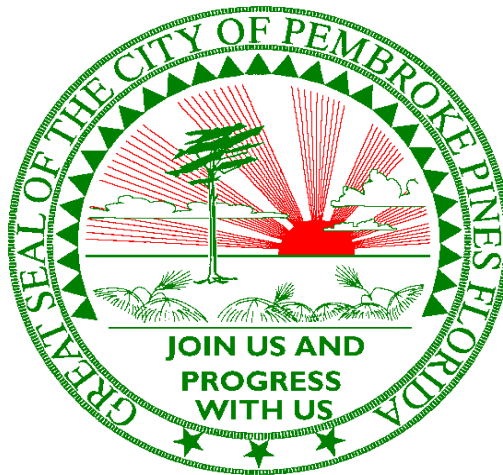




**Comprehensive Annual Financial  
Report  
of the  
City of Pembroke Pines, Florida**



**For the  
Fiscal Year Ended  
September 30, 2007**

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

**For the Fiscal Year Ended  
September 30, 2007**



**Prepared by  
The Finance Department**

# City of Pembroke Pines, Florida

Fiscal Year Ended September 30, 2007

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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**  
**William B. Armstrong, Vice Mayor**  
**Charles F. Dodge, City Manager**

**Angelo Castillo, Commissioner**  
**Carl Shechter, Commissioner**  
**Iris A. Siple, Commissioner**

January 30, 2008

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 auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2007.

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, 2007 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, 2007, 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, 2007.

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 10th largest city in Florida. As of September 30, 2007, the most recent official population estimate was 153,300. 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 to 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 107-110 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-eight years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The Miami-Fort Lauderdale-Pompano Beach, Fl Metropolitan Statistical Area (MSA), which according to the latest statistics, is the seventh (7<sup>th</sup>) largest in the United States, trailing only New York, Los Angeles, Chicago, Dallas, Philadelphia and Houston, highlights 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 (12<sup>th</sup>) busiest container port in the United States.

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

However, both the local and broader economies are at a turning point, and economic indicators are providing mixed signals. The economic environment has remained positive nationally, which 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. The real Gross Domestic Product (GDP), as released by the U.S. Department of Commerce, has shown the rate of growth for the period July 2007 to September 2007 was 4.9 percent, versus an annual growth rate of 2.9 percent for the entire year 2006, and 3.1 percent for 2005. The acceleration in real GDP growth in the third quarter primarily reflected accelerations in exports, in personal consumption expenditures and in private inventory investment that were partly offset by an upturn in imports, a larger decrease in residential fixed investment, and a deceleration in nonresidential structures. However despite the increases in the real GDP, economists are cautioning that 2008 may be showing signs of a significant downturn. Some economists predict that the U.S. economy will slide into recession next year; others expect the nation to avoid recession, if only barely. Whether called a recession or not, the U.S. economy seems certain to slow in 2008, pushing unemployment higher and thousands of people out of work. Surging energy costs, falling housing prices due to the sub-prime mortgage crisis and tightening credit will push consumers to put the brakes on spending and undermining the six-year expansion.

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

	<u>2007*</u>	<u>2006*</u>
City of Pembroke Pines	2.8%	2.9%
Broward County	3.2%	3.2%
State of Florida	3.5%	3.3%
United States	4.5%	4.7%

\* Average unemployment data for 2006 & 2007 is on a fiscal year basis October 1<sup>st</sup> through September 30<sup>th</sup>.

The State of Florida continues to post unemployment rates which are 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 January 4, 2008 was 4.2% for December. For the entire United States the unemployment rate was 5.0%, with approximately 7.7 million people unemployed for the same period. This represents a 14.0% increase compared to last year's unemployment rate of 4.4% on a calendar year basis.

In the past, the strong employment statistics for the local economy has given 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 dramatically, growing only 1.1% as of July 2007 to 18.3 million down from 1.8% growth in 2006, representing the slowest rate of growth in the last decade. In 2006, Florida was ranked ninth on the list of fastest-growing states in the nation, and this year the State has slipped 10 places to number nineteen on the list. According to analysts, retirees who were once the staple of Florida's growth are looking elsewhere like Georgia and the Carolinas. Interestingly, this also marks the first time in at least 17 years that Florida added more people from other countries than from other states. A major factor for this decline in population growth is economic as individuals are moving to States where the cost-of-living is lower. Individuals are leaving the State because of housing inflation, soaring property taxes and other factors, as personal income has not been able to keep pace with these other economic pressures.

Inflation is another important economic indicator that weighs heavily on national policy. Nationwide, the inflation rate as measured by the percent change in the Consumer Price Index (CPI) for all urban consumers decreased by 0.1% in December 2007. Overall, food prices as measured by the CPI increased at a 4.9% seasonally adjusted rate through December compared with 2.1 % rise for all of 2006. The December 2007 level was 4.1% higher than it was in December 2006. Over the same period December 2006 to December 2007, the inflation rate for the Miami-Fort Lauderdale area was 5.8%. Consumers in Broward County are feeling the effects of higher fuel costs, increased cost of food and goods and services, and a fall in housing values.

The housing market has been an extremely critical issue in the last few months, and no one fully anticipated the level of downturn that has taken place nationwide. The strong housing market that has fueled such an economic boom in the State, the County and the City has taken a big hit, with falling property values, record levels of foreclosure filings, and the effects of the sub-prime mortgages has crippled the housing market. On Thursday January 10, 2008, the Federal Reserve Chairman Ben Bernanke, pledged to slash interest rates as needed in order to prevent the housing and credit problems from plunging the country into a recession.

The nationwide sales of existing family homes fell 20.8% from October 2006 to October 2007, and 27.6% in Broward County according to data released from the National Association of Realtors. The median price of existing single-family homes dropped to \$205,000 in October 2007 a decline of 6.3% from October 2006. In Broward County the median price of existing single-family homes actually rose 1.3% to \$354,000 in October 2007 from \$349,400 in October 2006. However, the sales price of existing condominiums rose 4.9% nationwide, but fell by 24.2% in Broward County. In addition to the drop in sales and the prices, the level of foreclosures has continued to rise. According to the Realty Trac® data, in the third quarter of 2007, the Fort Lauderdale MSA was among the large metropolitan areas with top foreclosure rates, reporting one foreclosure for every 48 households, while the State as a whole reported one foreclosure filing for every 282 households. Despite the fact that total foreclosure filings fell 10% in November 2007, compared with the previous month, total filings were up almost 68% from November 2006. These soaring levels of foreclosure filings have had regulators and lawmakers working on ways to curb the trend by freezing interest rates for sub-prime mortgages, and making it easier to obtain government insured loans.

The business environment within the County, neighboring cities and within Pembroke Pines itself provides us with a sense of confidence as many new businesses are still 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 including the “Shops at Pembroke Gardens”, which is a 40-acre lifestyle center featuring major national restaurants and stores. In addition to this, the City has issued 988 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 lower tax rates within Broward County, and currently has the thirteenth lowest millage rate among all the 31 cities in Broward. The City’s current operating millage rate for the fiscal year ending September 30<sup>th</sup>, 2008 is 4.6397, which includes a debt service millage of 0.4672. For the fiscal year ended September 30<sup>th</sup>, 2007, the City’s millage rate ranked as the eleventh lowest in the County at 4.8596 and included a debt service millage of 0.2606. For the past few years, increases in property values have helped to mitigate increases in the City’s millage rate, however, the City can no longer rely on this as a result of property tax reform, and the lowering of property values. 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, and in light of the recent property tax reform initiatives passed by the State legislature. 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 75.9% of total General Fund expenditures for the 2008 Adopted Budget, versus 70.9% in the previous fiscal year. The City’s 2008 budget was adopted using the rolled-back millage rate of 4.1725, but in order to maintain current levels of service, increases in the fire assessment and other fees had to be implemented. The Budget was adopted eliminating vacancies and capital expenditures.

As citizens began to feel the effects of the economic realities on their wallets, cities and counties throughout the State were required to revisit their own budgets in unprecedented ways, as residents and state lawmakers clamored for property tax relief and tax reform. The budget preparation for the fiscal year ending September 30<sup>th</sup>, 2008 was one of the most difficult challenges that the City has been faced with in

many years, and the prospects of additional tax reform are continuing to be pushed through the State legislature. The State has capped the City's property tax revenues by limiting tax increases to the growth in personal income and new construction. However, the City can override this cap by 10% provided it is approved by two-thirds of the City Commission; or greater than 10% if approved by a unanimous vote, or if approved by a referendum of the voters. The estimated change in personal income growth for fiscal year 2009 is 3.9% yet increases in personnel related costs such as pension and health insurance have far exceeded this cap, and with build-out, new construction is miniscule.

