million relating to the business-type activities. At the end of the fiscal year there were no restricted assets relating to the business-type activities, as compared with \$0.9 million last year. The restricted net assets of the governmental funds decreased by \$1.8 million (-9.3 percent), mainly as a result of the reduction in restricted net assets for the Charter Schools of -\$1.3 million, a reduction in net assets relating to debt service of -\$1.3 million, and an increase in the Road and Bridge Fund of \$0.9 million. The remaining balance is unrestricted net assets of \$87.4 million (25.4 percent), which increased by \$3.1 million (3.7 percent) over last year mainly as a result of the Federal Emergency Management Agency's (FEMA) reimbursements for hurricane Wilma. On January 5, 2007, the President ordered an increase in the disaster assistance provided to state and local governments. This increased the Federal share from 75 percent to 90 percent and reduced the State's share from 12.5 percent to 5 percent. Overall, the total reimbursement to the City increased from 87.5 percent to 95 percent for eligible costs. This order was retroactive to the date of the disaster declaration which was October 24, 2005.

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>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 98.5	\$ 96.8	\$ 37.3	\$ 38.9	\$ 135.8	\$ 135.7
Restricted assets	44.9	64.6	2.6	3.4	47.5	68.0
Negative net pension obligation	69.0	73.5	3.7	3.9	72.7	77.4
Unamortized bond issue costs	5.0	5.5	-	-	5.0	5.5
Capital assets, not being depreciated	59.9	74.8	3.0	5.2	62.9	80.0
Capital assets, being depreciated, net	240.3	226.3	140.3	143.6	380.6	369.9
Total assets	<u>517.6</u>	<u>541.5</u>	<u>186.9</u>	<u>195.0</u>	<u>704.5</u>	<u>736.5</u>
Long-term liabilities	334.2	341.9	1.1	1.0	335.3	342.9
Other liabilities	67.0	70.9	(41.0)	(38.5)	26.0	32.4
Total liabilities	<u>401.2</u>	<u>412.8</u>	<u>(39.9)</u>	<u>(37.5)</u>	<u>361.3</u>	<u>375.3</u>
Invested in capital assets, net of related debt	95.5	108.4	143.3	148.8	238.8	257.2
Restricted	17.0	18.8	-	0.9	17.0	19.7
Unrestricted	3.9	1.5	83.5	82.8	87.4	84.3
Total net assets	<u>\$ 116.4</u>	<u>\$ 128.7</u>	<u>\$ 226.8</u>	<u>\$ 232.5</u>	<u>\$ 343.2</u>	<u>\$ 361.2</u>

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

Despite an overall decrease in net assets of \$18.0 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
Management's Discussion and Analysis

Changes in Net Assets (in millions) **

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues						
Program Revenues:						
Charges for services	\$95.4	\$88.9	\$30.2	\$29.0	\$125.6	\$117.9
Operating grants & contributions	34.4	6.8	0.2	-	34.6	6.8
Capital grants & contributions	0.3	1.1	1.6	0.7 (1)	1.9	1.8
General Revenues:						
Property taxes	42.5	35.6	-	-	42.5	35.6
Franchise fees on gross receipts	14.7	12.9	-	-	14.7	12.9
Utility taxes	9.7	9.5	-	-	9.7	9.5
Communications services tax	7.1	6.7	-	-	7.1	6.7
Other taxes	4.8	4.7	-	-	4.8	4.7
Intergovernmental - unrestricted	14.1	13.4	-	-	14.1	13.4
Investment earnings, not restricted	5.3	2.4	3.5	1.9	8.8	4.3
Other miscellaneous	0.4	0.4	0.1	-	0.5	0.4
Total revenues	228.7	182.4	35.6	31.6	264.3	214.0
Expenses:						
General government services	23.0	21.4	-	-	23.0	21.4
Public safety	115.5	75.0	0.3	-	115.8	75.0
Physical environment	4.0	3.6	-	-	4.0	3.6
Transportation	8.2	12.0	-	-	8.2	12.0
Economic environment	4.7	3.0	-	-	4.7	3.0
Human services	50.2	49.2	-	-	50.2	49.2
Culture/recreation	19.7	18.5	-	-	19.7	18.5
Interest on long-term debt	15.7	13.8	-	-	15.7	13.8
Water utility services	-	-	5.0	4.4	5.0	4.4
Sewer/waste water services	-	-	10.0	9.6	10.0	9.6
Water-sewer combined service	-	-	25.9	23.0	25.9	23.0
Total expenses	241.0	196.5	41.2	37.0	282.2	233.5
Change in net assets	(12.3)	(14.1)	(5.6)	(5.4)	(17.9)	(19.5)
Net assets, beginning	128.7	142.8	232.4	237.9	361.1	380.7
Net assets, ending	\$116.4	\$128.7	\$226.8	\$232.5	\$343.2	\$361.2

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

(1) Capital grants & contribution for FY2005 restated

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Governmental activities. Net assets of the City's governmental activities decreased by -9.5 percent (-\$12.3 million) from \$128.7 million in last fiscal year to \$116.4 million in the current fiscal year.

Revenues:

Revenues from Governmental activities increased by \$46.3 million (25.4 percent) over last year. This increase was mainly driven by operating grants and contributions, which increased by \$27.6 million (406.1 percent) as a result of hurricane reimbursements from FEMA; property taxes which increased by \$6.9 million (19.5 percent) charges for services, which increased by \$6.5 million (7.3 percent); and investment earnings, not restricted increased by \$2.9 million (120.1 percent). All other revenues combined increased by \$2.4 million.

Charges for services are intended to fully recover the costs of providing those services. The opening of the City's third Senior Housing Residential Project, Tower II, which includes 186 one and two-bedroom residential units, has contributed \$2.3 million to the increase in charges for services as rental revenues. Additionally, the growing educational needs of the City, coupled with the resounding success of the City's Charter School system has contributed \$1.4 million to the increase in the charges for services. The other significant contributing factor was related to Public Safety which increased by approximately \$2.8 million, as a result of various building permit fees and roof inspection fees driven by the hurricane repairs.

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 12.0 percent increase in gross taxable values over last year, including taxable values of new construction. The City's operating millage was 4.599 for the fiscal year ending September 30, 2006 and an additional voter-approved debt millage of 0.3275 was added, thus increasing the City's total millage rate to 4.9265. As a result of the debt millage of 0.3275, the City collected an additional \$2.8 million which is accounted for in the Debt Service Fund. The millage rate for the fiscal year 2007 is 4.599 for the operating millage, and 0.2606 for the Debt Service millage; the total combined millage rate for the City is 4.8596.

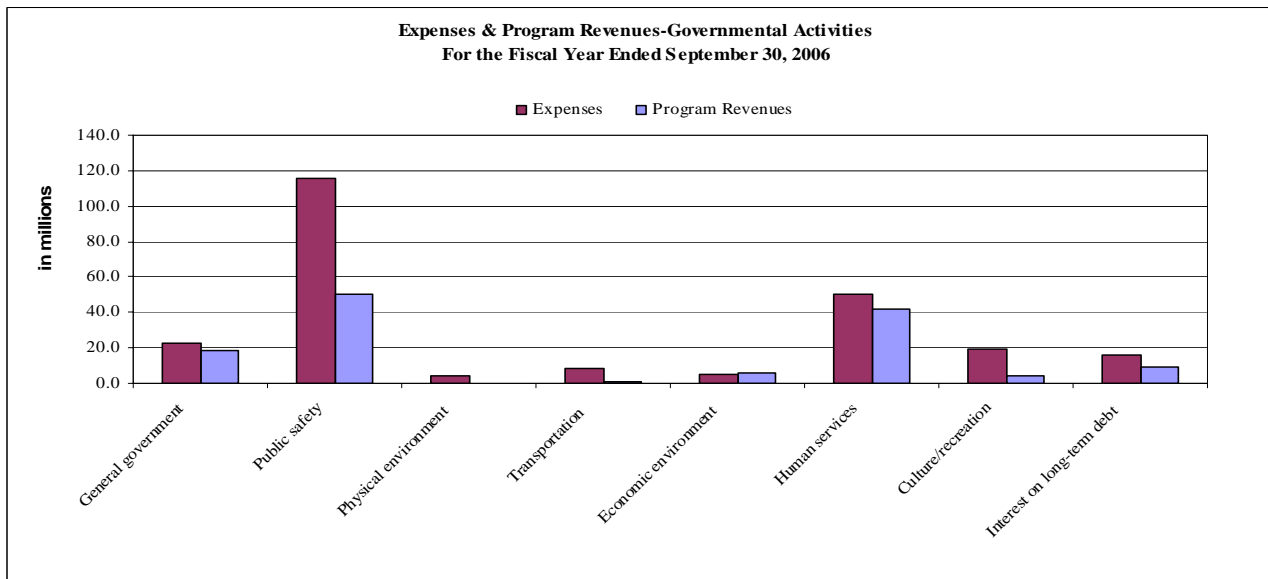
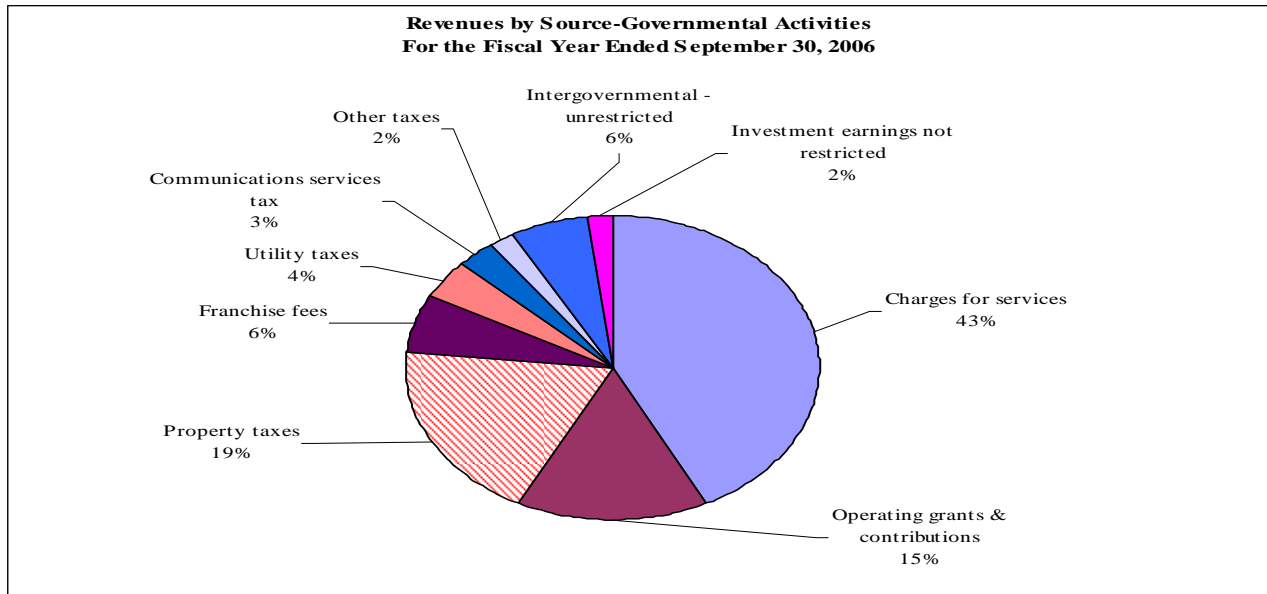
Expenses:

Expenses increased by \$44.5 million (22.6 percent) over last year. The increases in governmental expenses were mainly centered around Public Safety, and Interest on Long-term Debt which accounted for approximately \$42.4 million of the increase in expenses.

Public Safety expenses increased by approximately 40.4 million (53.9 percent) as a result of the increases in expenditures relating to Hurricane Wilma, in the amount of \$34.5 million. As of September 30, 2006 the City has received actual reimbursements from FEMA in the amount of \$25.4 million for Hurricane Wilma, and an additional \$5.4 million booked as a receivable.

City of Pembroke Pines, Florida

Management's Discussion and Analysis



Business-type activities. The net assets of the City's business-type activities decreased by \$5.7 million (-2.5 percent) from \$232.5 million last fiscal year to \$226.8 million in the current fiscal year.

Revenues:

Revenues increased over last year, by \$3.9 million (12.5 percent). The main factors contributing to this was an increase of \$1.2 million in charges for services, and an increase in investment earnings, not restricted, of \$1.6 million.

The increase in Charges for services of \$1.2 million was mainly attributable to an increase in water and sewer charges which are increased based on the change in the Consumer Price Index (CPI) for the twelve

City of Pembroke Pines, Florida

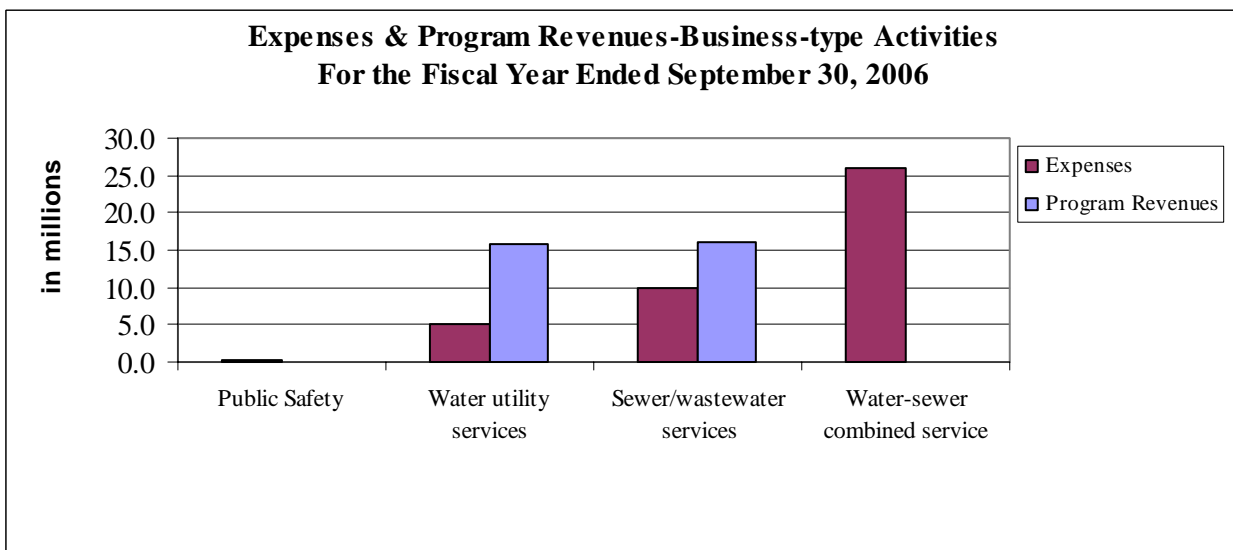
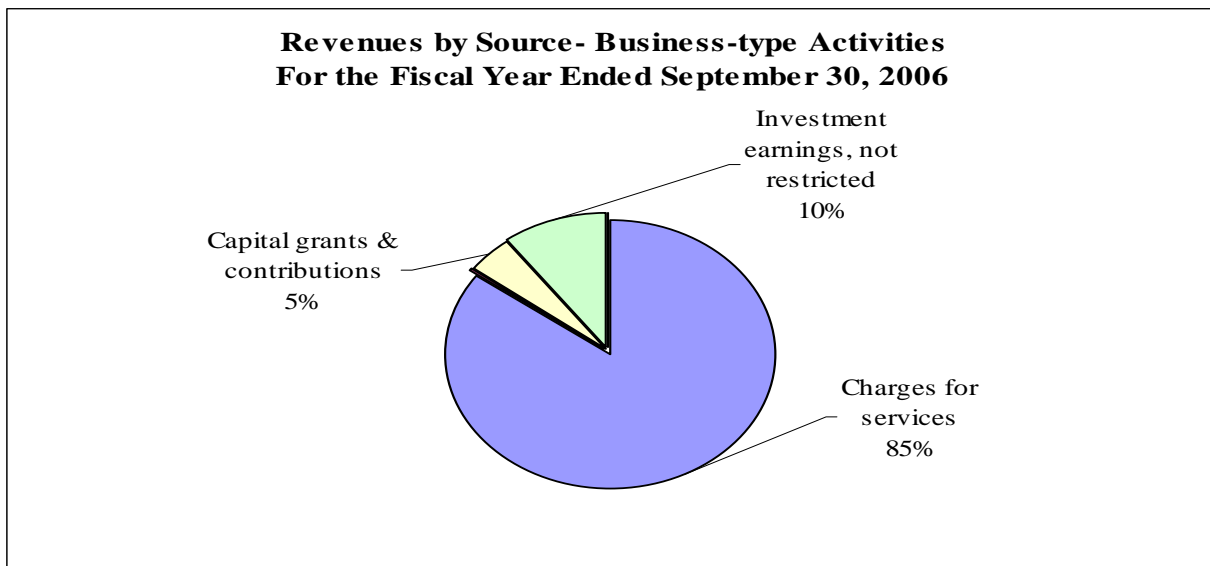
Management's Discussion and Analysis

months ending April 2005. The water and sewer rates increased by 3.51% for the fiscal year ended September 30, 2006.

The increase in investment earnings, not restricted is as a result of an interfund advance from the Utility Fund to the General Fund. This advance earned monthly interest in the amount of \$1.2 million based on the Florida State Board of Administration's participant rate of return.

Expenses:

Expenses of the business-type activities were higher over last year by \$4.2 million (11.4 percent). The most significant contributor to this increase related to the water-sewer combined service which increased by \$3.0 million or (13.0 percent), mainly as a result of a \$2.9 million increase in depreciation expense for the year.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

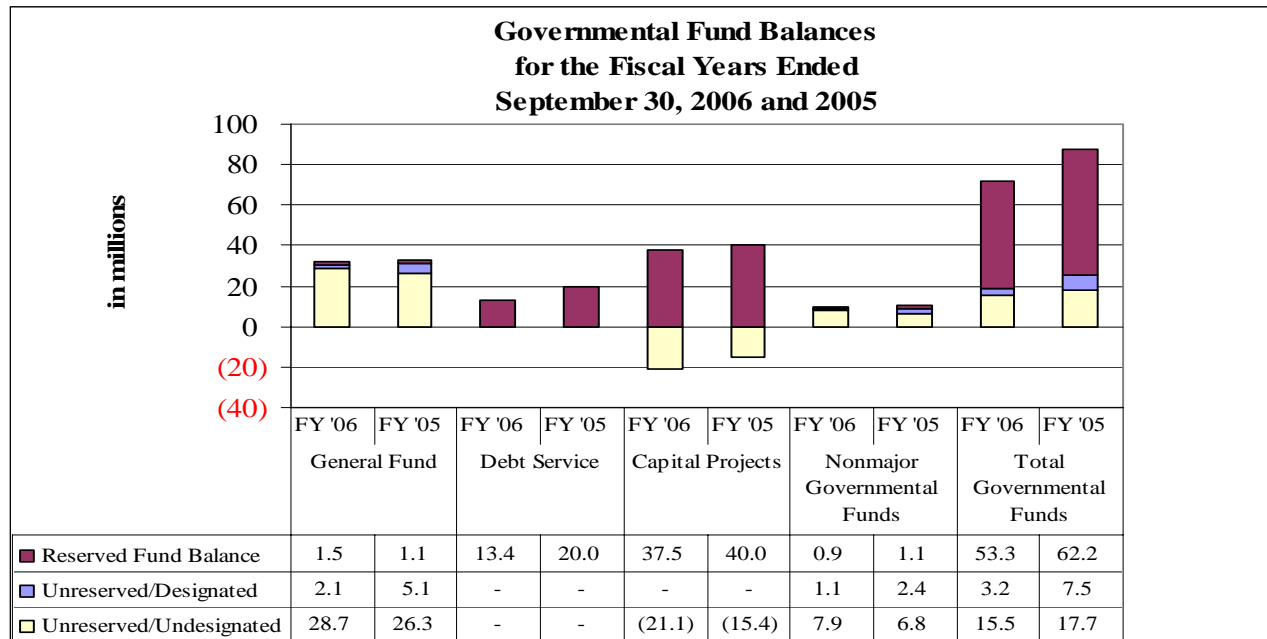
Financial Analysis of the City's Funds

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 \$72.0 million, a decrease of \$15.5 million in comparison with the \$87.5 million prior year balance. This significant decrease was mainly attributable to bond proceeds received the prior year which were spent during the current year in the Capital Projects Fund and the Debt Service Fund.

Approximately \$15.5 million of this total amount (21.5 percent) represents unreserved, undesignated 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; or designated by the City administration for disaster assistance and rent payments.



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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

The General Fund

The General Fund is the 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, undesignated fund balance of the General Fund was \$28.7 million, as compared with \$26.3 million in the prior year. Reserved fund balance increased by \$0.5 million to \$1.5 million. Unreserved, designated fund balance decreased by \$3.0 million from last year as the amounts originally designated for other post-employment benefits (OPEB) was affected as a result of unanticipated hurricane expenditures.