This restricted revenue tax policy aimed at protecting residents, has had, and will continue to have, a significant impact on the service delivery capacity of the City, other municipal governments, and the educational system in the coming years. The estimated effects on the City of this tax cap for the fiscal year 2009 will result in a loss of revenues of \$1.1 million.

On January 29<sup>th</sup>, 2008, voters approved a property tax constitutional amendment, which included, but was not limited to, an additional homestead exemption of \$25,000, and allowed for portability of the "Save Our Home" value of up to \$500,000. With the passing of this amendment, the revenue loss to the City is estimated to be \$6.3 million. This combined effect of the revenue cap and the constitutional amendment is estimated to be \$7.4 million in fiscal year 2009, representing a 15.9% reduction in ad-valorem revenues to the City for operating purposes. The City Commission hosted a visioning session in January, and is faced with the daunting task of making difficult decisions concerning the City's future, weighing in the balance how the City will sustain this level of loss, while still following its core mission to serve the residents of the City.

Over the last year, the City has developed the budget in such a way as to preserve 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 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 for 2007 of \$30.8 million, as a percentage of 2008 budgeted expenditures is 20.0% which falls within the established policy guidelines.

### **Relevant Financial Policies**

The City adopts various financial policies in order to facilitate effective goal setting and decision making. These policies establish the framework for sound financial oversight of the City's operations. During fiscal year 2007, the City issued four bonds: two advance refunding revenue bonds – Public Improvement Revenue Refunding Bonds, Series 2006 and the Public Improvement Revenue Refunding Bonds, Series 2006 in the amount of \$29,720,000 and \$45,050,000, respectively; Capital Improvement Revenue Bonds (Phase II of the Forman Senior Housing Project), Series 2007 in the amount of \$26,805,000, and General Obligation Bonds, Series 2007 in the amount of \$43,000,000. It was important that these debt issues be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission on November 1, 2006. This policy allows for the efficient management of the City debt, and provides that general obligation debt cannot exceed 1.5% of the City's total taxable assessed valuation. It also stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal to or exceed \$100,000. The City is in compliance with its Debt Management Policy.

## 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 \$100.0 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 \$47.0 million. On July 25th, 2007 the City issued \$43.0 million, and reduced the number of projects funded by the General Obligation Bonds, the most notable being the proposed Civic Center, which was budgeted at \$8.0 million. This brought the total bonds issued for the “Building Our Future Program” to \$90.0 million.

The projects funded from the proceeds of the bonds range from various roadwork projects, and recreational and cultural amenities, to economic development and neighborhood revitalization. Some of these projects are direct responses to requests made from the citizenry, while others are a result of the visions of progress, and the proactive stance of the City’s Mayor and Commissioners. 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 have been completed, and “Phase II projects are also well underway. 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, and traffic flow has significantly improved along the main Pines Boulevard corridor. In fiscal year 2007, the City spent a total of approximately \$25.1 million on G.O. Bond projects. The main components of these expenditures included \$13.0 million spent on transportation projects, \$7.1 million was spent on improvements to recreational facilities and playground equipment, \$4.5 million on the purchase of land and development of open space, and the other \$0.5 million was spent on improvements to landscaping, lighting for baseball fields and the renovation of the tennis and pool building at the City’s golf course. The City’s municipal golf course opened on December 1, 2007, after being re-built. The renovation took approximately 8 months to be completed and cost approximately \$7.0 million.

Additional road work improvements are underway in fiscal year 2007 whereby the City signed an inter-local agreement with Broward County, in which the City would take over the road improvement project related to Sheridan Street between Southwest 196<sup>th</sup> Avenue and Southwest 172<sup>nd</sup> Avenue. As part of the agreement, the City is responsible for the design, construction, and design engineering, and the County will reimburse the City up to a maximum of \$15.5 million. As of September 30, 2007, the City has spent approximately \$8.2 million on this project.

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 consist 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. During the fiscal year 2007, the City has spent a total of \$9.1 million on these various projects.

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 was 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. In addition to the 614 units located at the Senator Howard C. Forman Human Services Campus, the City owns and operates 190 senior housing residential units, referred to as "Pines Point". This brings the total to 804 senior housing residential units provided by the City. Construction for Tower III was completed in December 2007, and the building was opened for residents on January 1<sup>st</sup> 2008.

The plans for "City Center" are fast becoming a reality, and remains 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 provide 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 expecting 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. The total estimated cost for this project is \$79.0 million, of which \$44.5 million has been spent to date. 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. The City Center parcels were put up for bids in September 2007, and the offers received in October 2007. These bids were separated into three categories: commercial, residential and Old City Hall. However, the bids presented were lower than anticipated so the City is planning on going out for additional bids.

### **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, 2006. This was the Twenty-second consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

Additionally, the City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2006. The City of Pembroke Pines has received this award consecutively for ten 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 Finance 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. On November 9, 2007, the Florida League of Cities honored the City again with another Florida Cities of Excellence Award – this time the City's Controller/Internal Auditor was named the City Employee of the Year.

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 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.

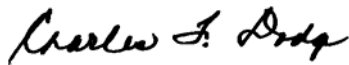
On November 16, 2007, the National League of Cities awarded the Silver Award for Municipal Excellence to the City of Pembroke Pines because of its utilization of the Senator Howard C. Forman Human Services Campus for human services collaborations and redevelopment. This award identifies and showcases outstanding municipal programs that improve the quality of life for the residents. The winners of this award exemplify excellence in city governance, best practices in municipal policy, and models to follow to improve the lives of their citizens.

The 14<sup>th</sup> annual Morgan-Quitno Press City Crime Survey conducted in 2006 and released in November 2007 by CQ Press, ranked the City of Pembroke Pines the 48<sup>th</sup> safest city out of 378 cities reviewed. They ranked the City second safest out of the 29 cities reviewed in the State of Florida.

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, CPA, CGFO, CPFO  
Finance Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pembroke Pines  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

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.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# List of City Officials

## City Commission:

*Frank C. Ortis, Mayor*

*William B. Armstrong, Vice Mayor*

*Angelo Castillo, Commissioner*

*Carl Shechter, Commissioner*

*Iris A. Siple, Commissioner*

## City Manager:

*Charles F. Dodge LLC*

## City Attorney:

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

## City Clerk:

*Judith A. Neugent*

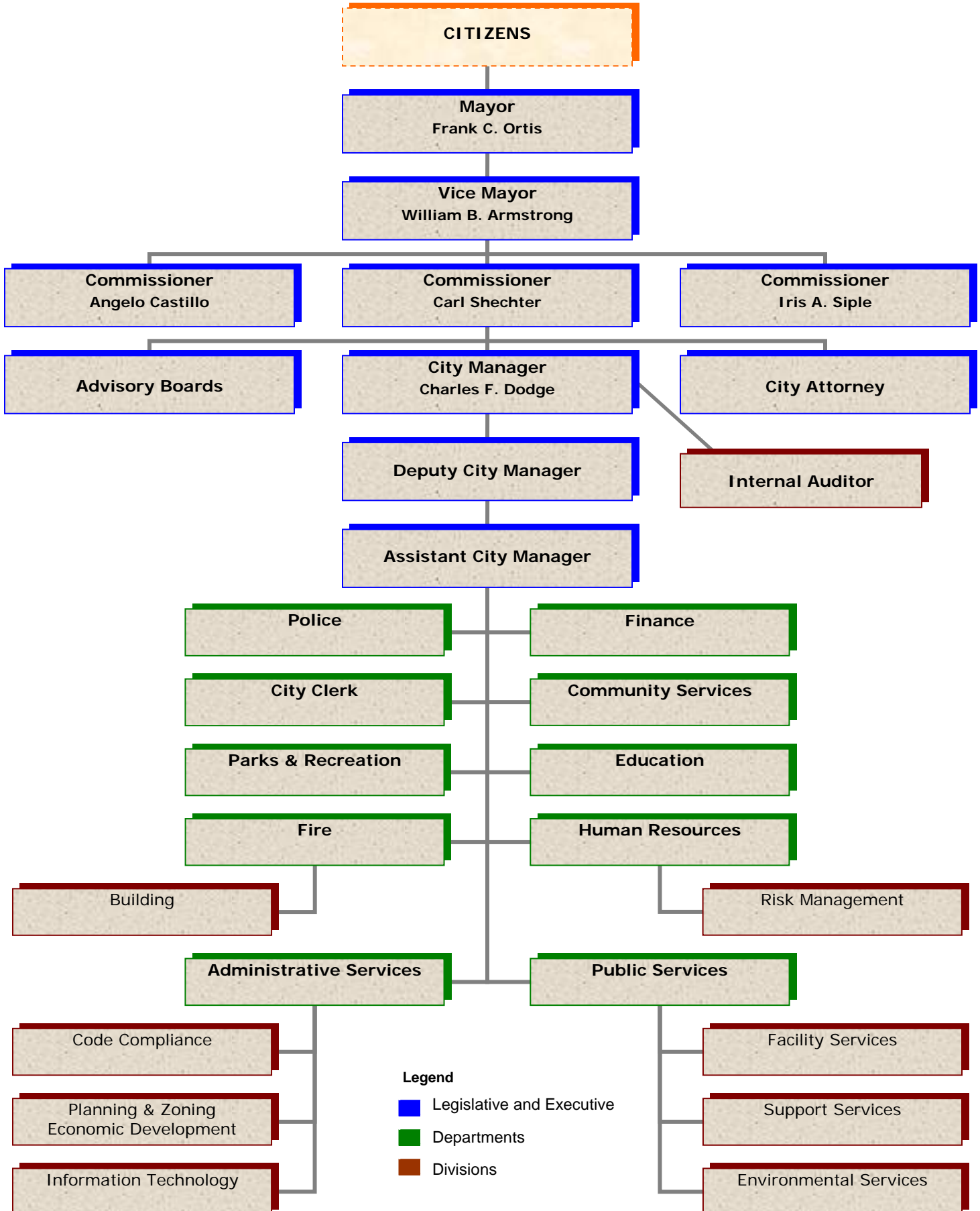
## Finance Director:

*René D. González*



# CITY OF PEMBROKE PINES, 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





**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of the City Commission  
City of Pembroke Pines, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, (the City) as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for Firefighters and Police Officers, which represents 63% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 21 and 105 through 110, respectively, are not a required part of the basic financial

statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, state projects and local awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Fort Lauderdale, Florida  
January 30, 2008

*TCBA Watson Rice LLP*

# 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, 2007. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to x of this report.

### **Financial Highlights**

- The assets of the City of Pembroke Pines exceeded its liabilities at the close of the most recent fiscal year by \$335.5 million (*net assets*), as compared with \$343.2 million for the previous fiscal year. Of this amount, \$65.4 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 \$7.7 million (or -2.2 percent) during the current fiscal year. Included in the total net assets are governmental net assets which decreased by \$1.8 million (-1.5 percent), and the business-type net assets which decreased by \$5.9 million (or -2.6 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 \$107.5 million, an increase of \$35.5 million (49.2 percent) in comparison with the prior year. Approximately \$17.5 million (16.3 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 -\$11.6 million, or -5.1 percent of total governmental activities expenses. The unrestricted net assets of the business-type activities were \$76.9 million, or 176.0 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 111-114 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 107-110. 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 35-104 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 105-110 of this report.

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

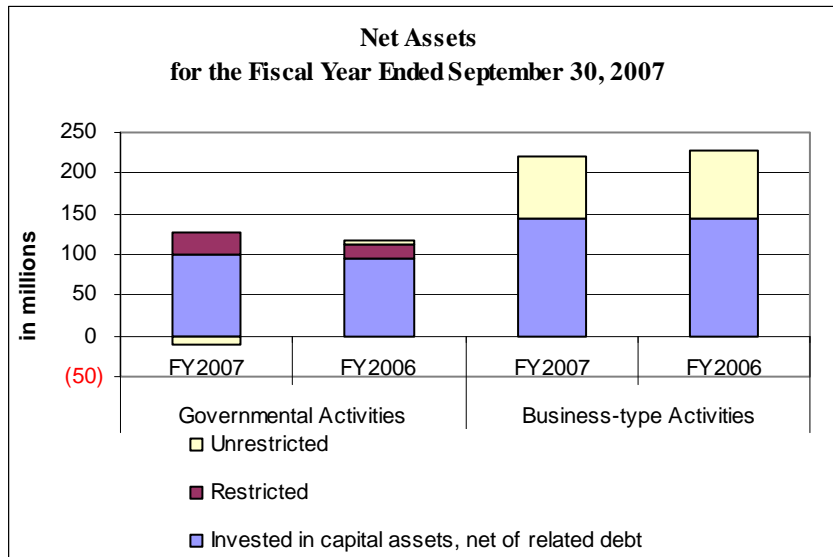
Combining and individual fund statements and schedules can be found on pages 111-114 of this report.

# 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 \$335.5 million at the close of the most recent fiscal year, which represents a 2.2 percent decrease compared to last year's net assets of \$343.2 million. By far the largest portion of the City's net assets \$244.3 million (72.8 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, \$25.8 million (7.7 percent), represent resources that are subject to external restrictions on how they may be used. This balance increased by approximately \$8.8 million (51.6 percent), all related to governmental activities. At the end of the fiscal year there were no restricted assets relating to the business-type activities. The restricted net assets of the governmental funds increased mainly as a result of an increase in net assets relating to debt service of \$7.9 million, and an increase in the Road and Bridge Fund of \$0.6 million. The remaining balance is unrestricted net assets of \$65.4 million (19.5 percent), which decreased by \$22.0 million (25.2 percent) over last year.

## City of Pembroke Pines, Florida

### Management's Discussion and Analysis

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

Net Assets (in millions) **						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 122.6	\$ 98.5	\$ 18.2	\$ 37.3	\$ 140.8	\$ 135.8
Restricted assets	79.1	44.9	2.7	2.6	81.8	47.5
Negative net pension obligation	65.1	69.0	3.5	3.7	68.6	72.7
Unamortized bond issue costs	6.1	5.0	-	-	6.1	5.0
Capital assets, not being depreciated	115.1	59.9	6.5	3.0	121.6	62.9
Capital assets, being depreciated, net	236.3	240.3	137.4	140.3	373.7	380.6
Total assets	<u>624.3</u>	<u>517.6</u>	<u>168.3</u>	<u>186.9</u>	<u>792.6</u>	<u>704.5</u>
Long-term liabilities	418.7	334.2	1.1	1.1	419.8	335.3
Other liabilities	91.0	67.0	(53.6)	(41.0)	37.4	26.0
Total liabilities	<u>509.7</u>	<u>401.2</u>	<u>(52.5)</u>	<u>(39.9)</u>	<u>457.2</u>	<u>361.3</u>
Invested in capital assets, net of related debt	100.4	95.5	143.9	143.3	244.3	238.8
Restricted	25.8	17.0	-	-	25.8	17.0
Unrestricted	(11.6)	3.9	76.9	83.5	65.3	87.4
Total net assets	<u>\$ 114.6</u>	<u>\$ 116.4</u>	<u>\$ 220.8</u>	<u>\$ 226.8</u>	<u>\$ 335.4</u>	<u>\$ 343.2</u>

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

Despite an overall decrease in net assets of \$7.7 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) \*\*