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

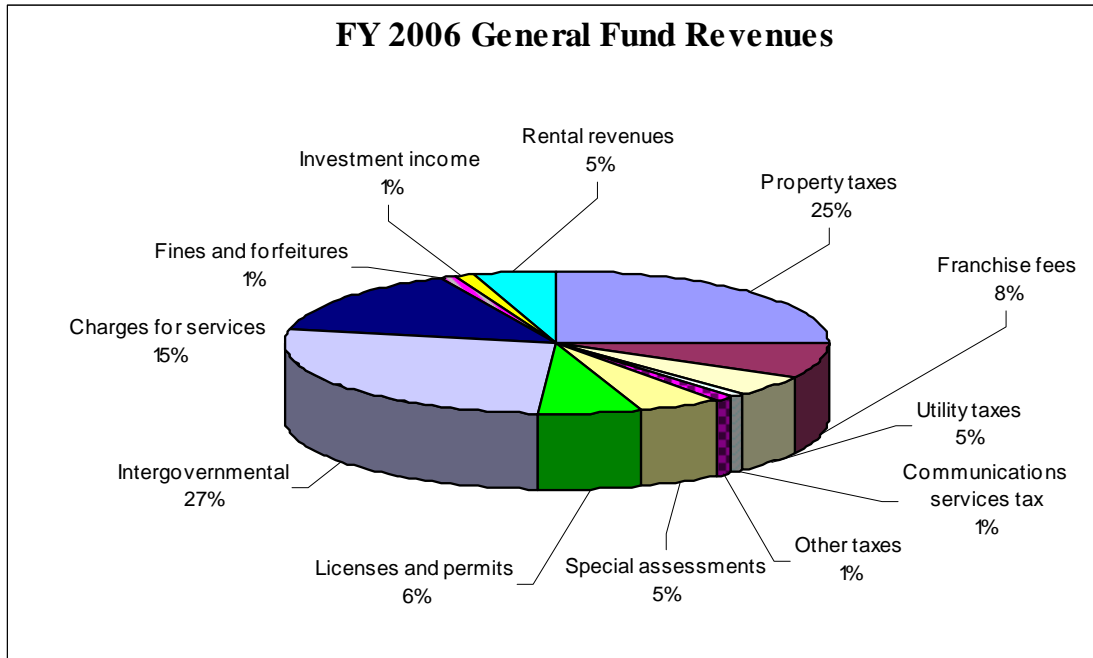
<u>Revenue Sources</u>	General Fund Revenues (in millions) **					
	<u>2006</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2005</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2005</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Property taxes	\$39.7	25%	\$35.6	30%	\$4.1	12%
Franchise fees	12.8	8%	10.7	9%	2.1	20%
Utility taxes	8.2	5%	7.7	6%	0.5	6%
Communications services tax	1.9	1%	3.2	3%	(1.3)	(41)%
Other taxes	2.0	1%	1.9	1%	0.1	5%
Special assessments	8.3	5%	8.1	7%	0.2	2%
Licenses and permits	9.1	6%	7.2	6%	1.9	26%
Intergovernmental	43.5	27%	13.8	11%	29.7	215%
Charges for services	23.4	15%	23.7	20%	(0.3)	(1)%
Fines and forfeitures	1.1	1%	0.7	1%	0.4	57%
Investment income	1.7	1%	1.1	1%	0.6	55%
Rental revenues	8.0	5%	5.8	5%	2.2	38%
Other revenues	0.2	0%	0.3	0%	(0.1)	(33)%
Total revenues	\$159.9	100%	\$119.8	100%	\$40.1	33%

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

Compared to the prior fiscal year, total General Fund revenues increased by \$40.1 million or 33 percent in fiscal year 2006. Intergovernmental revenues accounted for 74.1 percent of the increase in revenues, and represented actual and anticipated reimbursements for Federal Emergency Management Agency (FEMA) for Hurricane Wilma. Property taxes also increased by \$4.1 million or 12 percent. This increase in property tax revenue was due to new construction and increases in taxable values of 12 percent over last year as compared with the 10.5 percent increase in the prior fiscal year.

The decrease of \$1.3 million (-41 percent) in Communications Services Tax (CST) revenues is a result of amounts pledged for the repayment of interest for two bond issues which funded enhanced pension benefits for police officers, firefighters and general employees of the City. The portion of the pledged revenues from CST is reflected in the Debt Service Fund. Overall, total revenues for CST increased by \$0.3 million or 5 percent.

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



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

General Fund Expenditures (in millions) **

	<u>2006</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2005</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2005</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Expenditures:						
General government services	\$ 22.0	14%	\$ 20.5	18%	\$ 1.5	7%
Public safety	108.1	68%	68.0	59%	40.1	59%
Physical environment	3.9	2%	3.5	3%	0.4	11%
Economic environment	2.5	2%	1.5	1%	1.0	67%
Human services	6.3	4%	6.0	5%	0.3	5%
Culture/Recreation	16.7	10%	16.0	14%	0.7	4%
Total expenditures	\$ 159.5	100%	\$ 115.5	100%	\$ 44.0	38%

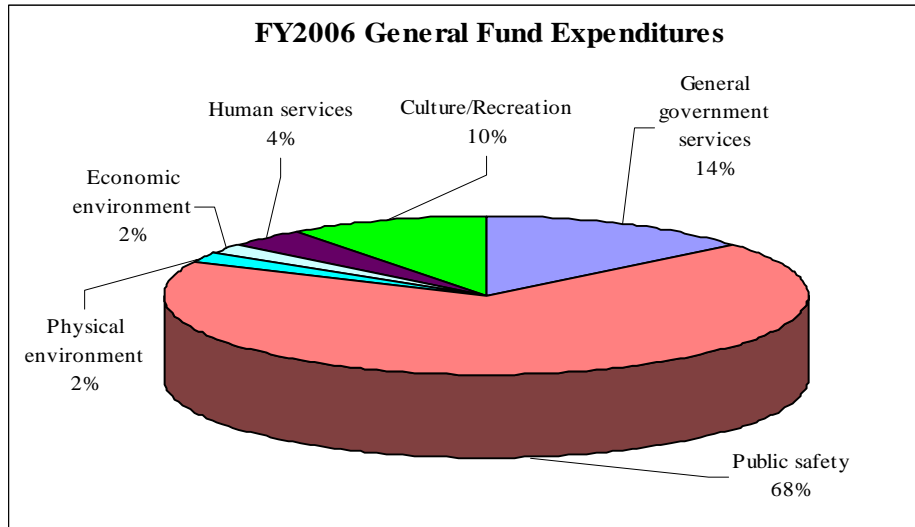
** Amounts may differ from the Fund Financial Statements due to rounding.

In fiscal year 2006, total General Fund expenditures increased by \$44.0 million or 38 percent compared to the prior year. The main increase in the General Fund expenditures was related public safety which increased by \$40.1 million. Of that amount, \$33.5 million was due to Hurricane Wilma that significantly impacted the City. Additionally, other public safety expenditures increased by \$6.6 million as a result of annual required contributions to the Police and Firefighters Pension Fund which cost the City an additional \$1.7 million over last year.

Other increases in wages and salaries were due to union negotiated cost of living increases of 2.25 percent for General employees, 1.5 percent for Police Officers on October 1, 2005 and April 1, 2006; and 3% for Firefighters on October 1, 2005.

City of Pembroke Pines, Florida

Management's Discussion and Analysis



Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund decreased by \$6.6 million or (33%), as compared with 2005. This was mainly a result of a current refunding of the Capital Improvement Revenue Bonds, Series 1993 in the amount of \$6.0 million. Additional information can be found in the Capital Assets and Debt Administration section on pages 17-19.

Capital Projects Fund

The deficit in the unreserved, undesignated fund balance of the Capital Projects Fund increased by \$5.7 million from -\$15.4 million in fiscal year 2005 to -\$21.1 million in fiscal year 2006. The reserved fund balance decreased by \$2.5 million over last year to \$37.5 million, and represented encumbrances. These balances are mainly attributable to construction projects related to the General Obligation Bonds, and various other construction projects being undertaken by the City.

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

Unrestricted net assets at the end of the year for the Utility Fund amounted to \$83.5 million compared to \$82.8 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

Expenditures

Over the past year the aggregate of all adjustments to the budget increased appropriations by \$10.8 million; chiefly to provide for an anticipated \$5.0 million increase in contributions to the Police & Fire Pension, \$3.4 million City share of hurricane expenses, and \$0.8 million in carryover of funds from 2005-06. Despite these changes, the final budget was \$23.1 million or 14.5% below actual expenditures due largely to \$31.7 million in unbudgeted emergency and disaster relief expenditures associated with Hurricane Wilma. This amount was offset mainly by budgetary savings as follows:

- **General government** - \$3.4 million principally in the Public Services, Non-departmental and Administrative Services divisions. Budget savings consisted primarily of \$2.1 million in operating expenses and \$1.1 million in personnel expense. Savings in operating expenses relate mainly to lower than expected liability insurance claims of \$0.6 million, building repair and maintenance of \$0.5 million and contingency expense for Cost of Living Adjustment of \$0.4 million. Savings in personnel is attributable largely to \$0.5 million of salaries for vacancies and partially filled positions, \$0.2 million in City contributions to the General Employees' Pension Plan and \$0.3 million in sick and vacation payouts at retirement/termination. The payouts to general employees are difficult to forecast since there is no limitation on years of service.
- **Public safety** - \$2.7 million connected mainly with the Fire and Police departments, and excluding emergency and disaster relief services. There was \$1.6 million in personnel, \$0.5 million operating and \$0.6 in capital budget savings. Savings in personnel are linked predominantly to workers' compensation of \$0.7 million, salaries of \$0.3 million, and City contribution to the General Employees' Pension Plan of \$0.3 million. Savings in operating expenses resulted chiefly from the cost on contractual services being lower than projected, and contracts that were never executed. Savings in capital expenditures related in part to the incomplete Traffic Pre-emption Project and an additional radio channel that was not finalized because of indecision regarding communication options.
- **Culture and recreation** - \$1.4 million comprising of \$0.9 million in personnel, \$0.3 million in operating and \$0.2 million in capital. Savings in personnel are linked mainly to salaries of \$0.5 million, City contribution to the General Employees' Pension Plan of \$0.2 million and workers' compensation of \$0.1 million. Salaries for part-time positions account for 73.8% of salary savings, and reflect the department's ability to recruit volunteers and hire over a short period. Operating expenses were below budget as a result of incomplete roof and fence repairs as well as undelivered replacement scorecards. Capital expenditures were lower than budget due generally to delays in completing the Flamingo Park drainage projects and in receiving playground equipment for Pasadena and Ashley Hale parks.

Revenues

Actual revenues were \$35.4 million or 28.4% above the final budget due mostly to increases in:

Intergovernmental revenue of \$30.9 million related to an unbudgeted anticipated \$30.4 million reimbursement from the Federal and State Emergency Management Agencies in connection primarily with Hurricane Wilma, and \$0.6 million in local government ½ cent sales tax. In terms of the latter, the budget estimate took into account the 8.7% reduction in the distribution to municipalities as mandated by Florida Senate Bill 1492 (effective July 1, 2004) to facilitate increased funding to the court system. It is apparent that robust retail sales negated the effect of the distribution reduction.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

- **Taxes** of \$2.8 million consisting mainly of:
 - \$1.0 million in franchise electricity – the budget estimate was based on a 6.4% fuel rate adjustment; however, in November 2005, Florida Power and Light announced a 22.0% increase in fuel rates. The prorated impact of this increase would have resulted in the fuel rate adjustment being 13.1% which would have increased the budget estimate by \$1.0 million.
 - \$0.5 million in communication services tax - the budget estimate was deflated by \$0.3 million to take account of the difference between the City and the state's projection. In addition, the change of the CPI driver from the monthly All US Cities to the 6-month average of the Education and Communication-Miami/Ft. Lauderdale index reduced the estimate by approximately \$0.1 million.
 - \$0.4 million in property taxes - the budget was based on 95% collection taking into account 4% maximum discount for early payment and 1% for any post July downward adjustment in the taxable value however; collections were 0.57% or \$0.2 million higher than estimated and the taxable value increased by 0.35% generating approximately \$0.1 million.
 - \$0.3 million in franchise fees resource recovery - the budget was based on the contract minimum whereas the actual revenue include receipts from additional host fees (excess of 105,000 tons @ \$3.00) and additional third party tons host fees (excess of 120,000 tons @ \$1.50).
 - \$0.3 million in public services tax electricity - only the net revenue is reflected in the General Fund since a portion of this revenue is used to cover debt service in another fund. Approximately \$0.2 million appropriated to debt service was not needed hence it remained in the general fund.
- **Licenses and permits** of \$1.7 million connected mainly with increase roofing and structural repairs associated with Hurricane Wilma, and building activity at the Cobblestone development and commercial building construction activity. In addition, although the impact is indeterminable, the availability of home equity financing resulting from the increase in real estate value continues to drive the home improvement trend.

In view of the aforementioned, the projected change in fund balance was (\$12.6) million. The actual fund balance change was (\$0.2) million resulting in a variance of \$12.4 million.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of September 30, 2006, amounted to \$443.5 million (net of accumulated depreciation), compared with \$449.9 million last year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was -1.4 percent.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2006	2005	2006	2005	2006	2005
Capital assets, not being depreciated:						
Land	\$53.1	\$49.6	\$3.0	\$3.0	\$56.1	\$52.6
Construction in progress	6.9	25.2	-	2.2	6.9	27.4
Total capital assets, not being depreciated	<u>60.0</u>	<u>74.8</u>	<u>3.0</u>	<u>5.2</u>	<u>63.0</u>	<u>80.0</u>
Capital assets, being depreciated, net						
Buildings	175.2	156.5	16.9	16.8	192.1	173.3
Improvements other than buildings	45.1	48.3	121.7	125.8	166.8	174.1
Machinery and equipment	14.7	15.5	1.7	1.0	16.4	16.5
Infrastructure	5.3	6.0	-	-	5.3	6.0
Total capital assets, being depreciated, net	<u>240.3</u>	<u>226.3</u>	<u>140.3</u>	<u>143.6</u>	<u>380.6</u>	<u>369.9</u>
Total capital assets	<u><u>\$300.3</u></u>	<u><u>\$301.1</u></u>	<u><u>\$143.3</u></u>	<u><u>\$148.8</u></u>	<u><u>\$443.6</u></u>	<u><u>\$449.9</u></u>

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

The net addition to capital assets before depreciation for governmental activities was approximately \$13.1 million and included the following items:

- Began preliminary development of Phase II of the Senator Howard C. Forman Human Services Campus, which will include construction of the Senior Housing Tower III project containing 220 residential units. The City spent approximately \$3.8 million for the site preparation, and design of the Senior Housing Residence. The total cost of the project is expected to be approximately \$25.0 million, which will be funded through a bond issue (See Note 5 "Subsequent Events").
- Continued various transportation projects throughout the City utilizing the 2005 General Obligation Bond proceeds. In 2006, the City spent an additional \$2.8 million on road improvements relating to City-owned streets, and various park improvements.
- Completed the construction of Tower Two of the Senior Housing Residential Project. The total cost of construction was approximately \$14.0 million, and consists of an additional 78 one bedroom and 108 two bedroom residential units.
- Completed construction of the Susan B. Anthony Center. During the fiscal year 2006, the City spent an additional \$1.5 million to fully complete the project which cost \$7.7 million. The facility includes an administrative and treatment building, a 40-unit residential complex and an Early Development Center.
- Continued construction of the SW Pines Nature Park. The City has spent an additional \$1.2 million in 2006 and \$0.4 million in 2005. This will be developed as a soccer park, which is located in the western portion of the City. The total cost for this project is approximately \$15.4 million.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

- Completed construction of the Equestrian Park which will be located in the western portion of the City on 196th Avenue and Sheridan Street, next to the Children's Harbor residential complex, which opened in June 2006.
- Purchased 23 patrol and other vehicles for the Police Department for approximately \$0.6 million; and a specialized ladder truck for the Fire Department in the amount of \$0.6 million

Of the \$1.8 million net addition to capital assets before depreciation for business-type activities, the majority of these purchases included:

- Purchased twelve (12) 22 kilowatt and two (2) 1500 kilowatt generators for Public Services in the amount of \$0.8 million which will be used for emergency operations at the water and wastewater plants of the City in the event of major power outages.
- Continued rehabilitation of the sewer treatment plant, and water plant for approximately \$0.5 million.
- 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 51 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$308.0 million. The majority of the City's outstanding debt is secured by specified revenue sources; fiscal year 2005 was the first time that the City had issued General Obligation Bonds of \$47.0 million.

Outstanding Debt (in millions)		
Revenue and General Obligation Bonds		
Governmental		
Activities		
	2006	2005
Revenue Bonds	\$ 262.0	\$ 272.0
General Obligation Bonds	46.0	47.0
	<u>\$ 308.0</u>	<u>\$ 319.0</u>

- During the current fiscal year, the City's net outstanding debt decreased by \$11.0 million (-3.4 percent), as a result of debt service payments.

The City has continued to maintain its excellent credit rating, receiving Moody's highest "Aaa" rating and Fitch's "AAA" rating for all of its revenue bond issues. The General Obligation Bonds received an underlying rating from Moody's of Aa3, and AA- from Fitch. Additional information on the City's long-term debt can be found in Note 3.g. starting on page 56 of this report.

City of Pembroke Pines, Florida

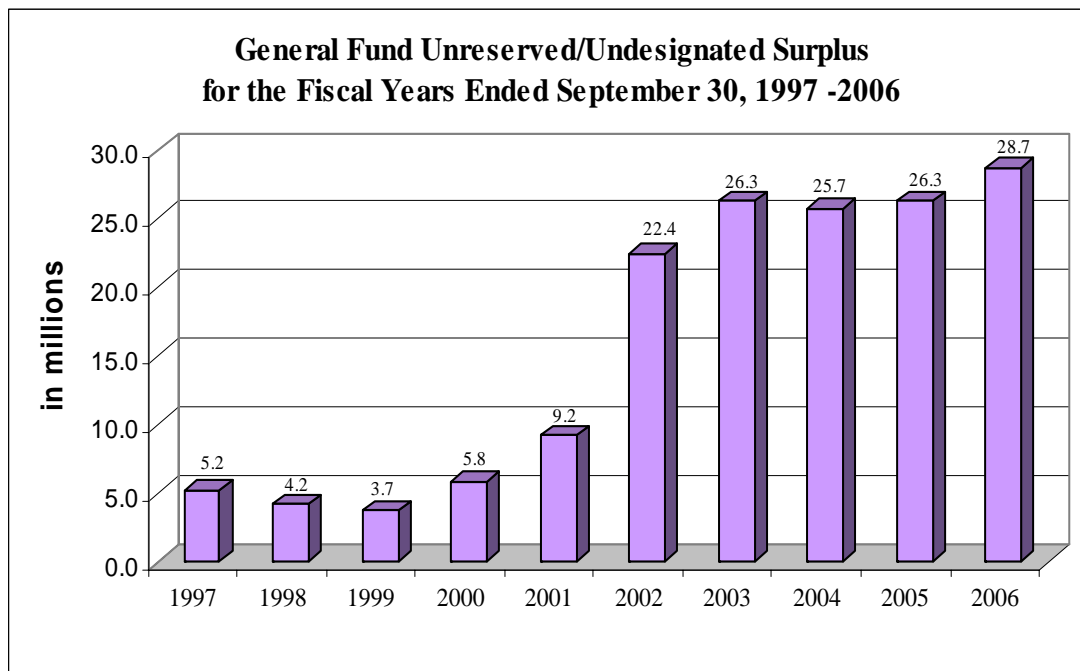
Management's Discussion and Analysis

Economic Factors, and Next Year's Budgets and Rates

The City's local economy is primarily based upon retail and service activities. The occupancy rate of the City's retail establishments and office structures remains at approximately 94 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 for the fiscal year ended September 30, 2006 was 2.7 percent, which is a decrease from 3.4 percent a year ago. This compares favorably to unemployment rates for Broward County, which was 3.1 percent, and 3.2 percent for the State of Florida.

During the current fiscal year, unreserved/undesignated fund balance in the General Fund increased to \$28.7 million, compared to \$26.3 million from last year. The \$28.7 million is approximately equal to two months of the General Fund operating expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph.