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for services	\$101.6	\$92.6 (1)	\$30.8	\$30.2	\$132.4	\$122.8
Operating grants & contributions	7.6	34.4	-	0.2	7.6	34.6
Capital grants & contributions	6.7	0.3	2.5	1.6	9.2	1.9
General Revenues:						
Property taxes	49.8	42.5	-	-	49.8	42.5
Permits, fees and licenses	15.1	14.7 (2)	0.3	-	15.4	14.7
Utility taxes	9.7	9.7	-	-	9.7	9.7
Communications services tax	7.1	7.1	-	-	7.1	7.1
Other taxes	8.2	7.6 (1)	-	-	8.2	7.6
Intergovernmental - unrestricted	13.5	14.1	-	-	13.5	14.1
Investment earnings, not restricted	6.9	5.3	4.2	3.5	11.1	8.8
Other miscellaneous	0.7	0.4	-	0.1	0.7	0.5
Total revenues	<u>226.9</u>	<u>228.7</u>	<u>37.8</u>	<u>35.6</u>	<u>264.7</u>	<u>264.3</u>
Expenses:						
General government services	23.3	23.0	-	-	23.3	23.0
Public safety	89.0	115.5	-	0.3	89.0	115.8
Physical environment	4.1	4.0	-	-	4.1	4.0
Transportation	12.9	8.2	-	-	12.9	8.2
Economic environment	7.6	4.7	-	-	7.6	4.7
Human services	54.1	50.2	-	-	54.1	50.2
Culture/recreation	20.9	19.7	-	-	20.9	19.7
Interest on long-term debt	16.8	15.7	-	-	16.8	15.7
Water utility services	-	-	5.3	5.0	5.3	5.0
Sewer/wastewater services	-	-	12.3	10.0	12.3	10.0
Water-sewer combined service	-	-	26.1	25.9	26.1	25.9
Total expenses	<u>228.7</u>	<u>241.0</u>	<u>43.7</u>	<u>41.2</u>	<u>272.4</u>	<u>282.2</u>
Change in net assets	<u>(1.8)</u>	<u>(12.3)</u>	<u>(5.9)</u>	<u>(5.6)</u>	<u>(7.7)</u>	<u>(17.9)</u>
Net assets, beginning	116.4	128.7	226.8	232.4	343.2	361.1
<b>Net assets, ending</b>	<u><b>\$114.6</b></u>	<u><b>\$116.4</b></u>	<u><b>\$220.9</b></u>	<u><b>\$226.8</b></u>	<u><b>\$335.5</b></u>	<u><b>\$343.2</b></u>

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

Notes:

- (1) - Occupational licenses renamed "Local Business Tax" was reclassified from "Charges for services" to "Other taxes".
- (2) - Franchise fees on gross receipts, reclassified to "Permits, fees and licenses".

## **City of Pembroke Pines, Florida**

### **Management's Discussion and Analysis**

**Governmental activities.** Net assets of the City's governmental activities decreased by -1.8 percent (-\$1.8 million) from \$116.4 million in last fiscal year to \$114.6 million in the current fiscal year.

#### ***Revenues:***

Revenues from Governmental activities decreased by \$1.8 million (-.08 percent) over last year. This decrease was mainly driven by operating grants and contributions, which decreased by \$26.9 million (-77.9 percent) as a result of hurricane reimbursements from FEMA received and recorded in the previous fiscal year; this was offset by increases in property taxes which increased by \$7.2 million (17.0 percent); capital grants and contributions which increased by \$6.4 million (over 2133.3%); charges for services, which increased by \$9.0 million (9.7 percent); and investment earnings, not restricted increased by \$1.6 million (30.4 percent). All other revenues combined increased by \$0.9 million. It should be noted that in fiscal year 2007 franchise fees are now included as permits, fees and licenses, and occupational licenses, now renamed "Local Business Tax" is now categorized as a tax where it used to be referred to as "Charges for Services".

Charges for services are intended to fully recover the costs of providing those services. The increase in charges for services amounted to \$9.0 million (9.7%). The City's Charter School system has contributed \$5.3 million to the increase in the charges for services as a result of additional revenues received from the State of Florida. These revenues include an additional \$3.2 million for the class size reduction and public education capital outlay programs, and \$1.2 million for the Florida Education Finance Program. As a result of the class size reduction efforts, the City is planning on issuing bonds in order to finance the construction of additional classrooms. The other significant contributing factor was an increase of \$2.7 million relating to General Fund revenues. Approximately \$1.2 million for administrative fees were charged to other departments, and another \$0.7 million relating to engineering fees for paving and drainage permits.

The increased revenues in property taxes were based on a 17.8 percent increase in gross taxable values over last year, including taxable values of new construction. The City's operating millage was 4.5990 for the fiscal year ended September 30, 2007, and an additional voter-approved debt millage of 0.2606 was added, thus increasing the City's total millage rate to 4.8596. The revenues collected as a result of the additional debt millage are accounted for in the Debt Service Fund. In fiscal year 2008, the City adopted a rolled-backed millage rate of 4.1725 and a debt service millage of 0.4672 resulting in a total millage of 4.6397.

Capital grants and contributions increased by \$6.4 million, mainly as a result of a \$5.9 million contribution from Broward County as part of the inter-local agreement signed with the City for the design and construction of roadwork improvements in the western portion of the City. The total amount to be reimbursed by the County is \$15.5 million. An additional \$0.4 million was received as part of the Urban Area Strategic Initiative (UASI) grant through the United States Department of Homeland Security.

#### ***Expenses:***

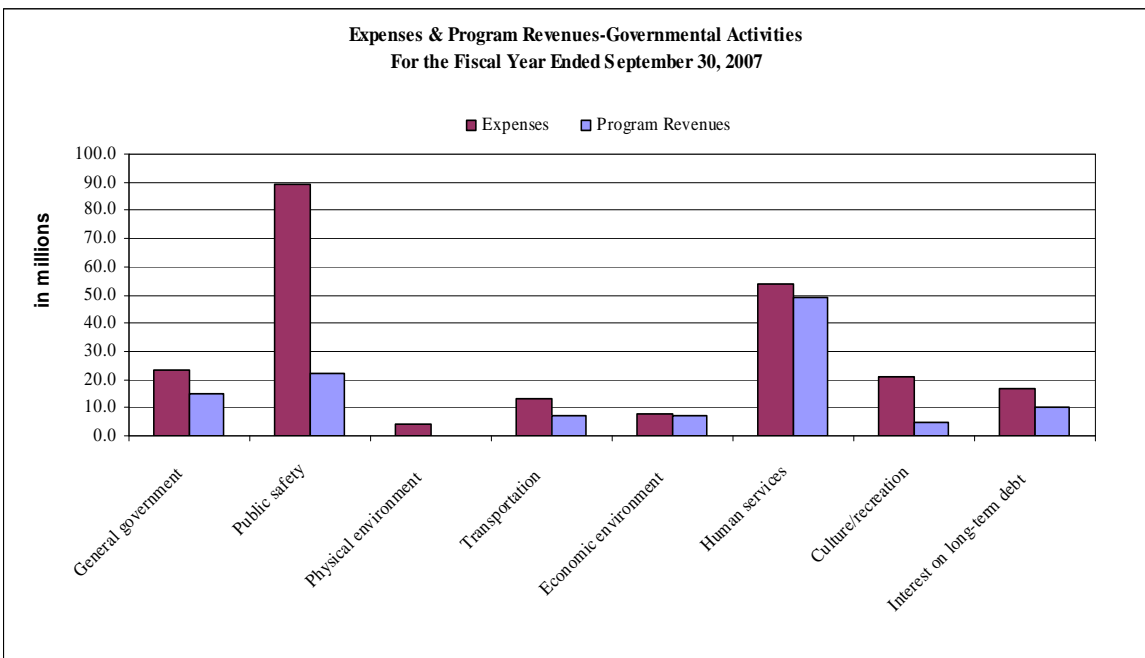
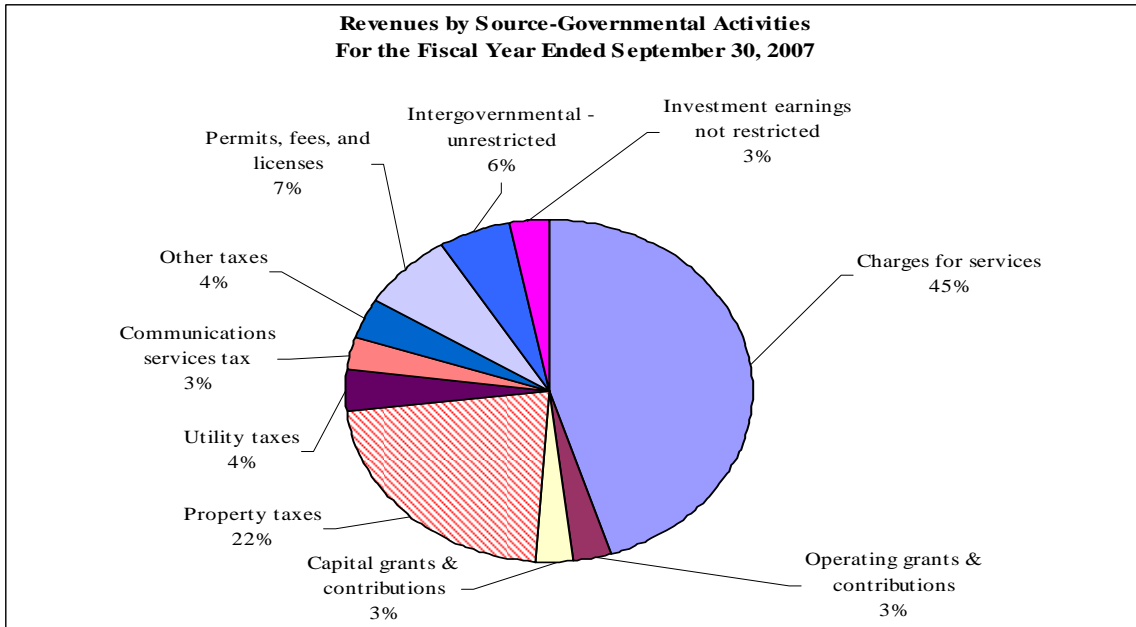
Expenses decreased by \$12.3 million (-5.1 percent) over last year. The decrease in governmental expenses were mainly centered around Public Safety which declined by \$26.5 million, but was offset by a \$4.7 million increase in Transportation expenditures, a \$3.9 million increase in expenditures relating to Human Services, a \$2.9 million increase in Economic Environment, a \$1.2 million increase in Culture/Recreation, and a \$1.1 million increase in Interest on Long-term Debt. All other increases in expenditures totaled \$0.4 million.

Public Safety expenses decreased by approximately \$26.5 million (-22.9 percent) as a result of the expenditures relating to Hurricane Wilma in the amount of \$34.5 million that was expensed in the previous fiscal year. As of September 30, 2007 the City has received actual reimbursements from FEMA in the amount of \$28.9 million for Hurricane Wilma, and an additional \$3.3 million booked as a receivable.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

Transportation expenditures increased by \$4.6 million, mainly as a result of a \$4.3 million increase in expenditures for the roadwork improvements throughout the City relating to the General Obligation Bonds, and a \$0.5 million increase in maintenance expenditures for City roads and street facilities. The \$3.9 million increase in expenditures for Human Services was driven by a \$3.7 million increase in expenditures for the City's Charter Schools. The \$2.8 million increase in Economic Environment was result of additional expenditures related to the operation of the City's new second senior housing residential complex.





# 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 \$5.9 million (-2.6 percent) from \$226.8 million last fiscal year to \$220.9 million in the current fiscal year.

**Revenues:**

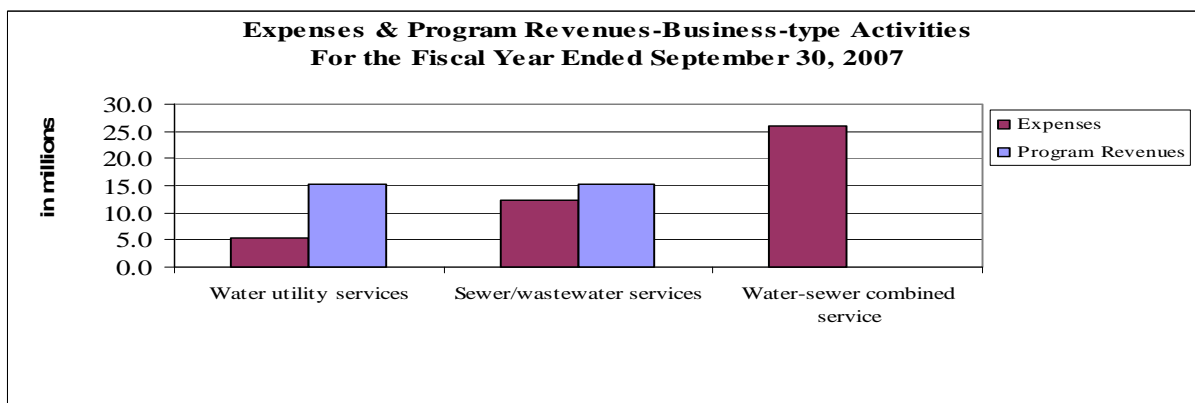
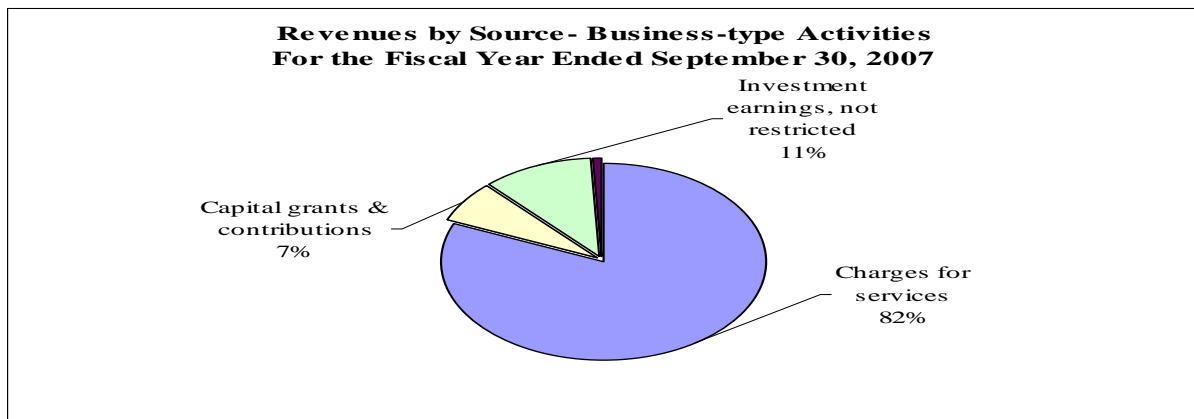
Revenues increased over last year, by \$2.2 million (6.4 percent). The main factors contributing to this was an increase of \$0.6 million in charges for services, a net increase in grant revenues of \$0.7 million, and a net increase in general revenues of \$0.9 million.

The increase in Charges for Services of \$0.6 million was mainly attributable to an increase in water and sewer charges which were increased based on the change in the Consumer Price Index (CPI) for the twelve months ended April 2006. The water and sewer rates increased by 3.55% for the fiscal year ended September 30, 2007.

The net increase in General Revenues was attributable to a \$0.7 million increase in investment earnings, not restricted, a \$0.3 million increase in permits, fees and licenses and a \$0.1 million decrease in other miscellaneous revenues. The increase in investment earnings, not restricted is a result of an interfund advance from the Utility Fund to the General Fund. This advance earned monthly interest in the amount of \$0.6 million is 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 \$2.5 million (6.0 percent). The most significant contributor to this increase related to the sewer/wastewater combined services which increased by \$2.3 million or (23.0 percent), mainly as a result of a \$1.7 million increase in wastewater treatment charges incurred on the large user agreement between the City of Hollywood, Florida and the City of Pembroke Pines.



# City of Pembroke Pines, Florida

## Management's Discussion and Analysis

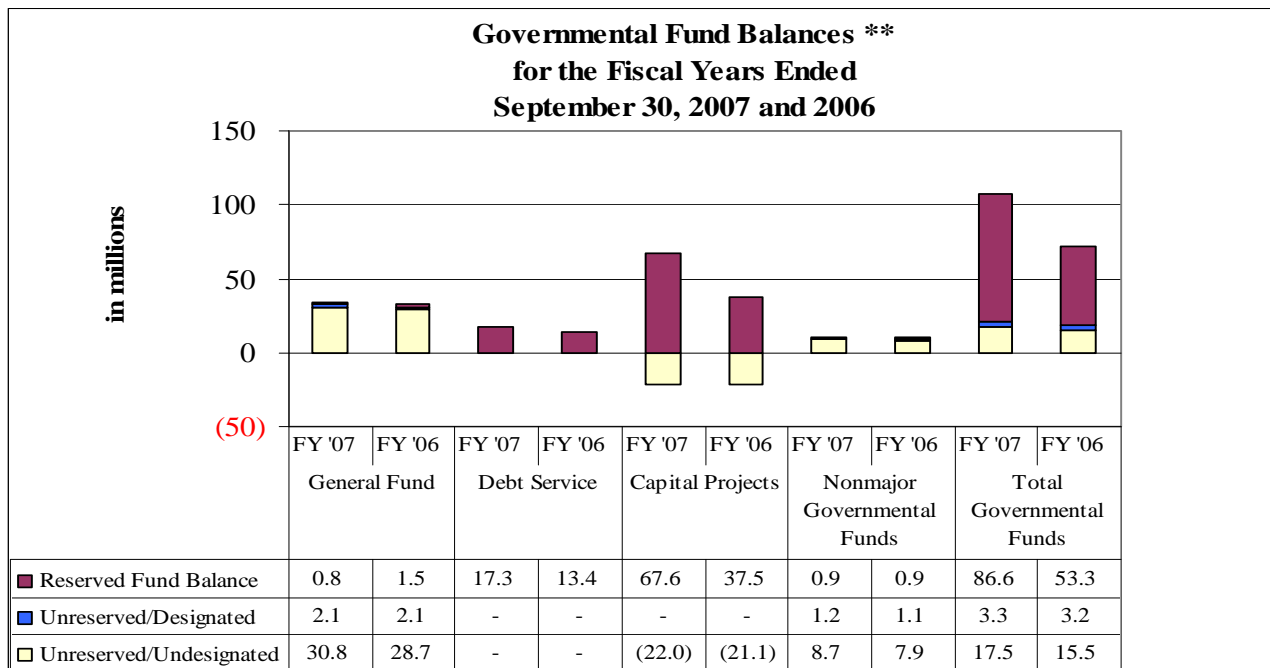
### Financial Analysis of the City's Funds