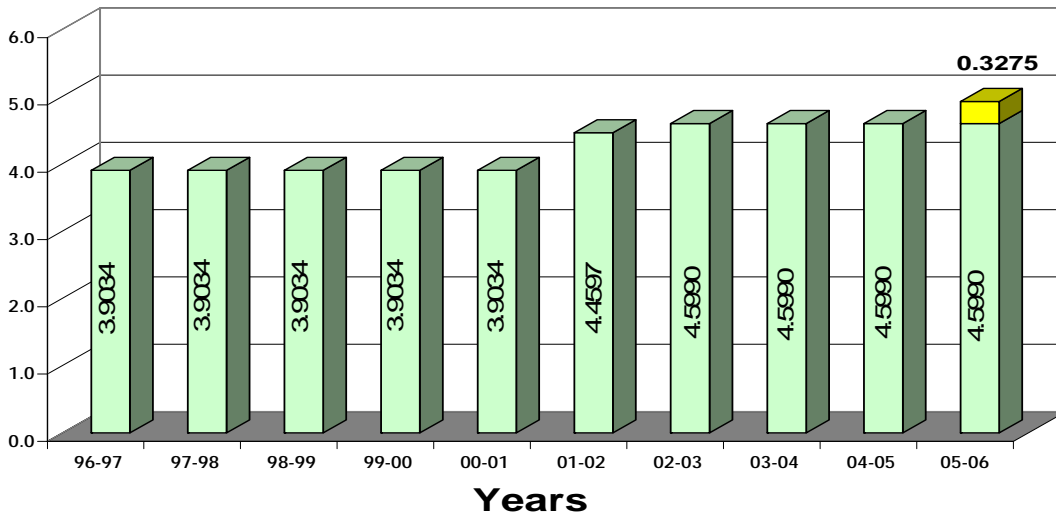


A portion of unreserved fund balance will be used to preclude or moderate future tax and user fee increases. In 1995, the State of Florida limited all local governments' ability to increase property taxable values in any given year to 3 percent or the cost of living increase, whichever is lower. The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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Millage Rate History



The water and sewer revenue projections were increased for the 2007 budget year. The water and sewer rates were increased by 3.55 percent effective October 1, 2006 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 2007 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 estimated rate of inflation used in the preparation of the budget was 3.8 percent based on the projected change in the Consumer Price Index for All Urban Consumers- U.S. City Average.

All these and other factors were considered in preparing the City's budget for fiscal year 2007.

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, FL4, Pembroke Pines, Florida 33026-6041.



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Basic Financial Statements



Government-wide Financial Statements



City of Pembroke Pines, Florida

Statement of Net Assets

September 30, 2006

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Pooled cash and cash equivalents	\$32,250,308	\$3,162,683	\$35,412,991
Investments	51,782,534	30,784,269	82,566,803
Receivables, net	14,011,182	3,408,524	17,419,706
Inventories	191,438	-	191,438
Restricted assets:			
Pooled cash and cash equivalents	44,911,810	1,097,580	46,009,390
Investments	-	1,473,377	1,473,377
Prepaid costs	140,368	-	140,368
Negative net pension obligation	69,031,647	3,687,256	72,718,903
Unamortized bond issue costs	5,028,619	-	5,028,619
Capital assets, not being depreciated	59,946,856	3,006,562	62,953,418
Capital assets, being depreciated, net	240,318,608	140,256,420	380,575,028
Total assets	<u>517,613,370</u>	<u>186,876,671</u>	<u>704,490,041</u>
Liabilities			
Accounts payable and accrued liabilities	15,282,063	39,260	15,321,323
Deposits	1,797,533	-	1,797,533
Deferred revenue	6,397,300	-	6,397,300
Internal balances	43,553,129	(43,553,129)	-
Payable from restricted assets:			
Deposits	-	2,570,957	2,570,957
Noncurrent liabilities:			
Due within one year	18,764,466	576,443	19,340,909
Due in more than one year	315,407,921	484,203	315,892,124
Total liabilities	<u>401,202,412</u>	<u>(39,882,266)</u>	<u>361,320,146</u>
Net assets			
Invested in capital assets, net of related debt	95,504,416	143,262,982	238,767,398
Restricted for:			
\$2 Police Education	166,780	-	166,780
Charter schools	466,064	-	466,064
Debt Service	7,657,743	-	7,657,743
FDLE - Confiscated	1,123,326	-	1,123,326
Justice - Confiscated	240,142	-	240,142
Road & Bridge Fund	6,589,434	-	6,589,434
Treasury - Confiscated	156,620	-	156,620
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	162,133	-	162,133
Unrestricted	3,898,185	83,495,955	87,394,140
Total net assets	<u>\$116,410,958</u>	<u>\$226,758,937</u>	<u>\$343,169,895</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Activities

Fiscal Year Ended September 30, 2006

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	\$23,008,076	\$18,111,363	\$18,810	\$151,389	\$(4,726,514)	\$ -	\$(4,726,514)
Public safety	115,482,598	19,436,165	31,011,064	-	(65,035,369)	-	(65,035,369)
Physical environment	3,997,835	120	-	-	(3,997,715)	-	(3,997,715)
Transportation	8,243,716	285,684	821,762	100,000	(7,036,270)	-	(7,036,270)
Economic environment	4,715,450	4,316,254	1,309,972	-	910,776	-	910,776
Human services	50,152,084	40,293,116	1,256,223	-	(8,602,745)	-	(8,602,745)
Culture/recreation	19,673,548	3,962,945	19,600	53,247	(15,637,756)	-	(15,637,756)
Interest on long-term debt	15,728,258	8,996,692	-	-	(6,731,566)	-	(6,731,566)
Total governmental activities	<u>241,001,565</u>	<u>95,402,339</u>	<u>34,437,431</u>	<u>304,636</u>	<u>(110,857,159)</u>	<u>-</u>	<u>(110,857,159)</u>
Business-type activities:							
Public safety	273,616	-	151,310	-	-	(122,306)	(122,306)
Water utility services	5,088,235	14,855,202	-	804,825	-	10,571,792	10,571,792
Sewer/wastewater services	9,970,132	15,277,785	-	772,506	-	6,080,159	6,080,159
Water-sewer combined service	25,887,741	67,850	-	-	-	(25,819,891)	(25,819,891)
Total business-type activities	<u>41,219,724</u>	<u>30,200,837</u>	<u>151,310</u>	<u>1,577,331</u>	<u>-</u>	<u>(9,290,246)</u>	<u>(9,290,246)</u>
Total	<u>\$282,221,289</u>	<u>\$125,603,176</u>	<u>\$34,588,741</u>	<u>\$1,881,967</u>	<u>(110,857,159)</u>	<u>(9,290,246)</u>	<u>(120,147,405)</u>
General revenues:							
Property taxes, levied for debt service					2,825,984	-	2,825,984
Property taxes, levied for general purposes					39,709,378	-	39,709,378
Franchise fees on gross receipts					14,712,631	-	14,712,631
Utility taxes					9,673,442	-	9,673,442
Communication service tax					7,062,674	-	7,062,674
Insurance premium taxes					2,028,350	-	2,028,350
Local option gas taxes					2,835,233	-	2,835,233
Intergovernmental revenue - unrestricted					14,081,754	-	14,081,754
Fines & forfeitures					3,282	-	3,282
Miscellaneous revenues					338,262	99,618	437,880
Investment earnings not restricted					5,298,389	3,482,457	8,780,846
Gain on sale of capital assets					-	9,447	9,447
Total general revenues					<u>98,569,379</u>	<u>3,591,522</u>	<u>102,160,901</u>
Change in net assets					(12,287,780)	(5,698,724)	(17,986,504)
Net assets, beginning					128,698,738	232,457,661	361,156,399
Net assets, ending					<u>\$116,410,958</u>	<u>\$226,758,937</u>	<u>\$343,169,895</u>

See notes to basic financial statements.

Fund Financial Statements



City of Pembroke Pines, Florida
Balance Sheet
Governmental Funds
September 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and cash equivalents	\$ 13,110,688	\$ -	\$ -	\$ 13,458,297	\$ 26,568,985
Investments	47,515,710	-	-	-	47,515,710
Receivables:					
Franchise fees and taxes	6,096,026	-	-	460,080	6,556,106
Other	1,457,177	-	-	77,074	1,534,251
Inventories	148,543	-	-	42,895	191,438
Prepaid costs	85,299	-	6,568	48,501	140,368
Due from other funds	477,657	-	-	-	477,657
Due from other governments	5,058,115	-	-	862,710	5,920,825
Restricted assets:					
Pooled cash and cash equivalents	-	13,357,201	30,946,361	608,248	44,911,810
Total assets	<u>\$ 73,949,215</u>	<u>\$ 13,357,201</u>	<u>\$ 30,952,929</u>	<u>\$ 15,557,805</u>	<u>\$ 133,817,150</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 8,891,041	\$ -	\$ -	\$ 27,489	\$ 8,918,530
Accrued liabilities	8,828	-	-	495,572	504,400
Retainage payable	-	-	141,411	-	141,411
Due to other funds	-	-	-	477,657	477,657
Interfund payables	-	-	1,920,000	-	1,920,000
Due to other governments	10,225	-	-	-	10,225
Deposits	1,376,777	-	-	420,756	1,797,533
Deferred revenue	2,129,972	-	-	4,267,328	6,397,300
Advances from other funds	<u>29,179,140</u>	<u>-</u>	<u>12,453,989</u>	<u>-</u>	<u>41,633,129</u>
Total liabilities	<u>41,595,983</u>	<u>-</u>	<u>14,515,400</u>	<u>5,688,802</u>	<u>61,800,185</u>
Fund balances:					
Reserved for:					
Subsequent years' expenditures	-	-	-	141,234	141,234
Wetland mitigation	-	-	-	467,014	467,014
Prepaid costs	-	-	-	48,501	48,501
Encumbrances	1,382,638	-	37,537,939	174,831	39,095,408
Inventory	148,543	-	-	42,895	191,438
Debt service	-	13,357,201	-	-	13,357,201
Unreserved, reported in:					
General fund:					
Designated for disaster assistance	2,125,000	-	-	-	2,125,000
Undesignated	28,697,051	-	-	-	28,697,051
Special revenue funds:					
Designated for rent payments	-	-	-	1,085,040	1,085,040
Undesignated	-	-	-	7,909,488	7,909,488
Capital projects fund:					
Undesignated	-	-	(21,100,410)	-	(21,100,410)
Total fund balances	<u>32,353,232</u>	<u>13,357,201</u>	<u>16,437,529</u>	<u>9,869,003</u>	<u>72,016,965</u>
Total liabilities and fund balances	<u>\$ 73,949,215</u>	<u>\$ 13,357,201</u>	<u>\$ 30,952,929</u>	<u>\$ 15,557,805</u>	<u>\$ 133,817,150</u>

(continued)

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
September 30, 2006

Fund Balances - Total governmental funds (page 24)	\$ 72,016,965
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.	300,265,464
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	5,028,619
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,699,459)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(308,020,000)
Deferred amounts for issuance discounts/premiums, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	1,700,278
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(17,854,675)
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.	68,973,766
Net assets of governmental activities (page 22)	\$ 116,410,958

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, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes:					
Property taxes	\$ 39,709,378	\$ 2,825,984	\$ -	\$ -	\$ 42,535,362
Franchise fees	12,796,523	82,772	1,833,334	-	14,712,629
Utility taxes	8,159,644	1,513,798	-	-	9,673,442
Communications services tax	1,897,135	5,165,539	-	-	7,062,674
Other taxes	2,028,350	-	-	2,835,233	4,863,583
Special assessments	8,299,540	-	-	-	8,299,540
Licenses and permits	9,101,753	-	-	-	9,101,753
Intergovernmental	43,460,525	-	-	37,651,594	81,112,119
Charges for services	23,416,701	-	-	1,420,050	24,836,751
Fines and forfeitures	1,044,412	-	-	320,196	1,364,608
Investment income	1,740,938	598,132	1,921,598	503,334	4,764,002
Contributions	69,962	-	347,389	69,657	487,008
Rental revenue	8,027,812	8,996,690	-	1,474,340	18,498,842
Other	139,506	-	1,964	1,285,273	1,426,743
Total revenues	<u>159,892,179</u>	<u>19,182,915</u>	<u>4,104,285</u>	<u>45,559,677</u>	<u>228,739,056</u>
Expenditures					
Current:					
General government	22,048,716	-	1,557,281	18,346	23,624,343
Public safety	108,105,469	-	641,413	1,529,292	110,276,174
Physical environment	3,917,975	-	-	-	3,917,975
Transportation	-	-	4,354,911	4,334,170	8,689,081
Economic environment	2,482,745	-	2,613,656	1,309,972	6,406,373
Human services	6,249,867	-	448,160	39,334,362	46,032,389
Culture and recreation	16,717,440	-	1,736,575	-	18,454,015
Debt service:					
Principal	-	5,035,000	-	-	5,035,000
Interest	-	15,027,554	742,829	-	15,770,383
Other debt service costs	-	22,694	-	-	22,694
Total expenditures	<u>159,522,212</u>	<u>20,085,248</u>	<u>12,094,825</u>	<u>46,526,142</u>	<u>238,228,427</u>
Excess (deficiency) of revenues over expenditures	<u>369,967</u>	<u>(902,333)</u>	<u>(7,990,540)</u>	<u>(966,465)</u>	<u>(9,489,371)</u>
Other financing sources (uses):					
Transfers in	-	214,124	-	1,199,800	1,413,924
Transfers out	(535,572)	-	(214,124)	(664,228)	(1,413,924)
Current bond refunding	-	(5,985,000)	-	-	(5,985,000)
Total other financing sources (uses)	<u>(535,572)</u>	<u>(5,770,876)</u>	<u>(214,124)</u>	<u>535,572</u>	<u>(5,985,000)</u>
Net change in fund balances	(165,605)	(6,673,209)	(8,204,664)	(430,893)	(15,474,371)
Fund balances, beginning	<u>32,518,837</u>	<u>20,030,410</u>	<u>24,642,193</u>	<u>10,299,896</u>	<u>87,491,336</u>
Fund balances, ending	<u>\$ 32,353,232</u>	<u>\$ 13,357,201</u>	<u>\$ 16,437,529</u>	<u>\$ 9,869,003</u>	<u>\$ 72,016,965</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, 2006

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

Net change in fund balances - total governmental funds (page 26) \$ (15,474,371)

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

The details of the difference are as follows:

Capital outlay	\$ 13,799,125	
Depreciation expense (excluding depreciation on internal service fund)	<u>(14,621,750)</u>	
Net adjustment		(822,625)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) (31,122)

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:

Principal payments:		
General Obligation Bonds	1,035,000	
Public Improvement Revenue Bonds	1,530,000	
Charter School Revenue Bonds	1,190,000	
Capital Improvement Revenue Bonds	<u>7,265,000</u>	
	11,020,000	
Bond Issue Costs and Bond Discount/Premium	<u>(600,898)</u>	
Net adjustment		10,419,102

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

The details of the difference are as follows:

Compensated absences		(1,790,873)
Accrued interest		(77,111)
Amortization of negative pension obligation		(4,510,780)

Change in net assets of governmental activities (page 23) \$ (12,287,780)

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2006

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Assets		
Current assets:		
Pooled cash and cash equivalents	\$ 3,162,683	\$ 5,681,323
Investments	30,784,269	4,266,824
Accounts receivable:		
Customer accounts, net	2,911,940	-
Special assessments	310,185	-
Other	672	-
Due from other governments	185,727	-
Interfund receivables	<u>1,920,000</u>	<u>-</u>
Total current assets	<u>39,275,476</u>	<u>9,948,147</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	1,097,580	-
Investments	<u>1,473,377</u>	<u>-</u>
Total restricted assets	<u>2,570,957</u>	<u>-</u>
Advances to other funds	<u>41,633,129</u>	<u>-</u>
Negative net pension obligation	<u>3,687,256</u>	<u>57,881</u>
Capital Assets:		
Land	3,006,562	-
Buildings and utility plant	189,787,019	-
Machinery and equipment	6,426,284	13,294
Less accumulated depreciation	<u>(55,956,883)</u>	<u>(13,294)</u>
Total capital assets (net of accumulated depreciation)	<u>143,262,982</u>	<u>-</u>
Total noncurrent assets	<u>191,154,324</u>	<u>57,881</u>
Total assets	<u>\$ 230,429,800</u>	<u>\$ 10,006,028</u>

(continued)

City of Pembroke Pines, Florida
Statement of Net Assets
Proprietary Funds
September 30, 2006
(continued)

	Business-type Activities <u>Enterprise Fund</u> <u>Utility Fund</u>	Nonmajor Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 39,260	\$ 8,038
Compensated absences	576,443	10,675
Claims payable	-	9,976,049
Total current liabilities	<u>615,703</u>	<u>9,994,762</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	<u>2,570,957</u>	<u>-</u>
Noncurrent liabilities:		
Compensated absences	<u>484,203</u>	<u>11,266</u>
Total noncurrent liabilities	<u>3,055,160</u>	<u>11,266</u>
Total liabilities	<u>3,670,863</u>	<u>10,006,028</u>
Net Assets:		
Invested in capital assets	143,262,982	-
Unrestricted	<u>83,495,955</u>	<u>-</u>
Total net assets	<u>226,758,937</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 230,429,800</u>	<u>\$ 10,006,028</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, 2006

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 30,200,837	\$ 19,403,040
Other	<u>99,618</u>	<u>1,212,766</u>
Total operating revenues	<u>30,300,455</u>	<u>20,615,806</u>
Operating expenses:		
Operating, administrative and maintenance	33,803,799	21,150,195
Depreciation	<u>7,415,925</u>	<u>-</u>
Total operating expenses	<u>41,219,724</u>	<u>21,150,195</u>
Operating loss	<u>(10,919,269)</u>	<u>(534,389)</u>
Nonoperating revenues:		
Interest income	3,482,457	534,389
Other income	<u>160,757</u>	<u>-</u>
Total nonoperating revenues	<u>3,643,214</u>	<u>534,389</u>
Loss before contributions	(7,276,055)	-
Capital contributions	<u>1,577,331</u>	<u>-</u>
Change in net assets	(5,698,724)	-
Net assets, beginning	<u>232,457,661</u>	<u>-</u>
Net assets, ending	<u>\$ 226,758,937</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, 2006

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities		
Cash received from customers:		
For services	\$ 30,282,076	\$ 19,403,040
For deposits	61,641	-
Cash payments to suppliers for goods and services	(11,851,136)	(19,679,124)
Cash payments to employees for services	(6,200,065)	(163,824)
Interfund services used	(15,515,274)	-
Other operating revenues	104,673	1,212,766
Net cash provided (used) by operating activities	<u>(3,118,085)</u>	<u>772,858</u>
Cash flows from noncapital financing activities		
Increase in advances to other funds	(2,553,922)	-
Interest earned from other funds	1,974,079	-
Grants for hurricane damage	17,946	-
Net cash used by noncapital financing activities	<u>(561,897)</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,791,164)	-
Proceeds from sale of equipment	9,447	-
Capital contributions provided by developers	1,464,068	-
Net cash provided (used) by capital and related financing activities	<u>(317,649)</u>	<u>-</u>

(continued)

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2006
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from investing activities		
Purchase of investment securities	\$ -	\$ (1,100,000)
Proceeds from sale and maturity of investments	5,780,000	-
Interest on cash and cash equivalents	<u>87,427</u>	<u>385,039</u>
Net cash provided (used) by investing activities	<u>5,867,427</u>	<u>(714,961)</u>
Net increase in equity in pooled cash and cash equivalents	1,869,796	57,897
Pooled cash and cash equivalents at beginning of year	<u>2,390,467</u>	<u>5,623,426</u>
Pooled cash and cash equivalents at end of year	<u>\$ 4,260,263</u>	<u>\$ 5,681,323</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (10,919,269)	\$ (534,389)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	7,415,925	-
Change in assets and liabilities:		
Receivables:		
Decrease in customer accounts, net	81,239	-
Decrease in other, net	5,055	-
Decrease in negative net pension obligation	205,107	-
Increase in accounts payable	11,005	1,303,079
Increase in compensating absences	576,443	10,675
Decrease in other liabilities	(555,231)	(6,507)
Increase in customer deposits	<u>61,641</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (3,118,085)</u>	<u>\$ 772,858</u>
Noncash investing, capital, and financing activities:		
Property contributed by developers	\$ 113,262	\$ -
Increase in fair value of investments	1,420,952	149,350

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2006

	Pension Trust Funds	Agency Funds
Assets		
Cash and short-term investments	\$ 15,237,717	\$ 2,260,892
Receivables		
Accrued interest and dividends	921,289	-
Other	<u>1,181,743</u>	<u>1,228,349</u>
Total receivables	<u>2,103,032</u>	<u>1,228,349</u>
Investments, at fair value		
U.S. Government securities	28,195,110	-
Corporate Bonds	37,209,217	-
Common Stocks	107,654,038	-
Foreign bonds	1,672,326	-
Mutual funds	<u>151,598,960</u>	<u>-</u>
Total investments	<u>326,329,651</u>	<u>-</u>
 Total assets	 <u>343,670,400</u>	 <u>3,489,241</u>
Liabilities		
DROP participants payable	29,711,157	-
Deferred City pension contribution	85,299	-
Accounts payable	534,653	1,228,349
Accrued liabilities	<u>-</u>	<u>2,260,892</u>
Total liabilities	<u>30,331,109</u>	<u>3,489,241</u>
Net Assets		
Net assets held in trust for pension benefits and other purposes	 <u>\$ 313,339,291</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, 2006

	Pension Trust Funds
Additions	
Contributions:	
Plan members	\$ 5,212,847
Employee buyback	405,340
Employer:	
Required contribution	14,634,601
State/County	2,028,350
Total contributions	<u>22,281,138</u>
Investment income:	
Investment earnings and appreciation	23,661,772
Less investment expense	<u>1,312,918</u>
Net investment income	<u>22,348,854</u>
Total additions	<u>44,629,992</u>
Deductions	
Pension benefits	13,539,018
Refunds of contributions	36,602
Administrative expenses	<u>437,554</u>
Total deductions	<u>14,013,174</u>
Change in net assets	30,616,818
Net assets, beginning	<u>282,722,473</u>
Net assets, ending	<u>\$ 313,339,291</u>

See notes to basic financial statements.



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Notes to Basic Financial Statements



City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2006

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 via the seven (7) Charter Schools that it owns and operates; in addition to those facilities provided by the School Board of Broward County.

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

a. Financial Reporting Entity

The City's financial reporting entity comprises the City of Pembroke Pines as the primary government with no component units. In determining the financial reporting entity, the City complies with the provisions of GASB Statements No.14 and No. 39 relating to, "The Financial Reporting Entity," 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following 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:

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The *pension 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

d. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The City's "Pooled cash and cash equivalents" are considered to be cash on hand, demand deposits, money market deposits and deposits held with the State Board of Administration (SBA) Investment Pool. For the purpose of the proprietary fund's Statement of Cash Flows, "Pooled cash and cash equivalents" include all demand and savings accounts, money market accounts 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 and the investment in real estate, 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, and the investment in real estate is valued at cost. Additional deposits and investment disclosures are presented in Note 3.a.

2. Interfund Receivables and Payables

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

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

3. Receivables

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Capital Assets

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

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

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

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Restricted Assets

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

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 30th 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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Long-Term Obligations (continued)

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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

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

For the year ended September 30, 2006, the City complied, in all material respects, with these revenue restrictions.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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.

Under Florida Statutes Chapter 218, *Financial Matters Pertaining to Political Subdivisions*, authorized investments include the following, which are consistent with City's written investment policy: Local Government Surplus Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, direct obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered with under the Investment Company Act of 1940, and any other investments authorized by law or by ordinance of the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments in External Investments Pools

The State Board of Administration's Local Government Surplus Trust Fund, also known as the Local Government Investment Pool (LGIP) 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 Investment Pool. Additionally, the Office of the Florida Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The weighted average maturity for the LGIP as of September 30, 2006, was 32 days. The LGIP does not have a credit rating.

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

The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Local Government Investment Pool (LGIP) and the Florida Municipal Investment Trust (FMIvT) are not registrants with the Securities and Exchange Commission (SEC); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund.

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

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair market value of an investment.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table on the following page as of September 30, 2006.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
<u>Managed by External Investment Manager:</u>			
Temporary investments	\$ 1,378,546	N/A	1.5%
U.S. Treasuries	6,405,570	2.85	6.8%
Federal Agencies	8,192,098	1.71	8.7%
Mortgage-pass through	2,693,967	2.74	2.9%
Collateralized mortgage obligations	2,627,974	2.28	2.8%
Mortgages -CMBS	2,238,644	1.36	2.4%
Asset Backed Securities	451,136	2.47	0.5%
Corporate	13,496,260	1.14	14.3%
Sovereign/Other Government	505,074	2.56	0.5%
<u>Investment in External Investment Pools:</u>			
FMIvT -Enhanced cash	7,850,433	N/A	8.3%
FMIvT -1-3 Year bond fund	8,372,299	1.67	8.9%
State Board of Administration	39,963,569	N/A	42.4%
Total Governmental & Business-type Fixed Income	<u>\$ 94,175,570</u>		<u>100.0%</u>
Weighted average effective duration of the Governmental & Business-type activities		0.90	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
Federal Agencies	\$ 28,195,110	3.20	42.0%
Corporate bonds	37,209,217	3.50	55.5%
State of Israel bonds	1,672,326	4.30	2.5%
Total Fixed Income Firefighters and Police Officers Pension Fund	<u>\$ 67,076,653</u>		<u>100.0%</u>
Weighted average effective duration of Police & Fire pension Fund		3.39	
General Employees Pension Fund:			
<u>Investment in separate fixed income investments accounts:</u>			
Principal inflation protection	\$ 2,211,222	6.29	6.3%
Principal bond and mortgage	28,625,551	4.80	81.1%
Principal preferred securities	2,236,660	5.37	6.3%
Principal high yield	2,231,956	3.56	6.3%
Total Fixed Income General Employees Pension Fund	<u>\$ 35,305,389</u>		<u>100.0%</u>
Weighted average effective duration of the General Employees Pension		4.85	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

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

Firefighters and Police Officers Pension Investments

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

General Employees Pension Investments

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

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

<u>Investment Type</u>	<u>Credit Quality</u>	<u>Fair Value</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:		
<u>Managed by External Investment Manager:</u>		
Temporary investments	AAA	\$ 1,378,546
U.S. Treasuries	Not applicable	6,405,570
Federal Agencies	AGY	8,192,098
Mortgage-pass through	AGY	2,693,967
Collateralized mortgage obligations	AGY	2,627,974
Mortgages -CMBS	AAA	2,238,644
Asset Backed Securities	AAA	451,136
Corporate	A+	13,496,260
Sovereign/Other Government	A+	505,074
<u>Investment in External Investment Pools:</u>		
FMIvT -Enhanced cash	AAA1/S1+	7,850,433
FMIvT -1-3 Year bond fund	AAA/V2	8,372,299
State Board of Administration	Not rated	39,963,569
Total Governmental & Business-type Fixed Income		<u>\$ 94,175,570</u>
FIDUCIARY FUNDS:		
Firefighters and Police Officers Pension Fund:		
U.S. government guaranteed	Not applicable	\$ 28,195,110
Corporate bonds	AAA	749,905
Corporate bonds	AA	7,253,899
Corporate bonds	A	26,031,744
State of Israel bonds	A-	1,672,326
Corporate bonds	BBB	3,173,669
Total Fixed Income Firefighters and Police Officers Pension Fund		<u>\$ 67,076,653</u>
General Employees Pension Fund:		
<u>Investment in separate fixed income investments accounts:</u>		
Principal inflation protection	AAA	\$ 2,211,222
Principal bond and mortgage	AA	28,625,551
Principal preferred securities	A	2,236,660
Principal high yield	B	2,231,956
Total Fixed Income General Employees Pension Fund		<u>\$ 35,305,389</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

a. Deposits and Investments (continued)

Investments (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

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

The Operating Investment Policy of the City does not specify a credit quality rating for its mortgage-backed securities. Currently, the mortgage pass-through and collateralized mortgage obligations are Federal Agencies (AGY), and the commercial mortgage-backed securities (CMBS) are rated “AAA” by Standard and Poor’s. The investment policy limits the exposure of Mortgage-backed securities to a maximum of 30% of the portfolio.

The Investment Policy stipulates that corporate bonds must have two (2) of the following three minimum ratings: A-, A3, or A-, as rated by Standard and Poor’s, and/or Moody’s, and or Fitch Investor Service rating services. However, if such obligations are rated by one rating service, then such rating shall be at least AA-, Aa3, or AA by Standard and Poor’s, Moody’s or Fitch. The City’s operating investments in corporate bonds were rated A+ by Standard and Poor’s and A1 by Moody’s.

Firefighters and Police Officers Pension Investments

Credit risk is the risk that a security will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Firefighters and Police Officers Pension Plan uses portfolio diversification in order to control this risk. The investment policy stipulates that fixed investments must have a minimum credit quality of “A” or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below “BAA” shall be liquidated within a reasonable time as determined by the manager, but not to the detriment of the Firefighters and Police Officers Pension Plan.

General Employees Pension Investments

The General Employees investment policy sets no minimum credit quality rating for the insurance company separate accounts of the Principal Financial Group.

Concentration of Credit Risk: The City of Pembroke Pines’ operating investment policy does not allow for an investment in any one issuer that is in excess of five percent (5%) of the City’s total investments. This limitation also applies to the Firefighters and Police Officers Pension Plan and the General Employees Pension Plan.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2006 are as follows:

<u>Receivables</u>	Nonmajor			<u>Total</u>
	<u>General Fund</u>	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	
Customer accounts	\$ -	\$ -	\$ 3,022,402	\$ 3,022,402
Special assessments	-	-	310,185	310,185
Franchise fees and taxes	6,096,026	460,080	-	6,556,106
Other receivables	1,457,177	77,074	672	1,534,923
Due from other governments	5,058,115	862,710	185,727	6,106,552
Gross receivables	12,611,318	1,399,864	3,518,986	17,530,168
Less: allowance for uncollectible accounts	-	-	(110,462)	(110,462)
Net total receivables	\$ 12,611,318	\$ 1,399,864	\$ 3,408,524	\$ 17,419,706

Receivables not expected to be collected within one year consist of \$804,770, relating to two notes receivable from the South Broward Drainage District reported in the General Fund. These notes receivable are due and payable to the City on March 1, 2008, and earn the SBA rate of interest. Additionally, due from other governments consists of amounts receivable from the Federal Emergency Management Agency (FEMA) in the amount of \$5,522,614 which may not be collected within one year.

c. Restricted Assets

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2006 are as follows:

<u>Restricted assets</u>	Nonmajor				<u>Total</u>
	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	
Revenue Bonds sinking fund	\$ 8,747,388	\$ -	\$ -	\$ -	\$ 8,747,388
General Obligation Bonds sinking fund	112,347	-	-	-	112,347
Revenue Bonds reserve fund	4,497,466	-	-	-	4,497,466
Restricted for construction projects	-	30,946,361	-	-	30,946,361
Restricted for wetland mitigation	-	-	608,248	-	608,248
Customer deposits - water and sewer	-	-	-	2,570,957	2,570,957
Total restricted assets	\$ 13,357,201	\$ 30,946,361	\$ 608,248	\$ 2,570,957	\$ 47,482,767

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets

Capital asset activity for the year ended September 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 49,617,545	\$ 3,453,245	\$ -	\$ 53,070,790
Construction-in-progress	25,178,705	6,753,840	(25,056,479)	6,876,066
Total capital assets, not being depreciated	<u>74,796,250</u>	<u>10,207,085</u>	<u>(25,056,479)</u>	<u>59,946,856</u>
Capital assets, being depreciated:				
Buildings	176,009,062	23,307,346	-	199,316,408
Improvements other than buildings	64,928,932	1,201,242	(245,976)	65,884,198
Machinery and equipment	51,922,336	4,376,586	(698,409)	55,600,513
Infrastructure	32,878,629	9,321	-	32,887,950
Total capital assets, being depreciated	<u>325,738,959</u>	<u>28,894,495</u>	<u>(944,385)</u>	<u>353,689,069</u>
Less accumulated depreciation for:				
Buildings	(19,459,178)	(4,620,563)	-	(24,079,741)
Improvements other than buildings	(16,641,306)	(4,117,557)	-	(20,758,863)
Machinery and equipment	(36,402,891)	(5,191,849)	667,287	(40,927,453)
Infrastructure	(26,912,623)	(691,781)	-	(27,604,404)
Total accumulated depreciation	<u>(99,415,998)</u>	<u>(14,621,750)</u>	<u>667,287</u>	<u>(113,370,461)</u>
Total capital assets, being depreciated, net	226,322,961	14,272,745	(277,098)	240,318,608
Governmental activities capital assets, net	<u>\$ 301,119,211</u>	<u>\$ 24,479,830</u>	<u>\$ (25,333,577)</u>	<u>\$ 300,265,464</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

d. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction-in-progress	2,175,786	-	(2,175,786)	-
Total capital assets, not being depreciated	<u>5,182,348</u>	<u>-</u>	<u>(2,175,786)</u>	<u>3,006,562</u>
Capital assets, being depreciated:				
Buildings	19,506,154	1,148,400	-	20,654,554
Improvements other than buildings	167,391,170	1,783,795	(42,500)	169,132,465
Machinery and equipment	5,379,980	1,190,517	(144,213)	6,426,284
Total capital assets, being depreciated	<u>192,277,304</u>	<u>4,122,712</u>	<u>(186,713)</u>	<u>196,213,303</u>
Less accumulated depreciation for:				
Buildings	(2,668,875)	(1,144,817)	-	(3,813,692)
Improvements other than buildings	(41,597,496)	(5,794,365)	-	(47,391,861)
Machinery and equipment	(4,418,800)	(476,743)	144,213	(4,751,330)
Total accumulated depreciation	<u>(48,685,171)</u>	<u>(7,415,925)</u>	<u>144,213</u>	<u>(55,956,883)</u>
Total capital assets, being depreciated, net	143,592,133	(3,293,213)	(42,500)	140,256,420
Business-type activities capital assets, net	<u>\$ 148,774,481</u>	<u>\$ (3,293,213)</u>	<u>\$ (2,218,286)</u>	<u>\$ 143,262,982</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 1,095,599
Public safety	3,631,019
Physical environment	76,746
Transportation	2,033,206
Economic environment	905,071
Human services	4,525,658
Culture/recreation	2,354,451
Total depreciation expense - governmental activities	<u>\$ 14,621,750</u>
Business-type activities:	
Water-sewer combined service	\$ 7,415,925
Total depreciation expense - business-type activities	<u>\$ 7,415,925</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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, 2006 is follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor governmental Funds	\$ 477,657	Provide temporary resources
Total		<u>\$ 477,657</u>	

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility Fund	Capital Projects Fund	\$ 1,920,000	Capital projects expenditures
Total		<u>\$ 1,920,000</u>	

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility Fund	General Fund	\$ 29,179,140	Purchase of investments
*Utility Fund	Capital Projects Fund	12,453,989	Capital projects expenditures
Total		<u>\$ 41,633,129</u>	

*This amount is not expected to be paid within one year from September 30, 2006.

Interfund Transfers:

	Transfer in:			<u>Purpose</u>
	Debt Service Fund	Nonmajor Governmental Fund	Total	
Transfer out:				
General Fund	\$ -	\$ 535,572	\$ 535,572	Supplement other funds
Capital Projects Fund	214,124	-	214,124	Payment of bond principal
Nonmajor Governmental Funds	-	664,228	664,228	Supplement other funds
Total	<u>\$ 214,124</u>	<u>\$ 1,199,800</u>	<u>\$1,413,924</u>	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce in the City Hall Building. In the Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist, 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, 2006, 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, 2006 are \$90,739 and \$194,038, respectively. Additional 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, 2006 the City had sub-subleased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Citrus Health Network, Jose Maria Vargas University, Bayview Center for Mental Health, Green Cross of Pembroke Pines, Safeguard Services, Elan Lawn 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 \$3,582 and \$39,320 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 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,

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

f. Operating Leases (continued)

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.

On November 23, 2004 the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 3.g. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward.

The City receives various short-term rentals from religious groups and other organizations utilizing the Charter School's classrooms on weekends, and other available City sites, including the Walter C. Young facility.

Apartments at the three Senior Housing facilities are rented on leases not exceeding one year. During the year ended September 30, 2006 the City received rental income of \$1,411,502 from the Southwest Focal Point Senior Housing Facility known as "Pines Point" and \$2,892,513 from the two Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place." None of these short-term rentals are included in the table below.

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, 2006 are:

Fiscal year ending September 30:	
2007	\$2,969,057
2008	2,008,804
2009	1,888,773
2010	1,811,015
2011	1,895,088
2012-2016	4,038,361
2017-2021	3,478,718
2022-2026	3,027,951
2027-2031	2,985,123
2032-2035	<u>2,303,351</u>
Total minimum future rentals	<u>\$26,406,241</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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:

Public Improvement Revenue Bonds, Series 1998 - On September 23, 1998, the City issued \$24,055,000 bonds 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, a branch of The Broward County Southwest Regional Library, and a branch of Broward Community College. These bonds have an outstanding balance of \$21,645,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates which range from 4.10% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues 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:			
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	985,000	903,027	1,888,027
2011	1,025,000	858,787	1,883,787
2012-2016	5,885,000	3,509,803	9,394,803
2017-2021	7,495,000	1,858,875	9,353,875
2022-2023	3,545,000	179,375	3,724,375
Total	\$21,645,000	\$10,258,742	\$31,903,742

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds 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 \$40,615,000 due in varying installments through December 1, 2026. The outstanding bonds bear interest at rates from 3.90% to 5.25%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise 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:			
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	1,275,000	1,825,410	3,100,410
2011	1,325,000	1,769,651	3,094,651
2012-2016	7,635,000	7,863,839	15,498,839
2017-2021	9,730,000	5,783,541	15,513,541
2022-2026	13,635,000	2,859,281	16,494,281
2027	3,500,000	91,875	3,591,875
Total	\$40,615,000	\$25,967,339	\$66,582,339

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the \$10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. These bonds have an outstanding balance of \$17,580,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 3.50% to 5.50%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues 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:			
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	800,000	734,350	1,534,350
2011	835,000	701,650	1,536,650
2012-2016	4,735,000	2,920,700	7,655,700
2017-2021	6,075,000	1,531,725	7,606,725
2022-2023	2,890,000	146,250	3,036,250
Total	\$17,580,000	\$ 8,415,200	\$25,995,200

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds 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 \$30,060,000 due in varying installments through July 1, 2031. The outstanding bonds bear interest at rates from 3.60% to 5.375%, with interest payable 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:			
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	735,000	1,398,743	2,133,743
2011	765,000	1,368,609	2,133,609
2012-2016	4,390,000	6,268,303	10,658,303
2017-2021	5,665,000	4,996,312	10,661,312
2022-2026	7,235,000	3,427,750	10,662,750
2027-2031	9,230,000	1,429,500	10,659,500
Total	\$30,060,000	\$23,248,029	\$53,308,029

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds 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 \$18,285,000 due in varying installments through July 1, 2031. The outstanding bonds bear interest at rates from 3.90% to 5.25%, with interest payable 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:			
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	645,000	823,535	1,468,535
2011	670,000	795,477	1,465,477
2012-2016	2,750,000	3,561,688	6,311,688
2017-2021	3,180,000	2,872,562	6,052,562
2022-2026	4,055,000	1,994,063	6,049,063
2027-2031	5,205,000	848,137	6,053,137
Total	\$18,285,000	\$13,515,500	\$31,800,500

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of \$39,935,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2004 Bonds and any additional 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:			
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	705,000	2,285,764	2,990,764
2011	750,000	2,242,332	2,992,332
2012-2016	4,470,000	10,463,321	14,933,321
2017-2021	5,980,000	8,914,703	14,894,703
2022-2026	7,995,000	6,842,364	14,837,364
2027-2031	10,680,000	4,073,629	14,753,629
2032-2034	8,060,000	740,579	8,800,579
Total	\$39,935,000	\$42,638,784	\$82,573,784

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of \$49,910,000 due in varying installments through October 1, 2033. The outstanding bonds 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:			
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	1,060,000	2,376,269	3,436,269
2011	1,095,000	2,337,188	3,432,188
2012-2016	6,180,000	10,946,062	17,126,062
2017-2021	7,750,000	9,330,032	17,080,032
2022-2026	9,885,000	7,129,196	17,014,196
2027-2031	12,730,000	4,198,163	16,928,163
2032-2034	9,365,000	754,031	10,119,031
Total	\$49,910,000	\$44,360,354	\$94,270,354

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of \$20,140,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. 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:			
2007	\$ -	\$ 928,873	\$ 928,873
2008	-	928,873	928,873
2009	-	928,873	928,873
2010	-	928,873	928,873
2011	475,000	921,747	1,396,747
2012-2016	2,605,000	4,349,593	6,954,593
2017-2021	3,165,000	3,775,636	6,940,636
2022-2026	3,930,000	2,982,413	6,912,413
2027-2031	4,995,000	1,891,125	6,886,125
2032-2035	4,970,000	512,000	5,482,000
Total	\$20,140,000	\$18,148,006	\$38,288,006

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of \$15,975,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.50% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues. 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:			
2007	\$ -	\$ 757,915	\$ 757,915
2008	-	757,915	757,915
2009	-	757,915	757,915
2010	-	757,915	757,915
2011	365,000	751,527	1,116,527
2012-2016	2,025,000	3,538,459	5,563,459
2017-2021	2,485,000	3,061,763	5,546,763
2022-2026	3,135,000	2,396,297	5,531,297
2027-2031	3,995,000	1,511,125	5,506,125
2032-2035	3,970,000	409,000	4,379,000
Total	\$15,975,000	\$14,699,831	\$30,674,831