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 \$107.5 million, an increase of \$35.5 million in comparison with the \$72.0 million prior year balance. This significant increase was mainly attributable to bond proceeds received in the current year which is being spent during the current year in the Capital Projects Fund and the Debt Service Fund.

Approximately \$17.5 million of this total amount (16.3 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 \$30.8 million, as compared with \$28.7 million in the prior year. Reserved fund balance decreased by \$0.7 million to \$0.8 million. Unreserved, designated fund balance remained unchanged at \$2.1 million, as designated for disaster assistance.

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

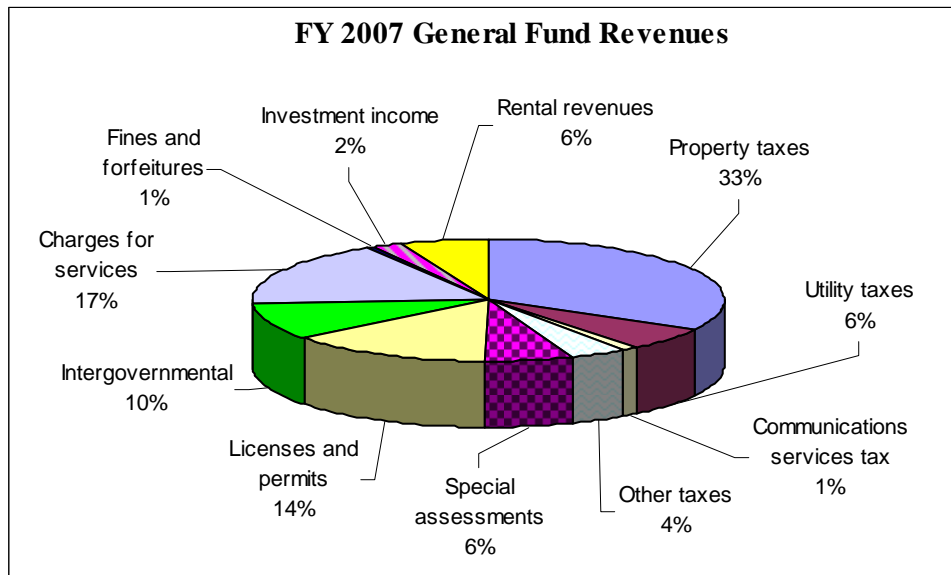
<u>Revenue Sources</u>	<b>General Fund Revenues (in millions) **</b>					
	<b>2007</b>	<b>Percent</b>	<b>2006</b>	<b>Percent</b>	<b>Increase</b>	<b>Percentage</b>
	<b>Amount</b>	<b>of</b>	<b>Amount</b>	<b>of</b>	<b>(Decrease)</b>	<b>Increase</b>
		<b>Total</b>		<b>Total</b>	<b>From 2006</b>	<b>(Decrease)</b>
Property taxes	\$47.1	33%	\$39.7	25%	\$7.4	19%
Utility taxes	8.1	6%	8.2	5%	(0.1)	(1)%
Communications services tax	1.3	1%	1.9	1%	(0.6)	(32)%
Other taxes	5.5	4%	4.8	3%	0.7	15%
Special assessments	8.5	6%	8.3	5%	0.2	2%
Licenses and permits	19.7	14%	19.1	12%	0.6	3%
Intergovernmental	14.0	10%	43.5	27%	(29.5)	(68)%
Charges for services	24.7	17%	23.4	15%	1.3	6%
Fines and forfeitures	1.1	1%	1.0	1%	0.1	10%
Investment income	2.8	2%	1.7	1%	1.1	65%
Rental revenues	8.3	6%	8.0	5%	0.3	4%
Other revenues	0.4	0%	0.3	0%	0.1	33%
<b>Total revenues</b>	<b>\$141.5</b>	<b>100%</b>	<b>\$159.9</b>	<b>100%</b>	<b>(\$18.4)</b>	<b>(12)%</b>

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

Compared to the prior fiscal year, total General Fund revenues decreased by \$18.4 million or -12 percent in fiscal year 2007. Intergovernmental revenues decreased by \$29.5 million as a result of reimbursements for Federal Emergency Management Agency (FEMA) for Hurricane Wilma in fiscal year 2006. The decline in intergovernmental revenues was offset by increases in property taxes, charges for services and investment income.

Property taxes increased by \$7.4 million or 19 percent. This increase in property tax revenue was due to new construction and increases in taxable values of 17.8 percent over last year as compared with the 12 percent increase in the prior fiscal year. Of the total increase in property taxes of \$7.4 million, \$6.3 million is attributable to the increase in taxable values, and \$0.9 million is attributable to the value of new construction.

## 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>2007</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2006</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>From 2006</u>	<u>Percentage</u> <u>Increase</u>
<b>Expenditures:</b>						
General government services	\$ 22.3	16%	\$ 22.0	14%	\$ 0.3	1%
Public safety	84.6	61%	108.1	68%	(23.5)	(22)%
Physical environment	4.0	3%	3.9	2%	0.1	3%
Economic environment	4.6	3%	2.5	2%	2.1	84%
Human services	6.9	5%	6.3	4%	0.6	10%
Culture/Recreation	17.3	12%	16.7	10%	0.6	4%
<b>Total expenditures</b>	<b>\$ 139.7</b>	<b>100%</b>	<b>\$ 159.5</b>	<b>100%</b>	<b>\$ (19.8)</b>	<b>(12)%</b>

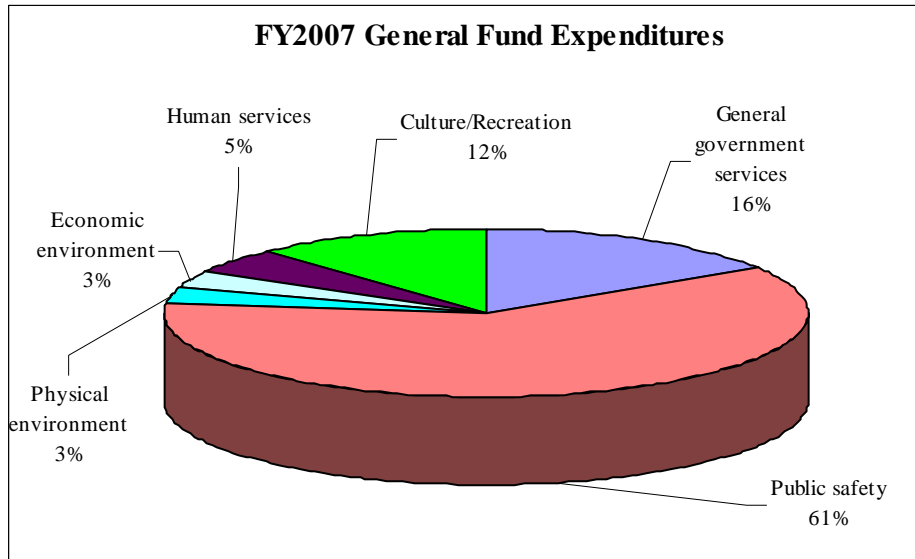
\*\* Amounts may differ from the Fund Financial Statements due to rounding.