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Bonds, Series 2005 – On January 26, 2005, the City issued \$7,910,000 bonds for the purpose of funding the cost of planning, development, design, construction, and equipping of the Susan B. Anthony Center. These bonds have an outstanding balance of \$7,910,000. They initially bear interest at a Weekly Rate determined by the Remarketing Agent, payable on the first Wednesday of each calendar month, and will mature on October 1, 2034. At the option of the City, these bonds may be converted to bear interest at a Fixed Rate. The 2005 Bonds are subject to optional and mandatory tender for purchase and to optional redemption prior to maturity. During a Weekly Rate Period, the 2005 Bonds are subject to tender for purchase on any Business Day at the option of the registered owners thereof upon seven days' prior notice. The 2005 Bonds are subject to mandatory tender for purchase (i) on the first day of each Fixed Rate Period and (ii) upon the termination, expiration, reduction, modification or replacement of the Liquidity Facility or any Alternate Liquidity Facility, including termination by the Liquidity Provider upon certain events. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Bonds, Series 1993 and Capital Improvement Revenue Bonds, Series 1999, and any additional parity bonds of the City. The 2005 Bonds bearing interest at a Weekly Rate are subject to optional redemption by the City, in whole or in part, at the direction of the City, on any Business Day, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

This issue's debt service shown on the following schedule is based on the Weekly Rate of 3.73% for the Weekly Rate Period of September 27, 2006 – October 3, 2006.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2007	\$ -	\$ 295,043	\$ 295,043
2008	-	295,043	295,043
2009	-	295,043	295,043
2010	-	295,043	295,043
2011	-	295,043	295,043
2012-2016	-	1,475,215	1,475,215
2017-2021	-	1,475,215	1,475,215
2022-2026	-	1,475,215	1,475,215
2027-2031	-	1,475,215	1,475,215
2032-2035	7,910,000	905,337	8,815,337
Total	\$ 7,910,000	\$ 8,281,412	\$16,191,412

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

General Obligation Bonds - The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The outstanding general obligation bonds include the following:

General Obligation Bonds, Series 2005 – On September 30, 2005, the City issued its first General Obligation Bonds in the amount of \$47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, \$5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of \$5,985,000. These Series 2005 bonds have an outstanding balance of \$45,965,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.00% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2007	\$ 910,000	\$ 1,887,198	\$ 2,797,198
2008	935,000	1,859,897	2,794,897
2009	965,000	1,831,848	2,796,848
2010	995,000	1,802,897	2,797,897
2011	1,025,000	1,772,053	2,797,053
2012-2016	5,655,000	8,324,602	13,979,602
2017-2021	6,815,000	7,170,213	13,985,213
2022-2026	8,335,000	5,643,875	13,978,875
2027-2031	10,300,000	3,683,987	13,983,987
2032-2035	10,030,000	1,153,270	11,183,270
Total	\$ 45,965,000	\$35,129,840	\$81,094,840

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 3. DETAILED NOTES ON ALL FUNDS (continued)

g. Long-Term Debt (continued)

Current Refunded Bonds – On December 1, 2005, the City used \$5,456,448, which is a portion of the \$47,000,000 General Obligation Bonds, Series 2005 issued on September 30, 2005 for a current refunding of \$5,456,448 of the Capital Improvement Revenue bonds, Series 1993. The \$5,456,448 represents the face amount of the refunding bonds of \$5,545,000, less the original issue discount of \$22,237 and the costs not recoverable of \$66,315. The total current refunding was \$5,985,000, of which \$528,552 was funded by the Reserve Fund, and the balance was funded by a portion of the General Obligation Bonds, Series 2005. The refunding was undertaken to achieve an economic gain of \$587,221 as of September 30, 2005. The transaction also resulted in a reduction of \$1,633,251 in future debt service payments.

Advanced 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:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is \$18,190,000. 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.

Bonds Authorized but Un-issued – On March 8, 2005, the voters of City of Pembroke Pines approved the issuance of \$100,000,000 General Obligation Bonds, of which \$47,000,000 was issued in 2005 as General Obligation Bonds, Series 2005. The remaining authorized bonds of \$53,000,000 may be issued in fiscal year 2007, but this is subject to change based on the prevailing interest rates, and the estimated time line for the various projects. Currently, the City's General Obligation Bonds limit is \$100,000,000, and any General Obligation Bonds in addition to this limit will need voters' further approval.

Typically, the compensated absences of the governmental and business-type activities are liquidated by the respective fund used to accrue the liability. The General Fund liquidates the majority of compensated absences for the governmental activities, as it is the chief operating fund of the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and loans payable:					
Revenue bonds:					
Capital improvement Revenue Bonds, Series 1993	\$ 6,185,000	\$ -	\$ (6,185,000)	\$ -	\$ -
Public Improvement Revenue Bonds, Series 1998	22,480,000	-	(835,000)	21,645,000	870,000
Capital improvement Revenue Bonds, Series 1999	41,695,000	-	(1,080,000)	40,615,000	1,125,000
Public Improvement Revenue Bonds, Series 2001	18,275,000	-	(695,000)	17,580,000	720,000
Charter School Revenue Bonds, Series 2001A	30,695,000	-	(635,000)	30,060,000	655,000
Charter School Revenue Bonds, Series 2001B	18,840,000	-	(555,000)	18,285,000	570,000
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	405,000
Public Improvement Revenue Bonds, Series 2004A	20,140,000	-	-	20,140,000	-
Public Improvement Revenue Bonds, Series 2004B	15,975,000	-	-	15,975,000	-
Variable Rate Capital Improvement Revenue Bonds, Series 2005	7,910,000	-	-	7,910,000	-
Total revenue bonds	272,040,000	-	(9,985,000)	262,055,000	4,345,000
General obligation bonds:					
General obligation bonds, Series 2005	47,000,000	-	(1,035,000)	45,965,000	910,000
Less deferred amounts:					
For issuance discounts/premiums	(1,870,801)	-	170,523	(1,700,278)	(96,726)
Total bonds payable	317,169,199	-	(10,849,477)	306,319,722	5,158,274
Estimated self-insurance claims	8,672,970	21,172,549	(19,869,469)	9,976,050	3,102,320
Compensated absences	16,081,575	9,780,813	(7,985,773)	17,876,615	10,503,872
Governmental activity Long-term liabilities	\$ 341,923,744	\$ 30,953,362	\$ (38,704,719)	\$ 334,172,387	\$ 18,764,466
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated absences	\$ 1,039,434	\$ 621,973	\$ (600,761)	\$ 1,060,646	\$ 576,443
Business-type activity Long-term liabilities	\$ 1,039,434	\$ 621,973	\$ (600,761)	\$ 1,060,646	\$ 576,443

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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 \$150,000 for each City employee workers' compensation claim, \$250,000 for each Police or Firefighter's workers' compensation claim, \$150,000 per occurrence for each general liability claim, \$100,000 per occurrence for each employee's dishonesty claim and \$25,000 for each occurrence of damage to City-owned property. The City's exposure on health insurance is limited to \$1,083 per month per covered employee. Total maximum loss exposure to the City for health insurance on covered employees was \$18,163,776 for the fiscal year ended September 30, 2006. 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 \$9,976,050 reported in the fund at September 30, 2006 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30 includes IBNR (incurred but not reported claims), and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

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

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

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2004-2005	\$8,255,320	\$20,746,571	\$(20,328,921)	\$8,672,970
2005-2006	8,672,970	21,172,549	(19,869,469)	9,976,050

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

NOTE 4. OTHER INFORMATION (continued)

b. Contingent Liabilities (continued)

The City is involved in various lawsuits incidental to its operations. 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. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charges to operations of the water and sewer fund under this Agreement were \$4,353,455 during the year ended September 30, 2006.

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

On October 21, 1992, the City entered into an agreement with the Florida WetlandsbankTM (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site comprised of approximately 450 acres located in the Chapel Trail Preserve. This agreement which lasted until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the wetlands for a five-year period once construction was completed and the sales and marketing of the mitigation credits. On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns five sites totaling approximately 546 acres of Wetlands. The City became the Grantor of the Mitigation Bank Irrevocable Trust Fund on April 5, 1995 in order to hold the funds to maintain the Wetlands in perpetuity. The current Trustee is the Bank of New York, and the beneficiaries of the Trust Fund are the City, the South Florida Water Management District, the U. S. Army Corps of Engineers, and Broward County. Payments are made quarterly from the investment earnings of the Trust Fund to cover the expenses in maintaining the Wetlands. In the event that investment earnings are insufficient to cover expenses, payments from the principal of the Trust can be utilized with the written consent of the Trust's beneficiaries. At September 30, 2006 the balance in the Trust Fund was \$605,248. For the fiscal year ended September 30, 2006, the Trust earned \$28,721 in investment income, and incurred expenses of \$18,346.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

c. Commitments (continued)

On February 1, 2006 the City Commission voted to engage the Haskell Company to plan the next phase of improvements at the Senator Howard C. Forman Human Services Campus for a fee of \$987,000. The project planning will include an overall master plan for the campus, a new senior residential facility with 220 one-bedroom units, renovation of an existing building that will create a central kitchen facility for the Charter School and emergency food preparation during natural disasters, renovation of existing buildings to provide an additional senior center, career education programs, a Nova Southeastern University medical support services facility and a medical professional building for health care support services, as well as land and drainage improvements and additional fuel sites and other storage buildings to allow for emergency storage in the event of future hurricanes or other emergencies.

The City has the following construction commitments as of September 30, 2006:

<u>Vendor</u>	<u>Project Name</u>	<u>Original Amount</u>	<u>Balance as of September 30, 2006</u>
The Haskell Company.	Fuel Storage Tanks.	\$1,819,977	\$1,539,792
Stiles Construction Co.	City Center.	18,642,631	15,215,928
Stiles Construction Co.	Pines Blvd. Roadway Phase II.	11,877,240	6,006,849
Widell, Inc.	Expand Water Treatment Plant.	1,676,400	1,676,400
Musco Lighting.	Recreation Sports Lighting.	7,788,071	360,224
The Haskell Company.	Senior Housing Tower III.	24,991,952	22,231,828
Weekley Asphalt.	Pembroke Road Corridor.	4,490,270	4,419,156
Bergeron Land Devel.	Pembroke Road Corridor	2,488,268	2,190,889

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 constructed two senior housing towers with a total of 394 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 3.g. "Long-Term Debt"). The City is also planning to construct a third Senior Housing Tower with 220 apartment units on this site, to be financed by a Capital Improvement Revenue Bond issue (See Note 5 – "Subsequent Events").

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

d. Postretirement Health and Life Insurance Benefits

The City created a retiree health and life insurance program as adopted by ordinances 990, 1015, and 1024, adopted on April 15, 1992, November 4, 1992, and February 17, 1993, respectively. Coverage of health and life insurance is provided to all regular full-time permanent general employees, certified firefighters and police officers employees and their spouses, if hired before October 1, 1991, who have reached normal retirement age and completed service as prescribed by the City Pension Plan which covers the employee. Coverage for employees hired after October 1, 1991 is limited to employee (single) coverage only. 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 on a pay as you go basis. For the fiscal year ended September 30, 2006, those costs totaled \$2,369,529, and there were 228 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 by the covered individual using a blended/active rate.

All retired employees, excluding Charter School and Early Development Center (EDC) employees, hired prior to June 8, 2005, are not required to make any contributions for their health insurance coverage, but they must contribute the active/blended rate for dependent coverage. Retired employees hired on or after June 8, 2005, must contribute the active/blended rate for their retirement coverage. All Charter School and EDC employees are required to contribute the active/blended rate for retirement health insurance coverage. Currently, retirees are not required to contribute for life insurance benefits.

The City, by no later than the fiscal year ending September 30, 2008, is required by the Governmental Accounting Standards Board (GASB) to comply with GASB Statement No. 45. Under GASB 45, the City will be required to account for retiree health care benefits and other post employment benefits in a similar manner to that already required for pension benefits. GASB 45 does not require that the Annual Required Contribution (ARC) be paid or that the plan be fully or partially funded, only that the City account for its unfunded actuarially accrued liability and its compliance with paying its ARC. The City intends to pay the ARC each year. In an Actuarial Valuation Report dated February 15, 2006, it was estimated that the ARC will be \$14,496,955 and the actuarial accrued liability is \$127,843,125.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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, 2005, 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	335	168
Current employees:		
Fully Vested	208	162
Partially Vested	118	n/a
Non-vested	<u>148</u>	<u>240</u>
Total	<u>809</u>	<u>570</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans

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, 2006.

General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2006

	<u>2006</u>
Assets	
Investments	\$ 109,883,206
Receivables	110,237
Total assets	<u>109,993,443</u>
Liabilities	<u>-</u>
Net Assets	
Net assets held in trust for pension benefits	<u><u>\$ 109,993,443</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

General Employees Pension Trust Fund
Statement of Changes in Fiduciary Net Assets
For the Year Ended September 30, 2006

Additions:	<u>2006</u>
Contributions	
Plan members	\$ 2,143,750
Employer:	
Required contribution	<u>6,429,405</u>
Total contributions	<u>8,573,155</u>
 Investment earnings:	
Investment earnings	9,064,045
Less investment expenses	<u>40,451</u>
Net investment earnings	<u>9,023,594</u>
Total additions	<u>17,596,749</u>
 Deductions:	
Pension benefits	4,011,153
Refunds of contributions	(21,582)
Administrative expenses	<u>60,922</u>
Total deductions	<u>4,050,493</u>
 Change in net assets	13,546,256
 Net assets, beginning	<u>96,447,187</u>
Net assets, ending	<u>\$ 109,993,443</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Plan Description

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

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

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

Eligibility

All full time employees, as defined in the Referendum, 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 2.85% of average yearly earnings for the highest two years of continuous service multiplied by years of service (not to exceed 28.07 years).

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

Disability Benefits

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

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

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

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.

Participants are required to contribute 8.5% of regular wages, while the City's contribution of \$6,429,405 or 32.0% 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 30 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 23.6 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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

General Employees Pension Plan (continued)

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

Investments

As of September 30, 2006, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investments accounts offered by the Principal Life Insurance Company. As of September 30, 2006, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investments earnings for the year ended September 30, 2006 were \$9,064,045 which represented a 6% decrease from last year's investment earnings of \$9,657,364.

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	\$ 6,429,405
Interest on net pension obligation	(1,477,581)
Adjustment to annual required contribution	2,450,838
Annual pension cost	<u>7,402,662</u>
Contributions made	<u>(6,429,405)</u>
Change in net pension obligation/(asset)	973,257
Net pension obligation/(asset), beginning of year	<u>(18,469,761)</u>
Net pension obligation/(asset), end of year	<u><u>\$ (17,496,504)</u></u>

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	Contribution	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/2004	\$ 4,961,285	\$ 24,332,209	490%	\$ (19,370,924)
9/30/2005	7,053,397	6,152,234	87	(18,469,761)
9/30/2006	7,402,662	6,429,405	87	(17,496,504)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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, 2006, \$682,717 was contributed to the DROP.

Additional information as of the latest actuarial valuation follows:

	General Employees
Valuation date	10/1/2005
Actuarial cost method	Entry age normal frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23.6 years (weighted average)
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases*	8.5%
Cost of living adjustments	3%
*Includes inflation at	3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

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 (CPFPO) was established and amended by the following Ordinances (collectively known as the "Ordinances"):

Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	1318	November 17, 1999
829	March 4, 1987	1321	December 15, 1999
967	September 19, 1991	1325	January 19, 2000
1014	November 4, 1992	1353	September 20, 2000
1067	February 16, 1994	1360	December 15, 2000
1091	September 8, 1994	1443	June 18, 2003
1131	September 6, 1995	1480	March 17, 2004
1198	December 18, 1996	1509	February 17, 2005
1249	January 7, 1998	1521	August 3, 2005

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

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.

Service Retirement Benefits

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

Upon normal retirement, a police officer member will receive a monthly pension payable for life, equal to 3% (or 4% for participants with over 20 years of service) of the 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.

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

Upon normal retirement, a firefighter member will receive a monthly pension, payable for life equal to 3% of the average monthly earnings for the highest two years of service multiplied by the number of years of continuous service provided that the pension does not exceed 80% of the average monthly earnings for the highest two years. 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 benefit provided by the formula above or 50% of average monthly earnings.

Effective October 1, 2003, for firefighter and police members, earnings shall include payments up to 1,000 hours of accrued unused leave.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

Disability Benefits

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Termination Benefits (continued)

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.

13th Check Benefits

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

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 \$10,233,546 or 42.12% of covered payroll.

The State contributions totaled \$2,028,350 or 8.4% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

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 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.

Under ordinance 1353, certain employees who were once ineligible to participate, may make 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, 2006, the total employee buybacks were \$405,340.

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

Investments are reported at fair value as of September 30, 2006. The fair value of the quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

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 investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide pension benefits.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

Investments in all equity securities shall be limited to those listed on a major U.S. Stock Exchange and limited to no more than 72% (at market) of the Plan's total asset value, with no more than 4.9% of the total market value being invested in equity securities of any one company. Investments in stocks of foreign companies shall be limited to 10% of the value of the portfolio. Additionally, no more than 15% of the equity securities are to be invested in small cap stocks and no more than 12% in mid cap stocks.

The fixed income portfolio shall be comprised of securities with a minimum quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. No more than 5% of the total market value of fixed income securities shall be invested in debt obligations of any one fixed income issuer, except for securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitations.

The Plan's net investment earnings for the year ended September 30, 2006 was \$13,325,260, a 35% decrease from last year's net investment earnings of \$20,459,500.

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	\$ 10,233,546
Interest on net pension obligation	(4,717,202)
Adjustment to annual required contribution	8,459,832
Annual pension cost	13,976,176
Contributions made	(10,233,546)
Change in net pension obligation/(asset)	3,742,630
Net pension obligation/(asset), beginning of year	(58,965,029)
Net pension obligation/(asset), end of year	<u>\$ (55,222,399)</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

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) (continued)

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2004	\$ 4,905,659	\$ 67,825,659	1383%	\$ (62,920,000)
9/30/2005	12,277,690	8,322,719	68	(58,965,029)
9/30/2006	13,976,176	10,233,546	73	(55,222,399)

DROP Plan

During December 1996, the CPFPO 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. DROP payments contributed to a member's DROP account earn or lose interest at the same rate and frequency as in the CPFPO, less reasonable and necessary administrative expenses.

On June 18, 2003 for Firefighters and March 17, 2004 for Police Officers, the Plan adopted Ordinances giving members the additional option of having their DROP account earn an annual fixed interest rate of 8% on future payments and on all or any portion of the member's DROP account balance. Annually, during the month of September only, members may change their rate of return election to be effective as of the following October 1st.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

DROP Plan (continued)

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.

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.

For the year ended September 30, 2006 and 2005 investment income in the financial statements of the CPFFPO excluded investment income on DROP accounts totaling \$2,109,453 and \$1,983,537, respectively. No benefit payments are made from a member's DROP account during their participation in the DROP.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

e. Municipal Employees Retirement Plans (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Additional information as of the latest actuarial valuation follows:

Valuation date	10/1/2005
Actuarial cost method	Frozen initial liability
Amortization method	Level percent, closed
Remaining amortization period	26 years (weighted average)
Asset valuation method	Market value with 5 year phase in of investment actuarial gains and losses

Actuarial assumptions:

Investment rate of return	8.0%
Projected salary increases*	6.0%
Cost of living adjustments	2.0% for firefighters 1.5% for police officers

*Includes inflation at 4.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 4. OTHER INFORMATION (continued)

f. Defined Contribution Plans

Charter School and Early Development Center Employees

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

At September 30, 2006, there were three hundred and eighty-five (385) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to twenty-five percent (25%) of compensation during the fiscal year. Such contributions are one hundred (100%) percent vested at all times. The City's required contribution was five (5%) percent of the Plan member's gross salary. For the year ended September 30, 2006, the City contributed \$863,464 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.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. The City increased its contribution to the defined contribution plan from 5% to 9.85% of the members' gross wages, in keeping with the contribution required by the FRS.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 5. SUBSEQUENT EVENTS

Prior to October 1, 2006, the full-time employees of the City's seven Charter Schools participated in the Retirement Plan provided by the ICMA Retirement Corporation (ICMA-RC). The City contributed 5% of the employees' gross pensionable earnings to this contributory plan, pursuant to the provisions of Internal Revenue Code Section 401(a). Effective October 1, 2006, both the new full-time hires and the part-time Charter School employees were required to participate in the Florida Retirement System (FRS). Existing full-time employees were allowed to elect to participate either in the existing ICMA-RC Plan or in the FRS Plan. Beginning October 1, 2006 the City's contributions to both Retirement Plans increased to 9.85% of the full-time and part-time Charter School employees' gross pensionable earnings.

On December 1, 2006, the City issued \$29,720,000 in Public Improvement Revenue Refunding Bonds, Series 2006. The purpose of these bonds was to provide funds to advance refund a portion of the outstanding Public Improvement Revenue Bonds, Series 1998 and a portion of the outstanding Public Improvement Revenue Bonds, Series 2001. The bonds are insured, and are secured by a pledge of and an irrevocable lien on the City's Electric Public Service Tax revenues. Principal payments are due annually in increasing amounts beginning October 1, 2007 until the maturity date of October 1, 2022, which is the same as the refunded bonds. Interest payments are due semi-annually beginning April 1, 2007 at rates varying between 4% and 5%.

On December 1, 2006, the City issued \$45,050,000 in Capital Improvement Revenue Refunding Bonds, Series 2006. The purpose of these bonds was to provide funds to advance refund and defease a portion of the City's outstanding Capital Improvement Revenue Bonds, Series 1999, and to finance construction of various new projects. After deducting bond issuance expenses and the \$28,529,778 deposit to the Escrow Deposit Account from the gross proceeds of the bond issue, \$16,766,977 was deposited to a Project Construction Fund to cover the design and construction of renovations to existing buildings for an additional senior center, career education programs and medical support services facilities, construction, renovation and improvement of athletic and recreational facilities at City parks; capital projects associated with emergency preparedness within the City, including renovation of buildings for emergency services and backup operations; completion of a central kitchen for daily food services to the City's Charter Schools and for emergency food preparation; fuel tanks; completion of the master plan for the Senator Howard C. Forman Human Services Campus and other projects deemed necessary by the City Manager. The bonds are insured, and are secured by a pledge of and an irrevocable lien on the City's Electric Franchise Fee revenues. Principal payments are due annually in varying amounts beginning December 1, 2007 until the maturity date of December 1, 2031. Interest payments are due semi-annually beginning June 1, 2007 at rates varying from 3.85% to 5%.

On January 24, 2007 the City issued \$26,805,000 in Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 to construct 220 one bedroom residential units that will become Tower Three of the City's senior housing facilities located at the Senator Howard C. Forman Human Services Campus. The structure will cost approximately \$24,000,000, and will complement the two existing senior residential units in the Campus – Tower One consisting of 208 one bedroom apartments, and Tower Two consisting of 108 two bedroom apartments and 78 one bedroom apartments. The bonds are insured, and are secured by a pledge of and an irrevocable lien on the City's Electric Franchise Fee revenues.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

NOTE 5. SUBSEQUENT EVENTS (continued)

Principal payments are payable annually in varying amounts beginning December 1, 2009 with the final maturity date being December 1, 2036, and interest payments due semi-annually beginning June 1, 2007.

On Friday January 5, 2007, President George W. Bush ordered that additional disaster assistance be made available to state and local governments for Hurricane Wilma. This declaration increased the Federal share of disaster assistance from 75 percent to 90 percent; and reduced the State's share from 12.5 percent to 5 percent for the eligible costs of public assistance projects such as debris removal, except for amounts that were previously reimbursed at 100 percent. The order is retroactive to the date of President's major disaster declaration which was October 24, 2005. This resulted in the City recording additional revenues to be received from the Federal Emergency Management Agency (FEMA) in the amount of \$2.3 million, bringing the total reimbursement revenues to \$30.9 million. As of September 30, 2006, the City had received actual payments in the amount of \$25.4 million, leaving a total of \$5.5 million yet to be reimbursed by FEMA.



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Required Supplementary Information



City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2006

Fiscal Year	(A) Annual Required Contributions	Employer Contributions	State Contributions	Total Employer Contributions	(B) Percentage Contributed
General Employees					
2006	\$ 6,429,405	\$ 6,429,405	\$ -	\$ 6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
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%
Firefighters and Police Officers					
2006	\$ 10,233,546	\$ 8,205,196	\$ 2,028,350	\$ 10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
2004	4,905,659	3,654,190 (C)	1,730,676	5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
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.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2006

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees						
10/1/2005	\$ 93,396,808	\$ 105,027,398	\$ 11,630,590	88.9%	\$ 20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
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%
Firefighters and Police Officers						
10/1/2005	\$ 186,347,282	\$ 263,608,000	\$ 77,260,718	70.7%	\$ 24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
10/1/2000	81,679,522	93,079,784	11,400,262	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%

See notes to basic financial statements.

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$61,831,403	\$61,831,403	\$64,591,030	\$2,759,627
Licenses and permits	5,906,390	7,391,004	9,101,753	1,710,749
Intergovernmental revenue	12,386,050	12,521,826	43,460,525	30,938,699
Charges for services	23,031,862	23,231,862	23,416,701	184,839
Fines and forfeits	765,400	765,400	1,044,412	279,012
Miscellaneous revenues	18,143,096	18,765,541	18,277,758	(487,783)
Total revenues	<u>122,064,201</u>	<u>124,507,036</u>	<u>159,892,179</u>	<u>35,385,143</u>
Expenditures				
General government services				
Administrative services	4,113,515	4,113,515	3,593,247	520,268
Advisory boards	28,900	40,572	25,310	15,262
City attorney	752,265	752,265	750,026	2,239
City clerk	1,082,415	1,070,743	941,624	129,119
City manager	800,709	809,109	801,572	7,537
Finance	2,332,312	2,332,312	2,199,552	132,760
Human resources	1,244,716	1,244,716	1,034,378	210,338
Mayor & commission	439,211	430,811	428,298	2,513
Non-departmental	6,672,394	6,575,751	5,269,928	1,305,823
Public services	8,069,314	8,069,314	7,004,781	1,064,533
Total general government services	<u>25,535,751</u>	<u>25,439,108</u>	<u>22,048,716</u>	<u>3,390,392</u>
Public safety				
Administrative services	928,742	928,742	883,695	45,047
Emergency & disaster relief services	-	3,370,672	35,058,662	(31,687,990)
Fire	34,658,918	39,241,086	37,795,677	1,445,409
Police	33,198,897	35,548,797	34,367,435	1,181,362
Total public safety	<u>68,786,557</u>	<u>79,089,297</u>	<u>108,105,469</u>	<u>(29,016,172)</u>

(continued)

See notes to budgetary comparison schedule.

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2006
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Physical environment				
Public services	\$4,345,068	\$4,345,068	\$3,917,975	\$427,093
Total physical environment	<u>4,345,068</u>	<u>4,345,068</u>	<u>3,917,975</u>	<u>427,093</u>
Economic environment				
Community services	2,832,521	2,832,521	2,482,745	349,776
Total economic environment	<u>2,832,521</u>	<u>2,832,521</u>	<u>2,482,745</u>	<u>349,776</u>
Human services				
Community services	2,392,352	2,462,381	2,428,169	34,212
Education	4,179,249	4,182,509	3,821,698	360,811
Total human services	<u>6,571,601</u>	<u>6,644,890</u>	<u>6,249,867</u>	<u>395,023</u>
Culture/recreation				
Parks & recreation	17,581,223	18,077,248	16,717,440	1,359,808
Total culture/recreation	<u>17,581,223</u>	<u>18,077,248</u>	<u>16,717,440</u>	<u>1,359,808</u>
Total expenditures	<u>125,652,721</u>	<u>136,428,132</u>	<u>159,522,212</u>	<u>(23,094,080)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,588,520)</u>	<u>(11,921,096)</u>	<u>369,967</u>	<u>12,291,063</u>
Other financing sources (uses):				
Transfers out	(691,528)	(691,528)	(535,572)	155,956
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>(691,528)</u>	<u>(691,528)</u>	<u>(535,572)</u>	<u>155,956</u>
Net change in fund balances	(4,280,048)	(12,612,624)	(165,605)	12,447,019
Fund balances, beginning	32,518,837	32,518,837	32,518,837	-
Fund balances, ending	<u>\$28,238,789</u>	<u>\$19,906,213</u>	<u>\$32,353,232</u>	<u>\$12,447,019</u>

See notes to budgetary comparison schedule.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2006

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 \$10,775,411 for the fiscal year ended September 30, 2006 and consist primarily of:
 - a. \$5,022,962 for contribution to the Police & Fire Pension Plan,
 - b. \$3,370,672 to cover City share of hurricane Wilma expenses and,
 - c. \$866,807 in carryover of funds related principally to encumbered capital items.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

Revenues were adjusted upward by \$2,442,835 and include mainly:

- a. \$1,484,614 of unanticipated increases in roofing and building permits issued, associated with Hurricane Wilma.
- b. \$540,000 to reflect unbudgeted interest on the Money Market Account. During July 2005, the deposits of operating revenues were split between a money market account and the State Board of Administration account and,
- c. \$200,000 in relation to subcontracting of building services personnel to another city.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The only General Fund budgetary expenditure that was in excess of appropriations for the fiscal year ended September 30, 2006 was emergency and disaster relief services in connection primarily with Hurricane Wilma. In fiscal 2005-06 the budget was amended to establish a \$3.4 million expenditure budget for the estimated City's portion of the net cost of Hurricane Wilma. Revenues in the amount of \$30.4 million were recorded in the General Fund in anticipation of reimbursement from federal and state emergency management agencies. As of September 30, 2006, \$25.4 million in reimbursements have been received. The estimated net cost to the General Fund attributable to hurricanes is estimated to be \$4.6 million.

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2006

	Special Revenue							
	Road and Bridge	State Housing Initiative Program	Community Development Block Grant	Law Enforcement Grant	ADA Paratransit Program	Police Service Grant	COPS Grants	Community Bus Program
Assets								
Pooled cash and cash equivalents	\$ 5,660,113	\$ 4,267,328	\$ -	\$ -	\$ 13,030	\$ -	\$ -	\$ -
Receivables:								
Franchise fees and taxes	460,080	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receivables	<u>460,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventory	-	-	-	-	-	-	-	-
Due from other governments	341,878	-	103,890	965	-	-	7,624	-
Prepaid costs	-	-	48,501	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 6,462,071</u>	<u>\$ 4,267,328</u>	<u>\$ 152,391</u>	<u>\$ 965</u>	<u>\$ 13,030</u>	<u>\$ -</u>	<u>\$ 7,624</u>	<u>\$ -</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 27,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	-	152,391	965	-	-	7,624	-
Deposits	-	-	-	-	-	-	-	-
Deferred revenue	-	4,267,328	-	-	-	-	-	-
Total liabilities	<u>27,489</u>	<u>4,267,328</u>	<u>152,391</u>	<u>965</u>	<u>-</u>	<u>-</u>	<u>7,624</u>	<u>-</u>
Fund balances:								
Reserved for:								
Subsequent years' expenditures	-	-	-	-	-	-	-	-
Wetland mitigation	-	-	-	-	-	-	-	-
Prepaid costs	-	-	48,501	-	-	-	-	-
Encumbrances	69,553	87,781	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Unreserved:								
Designated for rent payments	-	-	-	-	-	-	-	-
Undesignated (deficit)	<u>6,365,029</u>	<u>(87,781)</u>	<u>(48,501)</u>	<u>-</u>	<u>13,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,434,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,462,071</u>	<u>\$ 4,267,328</u>	<u>\$ 152,391</u>	<u>\$ 965</u>	<u>\$ 13,030</u>	<u>\$ -</u>	<u>\$ 7,624</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida

**Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2006
(continued)**

	<u>Special Revenue</u>							<u>Permanent</u>	<u>Total</u>
	<u>Schools Chartered by *</u>		<u>Older</u>	<u>Treasury</u>	<u>Justice</u>	<u>\$2 Police</u>	<u>FDLE</u>	<u>Fund</u>	
	<u>Broward County</u>	<u>Florida State</u>							
<u>Assets</u>	<u>School Board</u>	<u>University</u>	<u>Act</u>	<u>Confiscated</u>	<u>Confiscated</u>	<u>Education</u>	<u>Confiscated</u>	<u>Trust Fund</u>	<u>Funds</u>
Pooled cash and cash equivalents	\$ 1,830,558	\$ 400	\$ -	\$ 156,620	\$ 240,142	\$ 166,780	\$ 1,123,326	\$ -	\$ 13,458,297
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	460,080
Other	65,113	11,961	-	-	-	-	-	-	77,074
Total receivables	65,113	11,961	-	-	-	-	-	-	537,154
Inventory	17,895	-	25,000	-	-	-	-	-	42,895
Due from other governments	23,074	248,902	136,377	-	-	-	-	-	862,710
Prepaid costs	-	-	-	-	-	-	-	-	48,501
Restricted pooled cash and investments	-	-	-	-	-	-	-	608,248	608,248
Total assets	\$ 1,936,640	\$ 261,263	\$ 161,377	\$ 156,620	\$ 240,142	\$ 166,780	\$ 1,123,326	\$ 608,248	\$ 15,557,805
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,489
Accrued liabilities	432,473	63,099	-	-	-	-	-	-	495,572
Due to other funds	-	155,300	161,377	-	-	-	-	-	477,657
Deposits	401,232	19,524	-	-	-	-	-	-	420,756
Deferred revenue	-	-	-	-	-	-	-	-	4,267,328
Total liabilities	833,705	237,923	161,377	-	-	-	-	-	5,688,802
Fund balances:									
Reserved for:									
Subsequent years' expenditures	-	-	-	-	-	-	-	141,234	141,234
Wetland mitigation	-	-	-	-	-	-	-	467,014	467,014
Prepaid costs	-	-	-	-	-	-	-	-	48,501
Encumbrances	-	-	-	-	-	14,670	2,827	-	174,831
Inventory	17,895	-	25,000	-	-	-	-	-	42,895
Unreserved:									
Designated for rent payments	1,085,040	-	-	-	-	-	-	-	1,085,040
Undesignated (deficit)	-	23,340	(25,000)	156,620	240,142	152,110	1,120,499	-	7,909,488
Total fund balances	1,102,935	23,340	-	156,620	240,142	166,780	1,123,326	608,248	9,869,003
Total liabilities and fund balances	\$ 1,936,640	\$ 261,263	\$ 161,377	\$ 156,620	\$ 240,142	\$ 166,780	\$ 1,123,326	\$ 608,248	\$ 15,557,805

* As of June 30, 2006

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2006

	Special Revenue Funds							
	Road and Bridge	State Housing Initiative Program	Community Development Block Grant	Law Enforcement Grant	ADA Paratransit Program	Police Community Service Grant	COPS Grants	Community Bus Program
Revenues:								
Taxes	\$ 2,835,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,737,743	583,584	874,716	2,898	332,334	40,019	61,947	341,100
Charges for services	284,146	-	-	-	1,538	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	274,543	-	-	-	12	703	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	141,147	-	-	-	-	-	-	-
Total revenues	5,272,812	583,584	874,716	2,898	333,884	40,722	61,947	341,100
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	774,306	-	-	2,898	-	40,938	155,218	-
Transportation	3,441,809	-	148,328	-	320,854	-	-	423,179
Economic environment	-	583,584	726,388	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	4,216,115	583,584	874,716	2,898	320,854	40,938	155,218	423,179
Excess (deficiency) of revenues over expenditures	1,056,697	-	-	-	13,030	(216)	(93,271)	(82,079)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	216	91,300	82,079
Transfers out	(82,079)	-	-	-	-	-	-	-
Total other financing sources (uses)	(82,079)	-	-	-	-	216	91,300	82,079
Net change in fund balances	974,618	-	-	-	13,030	-	(1,971)	-
Fund balances, beginning	5,459,964	-	-	-	-	-	1,971	-
Fund balances, ending	\$ 6,434,582	\$ -	\$ -	\$ -	\$ 13,030	\$ -	\$ -	\$ -

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2006
(continued)

	<u>Special Revenue Funds</u>							<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Schools Chartered by *</u>		<u>Older Americans Act</u>	<u>Treasury Confiscated</u>	<u>Justice Confiscated</u>	<u>\$2 Police Education</u>	<u>FDLE Confiscated</u>	<u>Wetland Mitigation Trust Fund</u>	
	<u>Broward County School Board</u>	<u>Florida State University</u>							
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,835,233
Intergovernmental	28,440,134	4,515,587	721,532	-	-	-	-	-	37,651,594
Charges for services	907,136	227,230	-	-	-	-	-	-	1,420,050
Fines and forfeitures	-	-	-	12,873	550	53,335	253,438	-	320,196
Investment income	118,060	-	-	6,549	10,797	7,336	56,613	28,721	503,334
Contributions	-	-	69,657	-	-	-	-	-	69,657
Rental revenue	1,425,660	48,680	-	-	-	-	-	-	1,474,340
Other	1,047,537	96,331	-	-	-	-	258	-	1,285,273
Total revenues	<u>31,938,527</u>	<u>4,887,828</u>	<u>791,189</u>	<u>19,422</u>	<u>11,347</u>	<u>60,671</u>	<u>310,309</u>	<u>28,721</u>	<u>45,559,677</u>
Expenditures:									
General government	-	-	-	-	-	-	-	18,346	18,346
Public safety	-	-	-	-	-	35,912	520,020	-	1,529,292
Transportation	-	-	-	-	-	-	-	-	4,334,170
Economic environment	-	-	-	-	-	-	-	-	1,309,972
Human services	33,733,427	4,646,294	954,641	-	-	-	-	-	39,334,362
Total expenditures	<u>33,733,427</u>	<u>4,646,294</u>	<u>954,641</u>	<u>-</u>	<u>-</u>	<u>35,912</u>	<u>520,020</u>	<u>18,346</u>	<u>46,526,142</u>
Excess (deficiency) of revenues over expenditures	<u>(1,794,900)</u>	<u>241,534</u>	<u>(163,452)</u>	<u>19,422</u>	<u>11,347</u>	<u>24,759</u>	<u>(209,711)</u>	<u>10,375</u>	<u>(966,465)</u>
Other financing sources (uses):									
Transfers in	868,212	32,952	125,041	-	-	-	-	-	1,199,800
Transfers out	(582,149)	-	-	-	-	-	-	-	(664,228)
Total other financing sources (uses)	<u>286,063</u>	<u>32,952</u>	<u>125,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535,572</u>
Net change in fund balances	<u>(1,508,837)</u>	<u>274,486</u>	<u>(38,411)</u>	<u>19,422</u>	<u>11,347</u>	<u>24,759</u>	<u>(209,711)</u>	<u>10,375</u>	<u>(430,893)</u>
Fund balances, beginning	<u>2,611,772</u>	<u>(251,146)</u>	<u>38,411</u>	<u>137,198</u>	<u>228,795</u>	<u>142,021</u>	<u>1,333,037</u>	<u>597,873</u>	<u>10,299,896</u>
Fund balances, ending	<u>\$ 1,102,935</u>	<u>\$ 23,340</u>	<u>\$ -</u>	<u>\$ 156,620</u>	<u>\$ 240,142</u>	<u>\$ 166,780</u>	<u>\$ 1,123,326</u>	<u>\$ 608,248</u>	<u>\$ 9,869,003</u>

* As of June 30, 2006

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
 - Treasury Confiscated
 - Justice Confiscated
 - \$2 Police Education
 - FDLE Confiscated
 - Wetland Mitigation Trust Fund



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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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Franchise fees	\$ 2,799,263	\$ 2,799,263	\$ 2,825,984	\$ 26,721
Franchise fees	87,861	87,861	82,772	(5,089)
Utility taxes	1,743,377	1,743,377	1,513,798	(229,579)
Communication services tax	5,198,576	5,198,576	5,165,539	(33,037)
Investment income	269,000	269,000	598,132	329,132
Rental revenue	9,094,127	9,194,127	8,996,690	(197,437)
Total revenues	<u>19,192,204</u>	<u>19,292,204</u>	<u>19,182,915</u>	<u>(109,289)</u>
Expenditures				
Debt service:				
Principal	5,035,001	5,035,001	5,035,000	1
Interest	14,934,271	15,034,271	15,027,554	6,717
Other debt service costs	29,552	29,552	22,694	6,858
Total expenditures	<u>19,998,824</u>	<u>20,098,824</u>	<u>20,085,248</u>	<u>13,576</u>
Excess (deficiency) of revenues over expenditures	<u>(806,620)</u>	<u>(806,620)</u>	<u>(902,333)</u>	<u>(95,713)</u>
Other financing sources:				
Transfers in	-	-	214,124	214,124
Current refunding of Certificates of Indebtedness	(5,985,000)	(5,985,000)	(5,985,000)	-
Total other financing sources	<u>(5,985,000)</u>	<u>(5,985,000)</u>	<u>(5,770,876)</u>	<u>214,124</u>
Net change in fund balances	(6,791,620)	(6,791,620)	(6,673,209)	118,411
Fund balances, beginning	20,030,410	20,030,410	20,030,410	-
Fund balances, ending	<u>\$ 13,238,790</u>	<u>\$ 13,238,790</u>	<u>\$ 13,357,201</u>	<u>\$ 118,411</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, 2006