In fiscal year 2007, total General Fund expenditures decreased by \$19.8 million or -12 percent compared to the prior year. The main decrease in the General Fund expenditures was related to public safety which decreased by \$23.5 million, as a result of Hurricane Wilma expenses in 2006.

Other increases in wages and salaries were due to union negotiated cost of living increases of 2.5 percent for General employees, 1.5 percent for Police Officers on October 1, 2006 and April 1, 2007; and 3% for Firefighters on October 1, 2006.

# City of Pembroke Pines, Florida

## Management's Discussion and Analysis



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

#### **Debt Service Fund**

The fund balance in the Debt Service Fund increased by \$3.9 million or (29.3%), as compared with 2006. This was mainly a result of an increase in reserves of \$3.0 million, and \$0.9 million relating to capitalized interest on the Capital Improvement Revenue Bonds Series, 2007 for \$26.805 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 \$0.9 million from -\$21.1 million in fiscal year 2006 to -\$22.0 million in fiscal year 2007. The reserved fund balance increased significantly by \$30.0 million over last year to \$67.6 million, and represented reserved for encumbrances of \$25.6 million and reserved for capital projects of \$42.0 million. 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 \$76.9 million compared to \$83.5 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 aggregate adjustments to the budget increased appropriations by \$4.2 million; chiefly to provide for an anticipated \$2.9 million increase in contributions to the Police & Fire Pension, \$0.8 million in carryover of funds from fiscal year 2006, \$0.3 million for the establishment of transitional housing and \$0.3 million for debt service on the Capital Improvement Revenue Refunding Bonds, Series 2006. The final budget was \$7.2 million or 4.9% above actual expenditures due largely to budgetary savings as follows:

- **General government** - \$2.8 million principally in the Non-departmental and Administrative Services divisions. Budget savings of \$1.8 million in the Non-departmental division consisted primarily of \$1.3 million appropriated for contingencies but not utilized and \$0.3 million associated with lower than expected property and liability insurance claims. The Administrative Services division budget savings of \$0.6 million comprise chiefly of \$0.3 million in capital associated with suspension of the wireless project and non-renewal of certain licenses as well as \$0.2 million in salaries for positions that were vacant.
- **Culture and recreation** - \$1.7 million comprising of \$0.8 million in personnel, \$0.7 million in operating and \$0.3 million in capital. Savings in personnel are linked mainly to salaries of \$0.5 million and workers' compensation of \$0.2 million. Salaries for part-time positions account for 85.5% of salary savings, and reflect the department's ability to recruit volunteers and hire over a short period. Operating expenses were below budget because actual expense was lower than anticipated. Capital expenditures were lower than budget due generally to delays in completing the renovations at the Academic Village Recreation Complex and in receiving grounds equipment for the golf course. Unspent funds associated with these capital items were carried over to the fiscal year 2008.
- **Public safety** - \$1.5 million connected mostly with savings in the Fire Department which included \$1.2 million in capital, \$0.6 million in personnel and \$0.5 million in operating. Significant capital savings stem primarily from \$0.5 million related to the incomplete refurbishment of the fire stations at Stirling Road and Pembroke Isles as well as \$0.2 million for an upgraded communication system which is on back order. The latter is essential for converting the Emergency 911 Dispatch Center from a secondary to a primary Public Safety Answering Point. Unutilized funds connected with these capital projects were carried over to fiscal year 2008. Personnel savings consists principally of \$0.6 million in workers' compensation and \$0.2 million in retiree health insurance. Savings in the Fire Department were offset by the \$1.1 million emergency and disaster relief expenses associated with Hurricane Wilma which made landfall during October 2005. The city usually does not budget for hurricanes.
- **Human services** - \$0.5 million of which \$0.3 million relates to the appropriation of a 12-month budget for transitional housing in September 2007, due to the commencement of the project and the receipt of two grant awards.

#### **Revenues**

Actual revenues were \$4.2 million or 3.1% above the final budget due mostly to increases in:

- **Permit, fees and licenses** of \$2.8 million linked mainly to \$1.7 million in building permits, \$0.8 million in paving and drainage permits and \$0.3 in resource recovery host fees. Actual building permit revenues exceeded budget due mainly to protracted Hurricane Wilma restoration activity, the aggressive construction pace of two significant retail centers and a fairly good construction pace for

## **City of Pembroke Pines, Florida**

### **Management's Discussion and Analysis**

two residential developments as well as developers taking full advantage of a new Building Division procedure for expediting permit reviews. By extension, the variance in paving and drainage revenues is attributable to the permits for underground infrastructure associated with the two new retail centers and the two residential developments. These elements were not factored into the budget estimate. The budget for resource recovery was based on the contract minimum whereas the actual revenue included receipts from additional host fees (excess of 105,000 tons @ \$3.00) and additional third party host fees (excess of 120,000 tons @ \$1.50).

- **Miscellaneous revenues** of \$1.3 million resulted mostly from interest on the money market account of \$1.2 million. The budget for the money market account was based on a balance of \$20.0 million and an annual rate of return of 5.30%; however the actual average balance was \$37.0 million with an annualized rate of return of approximately 6.09%, hence the variance.

In view of the aforementioned, the projected change in fund balance was a \$10.3 million decrease. However, the actual fund balance change was a \$1.4 million increase resulting in a variance of \$11.7 million.

### **Capital Assets and Debt Administration**

**Capital assets.** The City's capital assets for its governmental and business-type activities as of September 30, 2007, amounted to \$495.4 million (net of accumulated depreciation), compared with \$443.5 million last year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total increase in the City's capital assets for the current fiscal year was 11.7 percent.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>		<b><u>Total</u></b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Capital assets, not being depreciated:						
Land	\$56.4	\$53.1	\$3.0	\$3.0	\$59.4	\$56.1
Construction in progress	58.7	6.9	3.5	-	62.2	6.9
Total capital assets, not being depreciated	115.1	60.0	6.5	3.0	121.6	63.0
Capital assets, being depreciated, net						
Buildings	171.3	175.2	16.4	16.9	187.7	192.1
Improvements other than buildings	44.8	45.1	119.6	121.7	164.4	166.8
Machinery and equipment	15.5	14.7	1.4	1.7	16.9	16.4
Infrastructure	4.7	5.3	-	-	4.7	5.3
Total capital assets, being depreciated, net	236.3	240.3	137.4	140.3	373.7	380.6
<b>Total capital assets</b>	<b>\$351.4</b>	<b>\$300.3</b>	<b>\$143.9</b>	<b>\$143.3</b>	<b>\$495.3</b>	<b>\$443.6</b>

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

## **City of Pembroke Pines, Florida**

### **Management's Discussion and Analysis**

The net addition to capital assets before depreciation for governmental activities was approximately \$64.6 million and included the following items:

- Continued 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 \$19.8 million in 2007 for the construction 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. Tower III was completed in December 2007.
- Continued various transportation projects throughout the City utilizing the 2007 and 2005 General Obligation Bond proceeds. In 2007, the City spent an additional \$13.0 million on road improvements throughout the City.
- Continued various improvements to recreational facilities. In fiscal year 2007, the City spent approximately \$7.1 million on various park improvements and playground equipment, including the completion of the golf course renovation which reopened for business on December 1, 2007.
- Continued construction of the SW Pines Nature Park. The City has spent an additional \$11.1 million in 2007. 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. As of December 2007, this construction was approximately 85% complete.
- Purchased five acres of land in the amount of \$3.3 million as part of the open space and wetland development.
- Began construction of the Sheridan Street improvement as part of an inter-local agreement with Broward County. In fiscal year 2007, the City spent approximately \$8.2 million. As part of the agreement, Broward County will reimburse the City approximately \$15.5 million.

Of the \$6.2 million net addition to capital assets before depreciation for business-type activities, the majority of these purchases included:

- Water plant expansion project for approximately \$3.3 million, and water main and water well for approximately \$1.1 million.
- Continued rehabilitation of the sewer treatment plant and water plant for approximately \$0.3 million.
- Continued upgrading of 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 56 of this report.



## **City of Pembroke Pines, Florida**

### **Management's Discussion and Analysis**

**Long-term Debt.** At the end of the current fiscal year, the City had total bonds outstanding of \$389.3 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. Additional General Obligation Bonds in the amount of \$43.0 million was issued in fiscal year 2007.