	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			
Revenues:								
Taxes	\$ 142,000	\$ 2,990,000	\$ 2,835,233	\$ (154,767)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,295,000	1,737,743	442,743	1,101,756	4,706,255	583,584	(4,122,671)
Charges for services	-	284,146	284,146	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	442,000	274,543	(167,457)	72,000	72,000	-	(72,000)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	56,017	141,147	85,130	-	-	-	-
Total revenues	<u>142,000</u>	<u>5,067,163</u>	<u>5,272,812</u>	<u>205,649</u>	<u>1,173,756</u>	<u>4,778,255</u>	<u>583,584</u>	<u>(4,194,671)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	774,306	(774,306)	-	-	-	-
Transportation	5,747,856	4,523,510	3,441,809	1,081,701	-	-	-	-
Economic environment	-	-	-	-	1,101,756	4,706,255	583,584	4,122,671
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>5,747,856</u>	<u>4,523,510</u>	<u>4,216,115</u>	<u>307,395</u>	<u>1,101,756</u>	<u>4,706,255</u>	<u>583,584</u>	<u>4,122,671</u>
Excess (deficiency) of revenues over expenditures	<u>(5,605,856)</u>	<u>543,653</u>	<u>1,056,697</u>	<u>513,044</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>	<u>(72,000)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(82,079)	(82,079)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(82,079)</u>	<u>(82,079)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,605,856)	543,653	974,618	430,965	72,000	72,000	-	(72,000)
Fund balances, beginning	<u>5,459,964</u>	<u>5,459,964</u>	<u>5,459,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ (145,892)</u>	<u>\$ 6,003,617</u>	<u>\$ 6,434,582</u>	<u>\$ 430,965</u>	<u>\$ 72,000</u>	<u>\$ 72,000</u>	<u>\$ -</u>	<u>\$ (72,000)</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, 2006
(continued)

	Special Revenue Funds							
	Community Development Block Grant				Law Enforcement Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,272,157	2,854,404	874,716	(1,979,688)	12,946	62,946	2,898	(60,048)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>1,272,157</u>	<u>2,854,404</u>	<u>874,716</u>	<u>(1,979,688)</u>	<u>12,946</u>	<u>62,946</u>	<u>2,898</u>	<u>(60,048)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	12,946	62,946	2,898	60,048
Transportation	154,537	172,705	148,328	24,377	-	-	-	-
Economic environment	1,117,620	2,681,699	726,388	1,955,311	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>1,272,157</u>	<u>2,854,404</u>	<u>874,716</u>	<u>1,979,688</u>	<u>12,946</u>	<u>62,946</u>	<u>2,898</u>	<u>60,048</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2006
(continued)

	Special Revenue Funds							
	ADA Paratransit Program				Police Community Service Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	296,065	296,065	332,334	36,269	-	40,020	40,019	(1)
Charges for services	3,000	3,000	1,538	(1,462)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	12	12	-	270	703	433
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>299,065</u>	<u>299,065</u>	<u>333,884</u>	<u>34,819</u>	<u>-</u>	<u>40,290</u>	<u>40,722</u>	<u>432</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	40,505	40,938	(433)
Transportation	326,308	326,308	320,854	5,454	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>326,308</u>	<u>326,308</u>	<u>320,854</u>	<u>5,454</u>	<u>-</u>	<u>40,505</u>	<u>40,938</u>	<u>(433)</u>
Excess (deficiency) of revenues over expenditures	<u>(27,243)</u>	<u>(27,243)</u>	<u>13,030</u>	<u>40,273</u>	<u>-</u>	<u>(215)</u>	<u>(216)</u>	<u>(1)</u>
Other financing sources (uses):								
Transfers in	27,243	27,243	-	(27,243)	-	(216)	216	432
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>27,243</u>	<u>27,243</u>	<u>-</u>	<u>(27,243)</u>	<u>-</u>	<u>(216)</u>	<u>216</u>	<u>432</u>
Net change in fund balances	-	-	13,030	13,030	-	(431)	-	431
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,030</u>	<u>\$ 13,030</u>	<u>\$ -</u>	<u>\$ (431)</u>	<u>\$ -</u>	<u>\$ 431</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, 2006
(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		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	83,635	83,635	61,947	(21,688)	349,059	349,059	341,100	(7,959)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>83,635</u>	<u>83,635</u>	<u>61,947</u>	<u>(21,688)</u>	<u>349,059</u>	<u>349,059</u>	<u>341,100</u>	<u>(7,959)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	158,670	158,670	155,218	3,452	-	-	-	-
Transportation	-	-	-	-	509,452	509,452	423,179	86,273
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>158,670</u>	<u>158,670</u>	<u>155,218</u>	<u>3,452</u>	<u>509,452</u>	<u>509,452</u>	<u>423,179</u>	<u>86,273</u>
Excess (deficiency) of revenues over expenditures	<u>(75,035)</u>	<u>(75,035)</u>	<u>(93,271)</u>	<u>(18,236)</u>	<u>(160,393)</u>	<u>(160,393)</u>	<u>(82,079)</u>	<u>78,314</u>
Other financing sources (uses):								
Transfers in	75,035	75,035	91,300	16,265	160,393	160,393	82,079	(78,314)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>75,035</u>	<u>75,035</u>	<u>91,300</u>	<u>16,265</u>	<u>160,393</u>	<u>160,393</u>	<u>82,079</u>	<u>(78,314)</u>
Net change in fund balances	-	-	(1,971)	(1,971)	-	-	-	-
Fund balances, beginning	1,971	1,971	1,971	-	-	-	-	-
Fund balances, ending	<u>\$ 1,971</u>	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ (1,971)</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, 2006
(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			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	28,603,514	29,136,905	28,440,134	(696,771)	4,082,031	4,300,266	4,515,587	215,321
Charges for services	905,386	905,386	907,136	1,750	225,029	225,029	227,230	2,201
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	75,000	75,755	118,060	42,305	-	-	-	-
Contributions	500,000	514,154	-	(514,154)	-	-	-	-
Rental revenue	1,465,990	1,465,235	1,425,660	(39,575)	52,308	52,308	48,680	(3,628)
Other	1,129,011	1,129,011	1,047,537	(81,474)	95,000	95,000	96,331	1,331
Total revenues	<u>32,678,901</u>	<u>33,226,446</u>	<u>31,938,527</u>	<u>(1,287,919)</u>	<u>4,454,368</u>	<u>4,672,603</u>	<u>4,887,828</u>	<u>215,225</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	33,779,189	34,388,234	33,733,427	654,807	4,421,801	4,640,036	4,646,294	(6,258)
Total expenditures	<u>33,779,189</u>	<u>34,388,234</u>	<u>33,733,427</u>	<u>654,807</u>	<u>4,421,801</u>	<u>4,640,036</u>	<u>4,646,294</u>	<u>(6,258)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,100,288)</u>	<u>(1,161,788)</u>	<u>(1,794,900)</u>	<u>(633,112)</u>	<u>32,567</u>	<u>32,567</u>	<u>241,534</u>	<u>208,967</u>
Other financing sources (uses):								
Transfers in	846,878	846,878	868,212	21,334	-	-	32,952	32,952
Transfers out	(257,657)	(257,657)	(582,149)	(324,492)	-	-	-	-
Total other financing sources (uses)	<u>589,221</u>	<u>589,221</u>	<u>286,063</u>	<u>(303,158)</u>	<u>-</u>	<u>-</u>	<u>32,952</u>	<u>32,952</u>
Net change in fund balances	(511,067)	(572,567)	(1,508,837)	(936,270)	32,567	32,567	274,486	241,919
Fund balances, beginning	2,611,772	2,611,772	2,611,772	-	(251,146)	(251,146)	(251,146)	-
Fund balances, ending	<u>\$ 2,100,705</u>	<u>\$ 2,039,205</u>	<u>\$ 1,102,935</u>	<u>\$ (936,270)</u>	<u>\$ (218,579)</u>	<u>\$ (218,579)</u>	<u>\$ 23,340</u>	<u>\$ 241,919</u>

* As of June 30, 2006

(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, 2006
(continued)

	Special Revenue Funds							
	Older Americans Act				Treasury Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	827,002	827,002	721,532	(105,470)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	12,873	12,873	-
Investment income	5,200	5,200	-	(5,200)	4,000	4,000	6,549	2,549
Contributions	100,000	100,000	69,657	(30,343)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	932,202	932,202	791,189	(141,013)	4,000	4,000	19,422	15,422
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,802	121,117	-	121,117
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	1,029,909	1,029,909	954,641	75,268	-	-	-	-
Total expenditures	1,029,909	1,029,909	954,641	75,268	1,802	121,117	-	121,117
Excess (deficiency) of revenues over expenditures	(97,707)	(97,707)	(163,452)	(65,745)	2,198	(117,117)	19,422	136,539
Other financing sources (uses):								
Transfers in	27,272	27,272	125,041	97,769	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	27,272	27,272	125,041	97,769	-	-	-	-
Net change in fund balances	(70,435)	(70,435)	(38,411)	32,024	2,198	(117,117)	19,422	136,539
Fund balances, beginning	38,411	38,411	38,411	-	137,198	137,198	137,198	-
Fund balances, ending	<u>\$ (32,024)</u>	<u>\$ (32,024)</u>	<u>\$ -</u>	<u>\$ 32,024</u>	<u>\$ 139,396</u>	<u>\$ 20,081</u>	<u>\$ 156,620</u>	<u>\$ 136,539</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, 2006
(continued)

	Special Revenue Funds							
	Justice Confiscated				\$2 Police Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	550	550	35,339	35,339	53,335	17,996
Investment income	9,700	9,700	10,797	1,097	5,200	5,200	7,336	2,136
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>9,700</u>	<u>9,700</u>	<u>11,347</u>	<u>1,647</u>	<u>40,539</u>	<u>40,539</u>	<u>60,671</u>	<u>20,132</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	4,721	223,710	-	223,710	35,339	108,216	35,912	72,304
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,721</u>	<u>223,710</u>	<u>-</u>	<u>223,710</u>	<u>35,339</u>	<u>108,216</u>	<u>35,912</u>	<u>72,304</u>
Excess (deficiency) of revenues over expenditures	<u>4,979</u>	<u>(214,010)</u>	<u>11,347</u>	<u>225,357</u>	<u>5,200</u>	<u>(67,677)</u>	<u>24,759</u>	<u>92,436</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,979	(214,010)	11,347	225,357	5,200	(67,677)	24,759	92,436
Fund balances, beginning	228,795	228,795	228,795	-	142,021	142,021	142,021	-
Fund balances, ending	<u>\$ 233,774</u>	<u>\$ 14,785</u>	<u>\$ 240,142</u>	<u>\$ 225,357</u>	<u>\$ 147,221</u>	<u>\$ 74,344</u>	<u>\$ 166,780</u>	<u>\$ 92,436</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, 2006
(continued)

	Special Revenue Funds				Permanent Fund			
	FDLE Confiscated				Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	253,438	253,438	-	-	-	-
Investment income	62,000	62,000	56,613	(5,387)	18,000	18,000	28,721	10,721
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	258	258	-	-	-	-
Total revenues	<u>62,000</u>	<u>62,000</u>	<u>310,309</u>	<u>248,309</u>	<u>18,000</u>	<u>18,000</u>	<u>28,721</u>	<u>10,721</u>
Expenditures:								
General government	-	-	-	-	18,000	18,000	18,346	(346)
Public safety	143,705	1,164,921	520,020	644,901	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>143,705</u>	<u>1,164,921</u>	<u>520,020</u>	<u>644,901</u>	<u>18,000</u>	<u>18,000</u>	<u>18,346</u>	<u>(346)</u>
Excess (deficiency) of revenues over expenditures	<u>(81,705)</u>	<u>(1,102,921)</u>	<u>(209,711)</u>	<u>893,210</u>	<u>-</u>	<u>-</u>	<u>10,375</u>	<u>10,375</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(81,705)	(1,102,921)	(209,711)	893,210	-	-	10,375	10,375
Fund balances, beginning	<u>1,333,037</u>	<u>1,333,037</u>	<u>1,333,037</u>	<u>-</u>	<u>597,873</u>	<u>597,873</u>	<u>597,873</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,251,332</u>	<u>\$ 230,116</u>	<u>\$ 1,123,326</u>	<u>\$ 893,210</u>	<u>\$ 597,873</u>	<u>\$ 597,873</u>	<u>\$ 608,248</u>	<u>\$ 10,375</u>

FIDUCIARY FUND TYPES

- PENSION TRUST FUNDS
- AGENCY FUNDS



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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, 2006

	General Employees Pension Fund	Firefighters and Police Officers Pension Fund	Totals
Assets			
Cash and short-term investments	\$ -	\$ 15,237,717	\$ 15,237,717
Receivables			
Accrued interest and dividends	-	921,289	921,289
Other	110,237	1,071,506	1,181,743
Total receivables	<u>110,237</u>	<u>1,992,795</u>	<u>2,103,032</u>
Investments, at fair value			
U.S. Government securities	-	28,195,110	28,195,110
Corporate Bonds	-	37,209,217	37,209,217
Common Stocks	-	107,654,038	107,654,038
Foreign bonds	-	1,672,326	1,672,326
Mutual funds	109,883,206	41,715,754	151,598,960
Total investments	<u>109,883,206</u>	<u>216,446,445</u>	<u>326,329,651</u>
Total assets	<u>109,993,443</u>	<u>233,676,957</u>	<u>343,670,400</u>
Liabilities			
DROP participants payable	-	29,711,157	29,711,157
Deferred City pension contribution	-	85,299	85,299
Accounts payable	-	534,653	534,653
Total liabilities	<u>-</u>	<u>30,331,109</u>	<u>30,331,109</u>
Net Assets			
Net assets held in trust for pension benefits	<u>\$ 109,993,443</u>	<u>\$ 203,345,848</u>	<u>\$ 313,339,291</u>

City of Pembroke Pines, Florida
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Fiscal Year Ended September 30, 2006

	<u>General Employees Pension Fund</u>	<u>Firefighters and Police Officers Pension Fund</u>	<u>Totals</u>
Additions			
Contributions:			
Plan members	\$ 2,143,750	\$ 3,069,097	\$ 5,212,847
Employee buyback	-	405,340	405,340
Employer:			
Required contribution	6,429,405	8,205,196	14,634,601
State/County	-	2,028,350	2,028,350
Total contributions	<u>8,573,155</u>	<u>13,707,983</u>	<u>22,281,138</u>
Investment income:			
Investment earnings and appreciation	9,064,045	14,597,727	23,661,772
Less investment expenses	<u>40,451</u>	<u>1,272,467</u>	<u>1,312,918</u>
Net investment income	<u>9,023,594</u>	<u>13,325,260</u>	<u>22,348,854</u>
Total additions	<u>17,596,749</u>	<u>27,033,243</u>	<u>44,629,992</u>
Deductions			
Pension benefits	4,011,153	9,527,865	13,539,018
Refunds of contributions	(21,582)	58,184	36,602
Administrative expenses	<u>60,922</u>	<u>376,632</u>	<u>437,554</u>
Total deductions	<u>4,050,493</u>	<u>9,962,681</u>	<u>14,013,174</u>
Change in net assets	13,546,256	17,070,562	30,616,818
Net assets, beginning	<u>96,447,187</u>	<u>186,275,286</u>	<u>282,722,473</u>
Net assets, ending	<u>\$ 109,993,443</u>	<u>\$ 203,345,848</u>	<u>\$ 313,339,291</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, 2006

	<u>Balance</u> <u>September 30,</u> <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2006</u>
General Trust Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,146,670	\$ 94,428,148	\$ 94,313,926	\$ 2,260,892
Miscellaneous accounts receivable	-	412	412	-
Total assets	<u>\$ 2,146,670</u>	<u>\$ 94,428,560</u>	<u>\$ 94,314,338</u>	<u>\$ 2,260,892</u>
Liabilities:				
Accrued liabilities	\$ 2,082,292	\$ 89,163,867	\$ 88,985,267	\$ 2,260,892
Due to other funds	64,378	5,266,764	5,331,142	-
Total liabilities	<u>\$ 2,146,670</u>	<u>\$ 94,430,631</u>	<u>\$ 94,316,409</u>	<u>\$ 2,260,892</u>
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 22,841,548	\$ 22,841,548	\$ -
Customer accounts receivable	1,189,565	15,319,104	15,280,320	1,228,349
Total assets	<u>\$ 1,189,565</u>	<u>\$ 38,160,652</u>	<u>\$ 38,121,868</u>	<u>\$ 1,228,349</u>
Liabilities:				
Accounts payable	1,189,565	15,931,254	15,892,470	1,228,349
Total liabilities	<u>\$ 1,189,565</u>	<u>\$ 15,931,254</u>	<u>\$ 15,892,470</u>	<u>\$ 1,228,349</u>
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 2,146,670	\$ 117,269,696	\$ 117,155,474	\$ 2,260,892
Customer accounts receivable	1,189,565	15,319,104	15,280,320	1,228,349
Miscellaneous accounts receivable	-	412	412	-
Total assets	<u>\$ 3,336,235</u>	<u>\$ 132,589,212</u>	<u>\$ 132,436,206</u>	<u>\$ 3,489,241</u>
Liabilities:				
Accounts payable	\$ 1,189,565	\$ 15,931,254	\$ 15,892,470	\$ 1,228,349
Accrued liabilities	2,082,292	89,163,867	88,985,267	2,260,892
Due to other funds	64,378	5,266,764	5,331,142	-
Total liabilities	<u>\$ 3,336,235</u>	<u>\$ 110,361,885</u>	<u>\$ 110,208,879</u>	<u>\$ 3,489,241</u>

III. STATISTICAL SECTION

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



STATISTICAL SECTION

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

Page

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

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

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

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STATISTICAL SECTION

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

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

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

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

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

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 116,772,277	\$ 112,598,736	\$ 114,619,737	\$ 108,374,146	\$ 95,504,416
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357
Unrestricted	7,431,859	14,649,585	2,836,562	1,504,644	3,898,185
Total governmental activities net assets	<u>\$ 143,117,206</u>	<u>\$ 146,138,927</u>	<u>\$ 142,853,868</u>	<u>\$ 128,698,738</u>	<u>\$ 116,410,958</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 153,811,331	\$ 154,941,053	\$ 152,461,927	\$ 148,774,481	\$ 143,262,982
Restricted (1)	75,969	-	(3,254)	907,755	-
Unrestricted	79,719,419	82,017,074	31,831,625	82,775,425	83,495,955
Total business-type activities net assets	<u>\$ 233,606,719</u>	<u>\$ 236,958,127</u>	<u>\$ 184,290,298</u>	<u>\$ 232,457,661</u>	<u>\$ 226,758,937</u>
Primary government					
Invested in capital assets, net of related debt	\$ 270,583,608	\$ 267,539,789	\$ 267,081,664	\$ 257,148,627	\$ 238,767,398
Restricted (1)	18,989,039	18,890,606	25,394,315	19,727,703	17,008,357
Unrestricted	87,151,278	96,666,659	34,668,187	84,280,069	87,394,140
Total primary government net assets	<u>\$ 376,723,925</u>	<u>\$ 383,097,054</u>	<u>\$ 327,144,166</u>	<u>\$ 361,156,399</u>	<u>\$ 343,169,895</u>

(1) Restated restricted net assets for FY 2002-2004. Water & sewer connection fees were reclassified from restricted to unrestricted net assets in FY2005.

City of Pembroke Pines, Florida
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:					
General government	\$ 20,085,237	\$ 19,804,913	\$ 21,245,245	\$ 21,438,009	\$ 23,008,076
Public safety	54,363,115	59,919,473	64,769,067	75,037,886	115,482,598 (1)
Physical environment	3,184,132	3,740,853	3,788,410	3,612,466	3,997,835
Transportation	5,785,707	5,486,631	5,725,790	12,013,824 (2)	8,243,716
Economic environment	2,154,679	2,754,664	2,774,502	3,064,478	4,715,450
Human services (3)	24,138,249	36,142,870	43,531,313	49,160,396	50,152,084
Culture/Recreation	14,640,884	15,269,764	16,875,139	18,447,037	19,673,548
Interest on long-term debt	6,722,426	7,694,630	11,349,415	13,765,458	15,728,258
Total governmental activities expenses	<u>131,074,429</u>	<u>150,813,798</u>	<u>170,058,881</u>	<u>196,539,554</u>	<u>241,001,565</u>
Business-type activities:					
Public safety	-	-	19,241	48,130	273,616
Water utility services	3,843,161	3,917,274	4,050,643	4,421,132	5,088,235
Sewer/wastewater services	8,590,253	8,974,311	8,873,928	9,600,254	9,970,132
Water-sewer combined services	17,112,758	19,865,795	22,821,895	22,917,382	25,887,741
Total business-type activities expenses	<u>29,546,172</u>	<u>32,757,380</u>	<u>35,765,707</u>	<u>36,986,898</u>	<u>41,219,724</u>
Total primary government expenses	<u>\$ 160,620,601</u>	<u>\$ 183,571,178</u>	<u>\$ 205,824,588</u>	<u>\$ 233,526,452</u>	<u>\$ 282,221,289</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 17,347,281	\$ 17,439,253	\$ 17,950,136	\$ 18,793,806	\$ 18,111,363
Public safety	17,614,392	15,535,883	14,630,803	16,612,089	19,436,165
Physical environment	1,625	2,413	2,593	560	120
Transportation	3,075,107	1,223,166	1,220,800	235,650	285,684
Economic environment	1,288,795	1,321,006	1,328,939	1,996,031	4,316,254
Human services (3)	18,950,247	28,432,894	36,713,012	38,929,127	40,293,116
Culture/Recreation	3,799,282	4,030,889	3,854,108	4,112,009	3,962,945
Interest on long-term debt	3,456,284	6,081,203	8,328,253	8,217,168	8,996,692
Operating grants and contributions	3,630,457	3,222,313	4,866,288	6,803,875	34,437,431 (4)
Capital grants and contributions	4,120,865	2,978,244	512,573	1,109,677	304,636
Total governmental activities program revenues	<u>73,284,335</u>	<u>80,267,264</u>	<u>89,407,505</u>	<u>96,809,992</u>	<u>130,144,406</u>
Business-type activities:					
Charges for services:					
Water utility services	11,364,461	13,074,423	14,136,704	14,258,639	14,855,202
Sewer/wastewater services	11,514,216	13,423,668	18,145,972	14,633,008 (5)	15,277,785
Water-sewer combined services	108,908	87,145	83,197	71,475	67,850
Operating grants and contributions	-	114,859	19,241	42,113	151,310
Capital grants and contributions (6)	11,743,301	7,877,097	3,176,882	712,820	1,577,331
Total business-type activities program revenues	<u>34,730,886</u>	<u>34,577,192</u>	<u>35,561,996</u>	<u>29,718,055</u>	<u>31,929,478</u>
Total primary government program revenues	<u>\$ 108,015,221</u>	<u>\$ 114,844,456</u>	<u>\$ 124,969,501</u>	<u>\$ 126,528,047</u>	<u>\$ 162,073,884</u>

(1) The increase from the prior period was due to expenses related to Hurricane Wilma.

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

(3) The increase in FY 02 - FY 05 was caused by the opening of additional Charter Schools.

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

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

(6) Represents capital contributions from developers that were shown in charges for services in prior years. FY2002-2005 restated for comparative purposes

City of Pembroke Pines, Florida
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)
(continued)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (expense)/revenue:					
Governmental activities	\$ (57,790,094)	\$ (70,546,534)	\$ (80,651,376)	\$ (99,729,562)	\$ (110,857,159)
Business-type activities	5,184,714	1,819,812	(203,711)	(7,268,843)	(9,290,246)
Total primary government net expense	<u>\$ (52,605,380)</u>	<u>\$ (68,726,722)</u>	<u>\$ (80,855,087)</u>	<u>\$ (106,998,405)</u>	<u>\$ (120,147,405)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378
Franchise fees on gross receipts	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389
Gain on sale of capital assets	-	66,534	122,097	-	-
Total governmental activities	<u>66,099,140</u>	<u>73,568,255</u>	<u>77,138,838</u>	<u>85,574,432</u>	<u>98,569,379</u>
Business-type activities:					
Miscellaneous revenues	-	6	-	142	99,618
Investment earnings not restricted	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457
Gain on sale of capital assets	510	5,223	2,000	469	9,447
Total business-type activities	<u>4,029,709</u>	<u>1,531,596</u>	<u>1,115,253</u>	<u>1,856,835</u>	<u>3,591,522</u>
Total primary government	<u>\$ 70,128,849</u>	<u>\$ 75,099,851</u>	<u>\$ 78,254,091</u>	<u>\$ 87,431,267</u>	<u>\$ 102,160,901</u>
Change in Net Assets					
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)
Business-type activities	9,214,423	3,351,408	911,542	(5,412,008)	(5,698,724)
Total primary government	<u>\$ 17,523,469</u>	<u>\$ 6,373,129</u>	<u>\$ (2,600,996)</u>	<u>\$ (19,567,138)</u>	<u>\$ (17,986,504)</u>

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

City of Pembroke Pines, Florida
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)
(continued)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net (expense)/revenue:					
Governmental activities	\$ (57,790,094)	\$ (70,546,534)	\$ (80,651,376)	\$ (99,729,562)	\$ (110,857,159)
Business-type activities	5,184,714	1,819,812	(203,711)	(7,268,843)	(9,290,246)
Total primary government net expense	<u>\$ (52,605,380)</u>	<u>\$ (68,726,722)</u>	<u>\$ (80,855,087)</u>	<u>\$ (106,998,405)</u>	<u>\$ (120,147,405)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378
Franchise fees on gross receipts	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389
Gain on sale of capital assets	-	66,534	122,097	-	-
Total governmental activities	<u>66,099,140</u>	<u>73,568,255</u>	<u>77,138,838</u>	<u>85,574,432</u>	<u>98,569,379</u>
Business-type activities:					
Miscellaneous revenues	-	6	-	142	99,618
Investment earnings not restricted	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457
Gain on sale of capital assets	510	5,223	2,000	469	9,447
Total business-type activities	<u>4,029,709</u>	<u>1,531,596</u>	<u>1,115,253</u>	<u>1,856,835</u>	<u>3,591,522</u>
Total primary government	<u>\$ 70,128,849</u>	<u>\$ 75,099,851</u>	<u>\$ 78,254,091</u>	<u>\$ 87,431,267</u>	<u>\$ 102,160,901</u>
Change in Net Assets					
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)
Business-type activities	9,214,423	3,351,408	911,542	(5,412,008)	(5,698,724)
Total primary government	<u>\$ 17,523,469</u>	<u>\$ 6,373,129</u>	<u>\$ (2,600,996)</u>	<u>\$ (19,567,138)</u>	<u>\$ (17,986,504)</u>

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

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

Fiscal Year	<u>Property Taxes levied for:</u>			Franchise Fees	Utility Taxes	Communications Services Tax	Insurance Premium Taxes (1)	Local Option Gas Taxes (1)	Total
	<u>Debt Service</u>	<u>General Purposes</u>							
2002	\$ -	\$25,230,301	\$8,272,014	\$8,530,503	\$7,094,762	\$1,233,840	\$2,598,699	\$52,960,119	
2003	-	28,460,430	10,681,172	9,044,100	7,574,837	1,426,440	2,709,524	59,896,503	
2004	-	32,372,655	11,437,462	9,116,958	6,497,257	1,730,676	2,784,224	63,939,232	
2005	-	35,586,353	12,946,625	9,461,819	6,729,782	1,861,332	2,858,951	69,444,862	
2006	2,825,984 (2)	39,709,378	14,712,631	9,673,442	7,062,674	2,028,350	2,835,233	78,847,692	

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

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

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

	Fiscal Year				
	<u>2002(1)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund					
Reserved	\$ 1,703,458	\$ 962,277	\$ 2,887,984	\$ 1,075,843	\$ 1,531,181
Unreserved	<u>22,425,709</u>	<u>26,288,290</u>	<u>25,674,246</u>	<u>31,442,994</u>	<u>30,822,051</u>
Total general fund	<u><u>\$24,129,167</u></u>	<u><u>\$27,250,567</u></u>	<u><u>\$28,562,230</u></u>	<u><u>\$32,518,837</u></u>	<u><u>\$32,353,232</u></u>
All other governmental funds					
Reserved	\$ 17,549,497	\$ 12,975,753	\$ 42,851,529	\$ 61,155,573 (2)	\$ 51,769,615
Unreserved, reported in:					
Special revenue funds	9,021,693	10,267,333	9,071,583	9,214,679	8,994,528
Capital projects fund	<u>(6,192,792)</u>	<u>(15,144,540)</u>	<u>(19,443,097)</u>	<u>(15,397,753)</u>	<u>(21,100,410)</u>
Total all other governmental funds	<u><u>\$20,378,398</u></u>	<u><u>\$ 8,098,546</u></u>	<u><u>\$32,480,015</u></u>	<u><u>\$54,972,499</u></u>	<u><u>\$39,663,733</u></u>

(1) Fund balances have been restated for a prior period adjustment.

(2) The increase in reserved fund balance in FY 2004 and FY 2005 is mainly due to unspent bond proceeds.

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (5)				
1997	\$ -	\$ -	\$ -	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	7,787,772	-	1,086,099	7.17
2005	8,040,474	-	4,832,776	1.66
2006	8,431,668	-	4,832,776	1.74

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

- (1) Net available revenues are equal to gross revenues as specific operating expenses are not applicable.
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in in the City, electric light and power facilities.
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **Rentals & Fees** are rentals collected from the City's Charter Schools, and the Academic Village Campus Shared-Use Facility, and rentals and fees from the City's Early Development Centers.
- (5) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.
Water Public Service Taxes are taxes levied within the corporate limits of the City on the purchase of water service.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit and Covenants

September 30, 2006

(continued)

Legal Debt Limit:

Neither the State of Florida Constitution or Statutes, nor the City of Pembroke Pines' City Charter or Code of Ordinances limit the amount of debt the City can issue.

However, on March 8, 2005, the voters of City of Pembroke Pines approved the issuance of \$100,000,000 General Obligation Bonds, of which \$47,000,000 was issued in 2005 as General Obligation Bonds, Series 2005, and \$33,000,000 will be issued as General Obligation Bonds, Series 2007. Currently, City's General Obligation Bonds limit is \$100,000,000. Any General Obligation Bonds in addition to this limit will need voters' further approval.

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

Public Improvement Revenue Bonds, Series 1998

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

Capital Improvement Revenue Bonds, Series 1999

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

Public Improvement Revenue Bonds, Series 2001

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

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, and only if the pledged revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit and Covenants

**September 30, 2006
(continued)**

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

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

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

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

Variable Rate Capital Improvement Revenue Bonds, Series 2005

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

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	1993	1995	1999	2005	Total	Coverage
			Public Improvement Refunding Revenue Bonds (3)	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds (4)	Capital Improvement Revenue Bonds (5)	Variable Rate Capital Imp. Revenue Bonds (7)		
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
2005	7,448,243	6.4%	-	521,683	-	3,098,253	112,667	3,732,603	2.00
2006	8,958,121	20.3%	-	363,585	-	3,093,400	251,486	3,708,471	2.42

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 8,958,121
Combined Maximum Annual Debt Service (6)	4,144,517
Coverage	2.16

- (1) Exclude bank paying agent fees and variable rate bond fees (Remarketing fee, liquidity provider fee, and rating agency monitoring fee).
- (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.
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (7) 2006 debt service payment is actual.

Debt service for years 2007-2011 debt service is based on the Weekly Rate in effect at the financial statement date per GASB No 38. Debt service for years 2012 through maturity is based on the assumption that the outstanding bonds will be converted to fixed rate bonds of 5.17%.

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</u> (2)	<u>% Change</u>	<u>2001A Charter School Revenue Bonds</u> (3)	<u>2001B Charter School Revenue Bonds</u> (4)	<u>Total</u>	<u>Coverage</u>
2002	\$ 6,294,213	-1.5%	\$ 852,544	\$ 230,663	\$ 1,083,207	5.81
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
2005	12,075,622	3.5%	2,133,379	1,463,768	3,597,147	3.36
2006	11,588,227	-4.0%	2,134,314	1,471,278	3,605,592	3.21

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	\$11,588,227
Combined Maximum Annual Debt Service (5)	3,603,211
Coverage	3.22

(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.

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

City of Pembroke Pines, Florida

Debt Service Coverage

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	\$ 1,086,099	\$ -	\$1,086,099	7.17
2005	8,040,474	3.2%	2,384,120	2,448,656	4,832,776	1.66
2006	8,431,668	4.9%	2,384,120	2,448,656	4,832,776	1.74

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$8,431,668
Combined Maximum Annual Debt Service (5)	6,428,133
Coverage	1.31

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

City of Pembroke Pines, Florida

General Information

Located throughout the City are 29 neighborhood and community parks totaling 927.7 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 include wetlands and passive areas. This facility should open in 2007. Cultural arts programs are available at the City's River of Grass ArtsPark and the Fletcher Art and Cultural Center. A number of the residential developments in the community are served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. The City also owns 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), the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road), and Memorial Hospital Miramar (located on 172 Avenue in adjacent Miramar) which serves the western portion of Pembroke Pines. These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics.

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

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

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter elementary school operated in collaboration with Florida State University, two charter middle schools and one charter high school that serve approximately 5,289 students. Of this total, the FSU charter school students include 600 in elementary school, the elementary schools have 1,800 students, the middle schools 1,198 students and the high school 1,691 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School Board. In addition to the City's charter schools, within the City are ten elementary schools, four middle schools and two other high schools. This also includes Somerset Academy, a charter school system operated by Academica Corp. A community school offering evening classes for adults is located at the Walter C. Young Resource Center. The City also operates four early development centers for pre-kindergarten children.

In addition to this, the City also offers post-secondary as well as post-graduate education. Broward 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. The campus of the Venezuelan-administered Jose Maria Vargas University is located in the Senator Howard C. Forman Human Services Campus. Keiser College also operates its Pembroke

City of Pembroke Pines, Florida

General Information

Pines branch campus with a 30,000 square foot facility offering various associate, under-graduate and graduate programs.

The City is served by three County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward Community College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Arts and Culture

The City promotes arts and cultural activities for its citizens. The City maintains a Glass Gallery in the City Hall lobby for quarterly public exhibitions of works by local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board, and often include special opening exhibit programs accompanied by music and dance performances. 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 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. Five other Florida cities were invited to compete, but only Pembroke Pines was selected for the award this year.

On November 17, 2006, the City won four awards for "municipal excellence" from the Florida League of Cities, a private organization that advocates for the State's municipalities and trains officials. Pembroke Pines won in the categories of: Florida City of Excellence, City Spirit, Mayor of the Year and Financial Official of the Year. Pembroke Pines was named City of Excellence for its efficient administration, resident outreach and innovation. The League noted projects such as the Academic Village for students of all ages, the city-run charter school system, City Center and the Senator Howard C. Forman Human Services Campus. The City Spirit award is presented for a citywide effort to successfully address a need. Pembroke Pines has given special attention to seniors.

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), and BellSouth Entertainment, 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. 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.

IV. COMPLIANCE SECTION



City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Award
Fiscal Year Ended September 30, 2006

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant 2000	14.218	B00MC120040	\$ 1,712
Community Development Block Grant 2000	14.218	B01MC120040	6,826
Community Development Block Grant 2000	14.218	B03MC120040	255,118
Community Development Block Grant 2000	14.218	B04MC120040	162,877
Community Development Block Grant 2000	14.218	B05MC120040	328,622
Sub-total	14.218		<u>755,155</u>
<i>Pass-Through Broward County</i>			
HOME Investment Partnerships Program 2000	14.239	N/A	46,229
HOME Investment Partnerships Program 2000	14.239	N/A	73,332
Sub-total	14.239		<u>119,561</u>
Total U.S. Department of Housing and Urban Development			<u>874,716</u>
U.S. Department of Justice			
Cops Ahead-2004	16.710	2004-UM-WX-0129	31,308
Cops in School-2002	16.710	2002SHWX0321	30,640
Sub-total	16.710		<u>61,947</u>
Police Block Grant 2004	16.592	2004-LB-BX-0637	1,946
<i>Pass-Through the Office of the Attorney General</i>			
Victim of Crime Act Grant (VOCA) 2005	16.575	V5156	2,898
<i>Pass-Through Broward County Sheriff's Office</i>			
Byrne Justice Assistance Grant 2005	16.738	2005-DJ-BX-1692	38,074
Total U.S. Department of Justice			<u>104,865</u>
U.S. Department of Agriculture			
<i>Pass-Through Florida Department of Education</i>			
School Breakfast Program	10.553	01-0363	40,881
National School Lunch Program	10.555	01-0363	269,944
<i>Pass-Through Florida Department of Agriculture & Consumer Services</i>			
USDA Donated Food -Cafeteria	10.550	01-0363	82,223
Total U.S. Department of Agriculture			<u>393,048</u>
U.S. Department of Homeland Security			
<i>Pass-Through Broward County</i>			
Comprehensive Emergency Operations Plan (CEOP)	97.004	05DS-11-16-01	18,810
U.S. Department of Homeland Security			<u>18,810</u>
Federal Emergency Management Agency			
<i>Pass-Through State of Florida Department of Community Affairs</i>			
Disaster Relief-Tropical Storm Rita	97.036	FEMA-3259-EM	6,701
Disaster Relief-Hurricane Katrina	97.036	FEMA-1602-DR	62,290
Disaster Relief-Hurricane Wilma	97.036	FEMA-1609-DR	30,936,176
Total Federal Emergency Management Agency/Sub-total			<u>31,005,167</u>
U.S. Department of Health and Human Services			
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>			
Older Americans Act- IIIB - 2000	93.044	JA005-10-2005	11,747
Older Americans Act- IIIB - 2000	93.044	JA006-10-2006	321,448
Sub-total	93.044		<u>333,195</u>
Older Americans Act- IIIE - 2000	93.052	JA006-10-2006	68,254
Energy Assistance -2005	93.568	JP005-10-2006	4,356
Energy Assistance -2006	93.568	JP006-10-2007	5,007
Sub-total	93.568		<u>9,363</u>
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>			
Medical Assistance Program	93.778	JS005	5,611
Total U.S. Department of Health and Human Services			<u>416,423</u>
U.S. Department of Education			
<i>Pass Through the Florida State University</i>			
Individuals with Disabilities Education Act (IDEA)	84.027A	686-2636A-6CB01	81,088
Individuals with Disabilities Education Act (IDEA)	84.027A	686-2637A-7CB01	8,571
<i>Pass Through the School Board of Broward County</i>			
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2636A-6CB01	54,958
Total U.S. Department of Education			<u>144,617</u>
U.S. Department of Transportation			
<i>Pass Through the State of Florida Department of Transportation</i>			
Federal-Aid Highway program	20.205	ANH71	1,517,684
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 34,475,331</u>

N/A - not available or not applicable

City of Pembroke Pines, Florida

Schedule of Expenditures of Federal Awards, State Projects and Local Awards

Fiscal Year Ended September 30, 2006

(Continued)

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Expenditures</u>
Florida Department of Elder Affairs			
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>			
Older Americans Act- 2005	65.009	JL105-10-2006	\$ 192,369
Older Americans Act- 2006	65.009	JL106-10-2007	58,972
Total Florida Department of Elder Affairs/ Sub-total	65.009		<u>251,341</u>
Florida Department of Environmental Protection			
Florida Recreation Development Assistance Program (FRDAP) -Towngate Park	37.017	F5221	53,248
Total Florida Department of Environmental Protection	37.017		<u>53,248</u>
Florida Housing Finance Agency			
State Housing Initiatives Partnership (S.H.I.P.) - F/Y03-04	52.901	N/A	254,570
State Housing Initiatives Partnership (S.H.I.P.) - F/Y04-05	52.901	N/A	187,899
State Housing Initiatives Partnership (S.H.I.P.) - F/Y05-06	52.901	N/A	98,380
State Housing Initiatives Partnership (S.H.I.P.) - F/Y06-07	53.901	N/A	42,735
Total Florida Housing Finance Agency/ Sub-total	52.901		<u>583,584</u>
Florida Department of Health			
Emergency Medicl Services Matching Awards	64.003	M6012	22,493
Total Florida Department of Health			<u>22,493</u>
TOTAL EXPENDITURES OF STATE PROJECTS			<u>\$ 910,666</u>
 <u>Local Awards/Program Title</u>			
Broward County Local Awards			
ADA/Paratransit Program-Fund 123	N/A	N/A	\$ 320,854
Broward County Transit Grant-Fund 128	N/A	N/A	423,178
OAA Older American Act-Broward Cash Match - 2005	N/A	JA005-10-2005	6,167
OAA Older American Act-Broward Cash Match - 2006	N/A	JA006-10-2006	31,128
Emergency Medical Cart Grant	N/A	N/A	14,848
Pembroke Pines Charter School Automated External Defibrillators (AED)	N/A	N/A	15,000
Education & Community Development	N/A	ECD10-2006	39,200
Total Broward County Local Awards			<u>850,375</u>
TOTAL EXPENDITURES OF LOCAL AWARDS			<u>\$ 850,375</u>

N/A - not available or not applicable.