<b>Outstanding Debt (in millions)</b>		
Revenue and General Obligation Bonds		
Governmental		
Activities		
	2007	2006
Revenue Bonds	\$ 301.3	\$ 262.0
General Obligation Bonds	88.0	46.0
	<u>\$ 389.3</u>	<u>\$ 308.0</u>

- During the current fiscal year, the City's net outstanding debt increased by \$81.3 million (26.4 percent), as a result of issuing \$144.575 million in new bonds less payments and refundings of \$63.275 million of existing bonds.

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. Both 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 62 of this report.

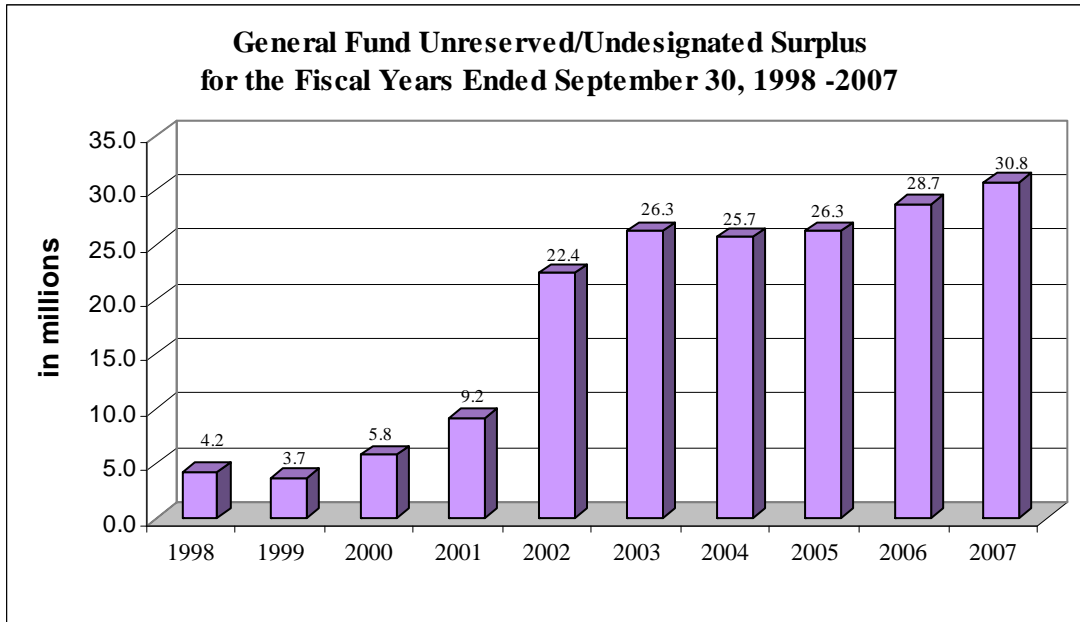
### **Economic Factors, and Next Year's Budgets and Rates**

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

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2007 was 2.8 percent, which is a slight decrease from the 2.9 percent a year ago. This compares favorably to unemployment rates for Broward County, which was 3.2 percent, and 3.5 percent for the State of Florida for the same period.

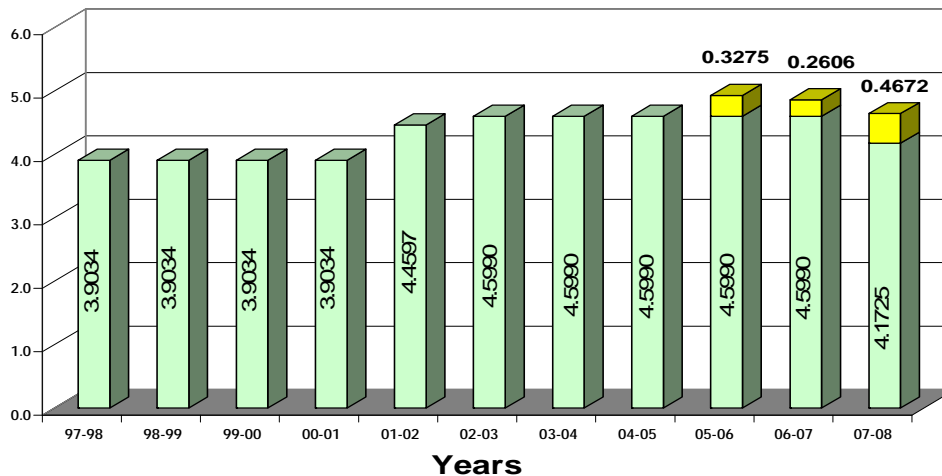
During the current fiscal year, unreserved/undesignated fund balance in the General Fund increased to \$30.8 million, compared to \$28.7 million from last year. The \$30.8 million is approximately equal to two months of the General Fund operating expenditures. Over the last several years, the City has been able to increase its unreserved fund balance as shown in the following graph.

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



A portion of unreserved fund balance may 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 homestead residential property taxable values in any given year to 3 percent or the cost of living increase, whichever is lower. However, for fiscal year 2008, the State required all local governments to decrease taxes by rolling back the millage rate. The City Commission lowered the tax rate by almost 4/10<sup>th</sup> of a mill to the rolled-back rate of 4.1725. The following graph indicates that property tax rates have remained fairly steady over the last ten years, except for fiscal year 2008. 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. State legislative changes in effect for fiscal year 2008 have further reduced the City's ability to increase taxes.

### Millage Rate History



## **City of Pembroke Pines, Florida**

### **Management's Discussion and Analysis**

The water and sewer revenue projections were increased for the 2008 budget year. The water and sewer rates were increased by 2.57 percent effective October 1, 2007 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 2008 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 2.51 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 2008.

#### **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.

# Basic Financial Statements



# Government-wide Financial Statements



# City of Pembroke Pines, Florida

## Statement of Net Assets

September 30, 2007

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Pooled cash and cash equivalents	\$36,942,301	\$1,658,967	\$38,601,268
Investments	71,447,156	13,337,031	84,784,187
Receivables, net	13,779,487	3,234,952	17,014,439
Inventories	416,404	24,396	440,800
Restricted assets:			
Pooled cash and cash equivalents	79,118,720	1,073,112	80,191,832
Investments	-	1,551,188	1,551,188
Prepaid costs	49,455	-	49,455
Negative net pension obligation	65,083,813	3,492,958	68,576,771
Unamortized bond issue costs	6,062,909	-	6,062,909
Capital assets, not being depreciated	115,093,543	6,495,831	121,589,374
Capital assets, being depreciated, net	<u>236,346,966</u>	<u>137,439,805</u>	<u>373,786,771</u>
Total assets	<u>624,340,754</u>	<u>168,308,240</u>	<u>792,648,994</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	26,245,624	201,143	26,446,767
Arbitrage payable	524,682	-	524,682
Deposits	1,888,532	-	1,888,532
Deferred revenue	5,915,706	-	5,915,706
Internal balances	56,409,335	(56,409,335)	-
Payable from restricted assets:			
Deposits	-	2,624,278	2,624,278
Noncurrent liabilities:			
Due within one year	21,935,826	576,635	22,512,461
Due in more than one year	<u>396,791,904</u>	<u>469,267</u>	<u>397,261,171</u>
Total liabilities	<u>509,711,609</u>	<u>(52,538,012)</u>	<u>457,173,597</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	100,395,349	143,935,636	244,330,985
Restricted for:			
\$2 Police Education	167,242	-	167,242
ADA/Paratransit Program	171,597	-	171,597
Charter schools	527,149	-	527,149
Debt Service	15,570,195	-	15,570,195
FDLE - Confiscated	1,203,312	-	1,203,312
Justice - Confiscated	235,881	-	235,881
Road & Bridge Fund	7,147,456	-	7,147,456
State Housing Initiative Program	12	-	12
Treasury - Confiscated	149,332	-	149,332
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	171,547	-	171,547
Unrestricted	<u>(11,556,042)</u>	<u>76,910,616</u>	<u>65,354,574</u>
Total net assets	<u>\$114,629,145</u>	<u>\$220,846,252</u>	<u>\$335,475,397</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**

**Statement of Activities**

**Fiscal Year Ended September 30, 2007**

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	\$23,303,062	\$15,166,539	\$ -	\$ -	\$(8,136,523)	\$ -	\$(8,136,523)
Public safety	88,982,854	19,897,138	1,583,611	517,841	(66,984,264)	-	(66,984,264)
Physical environment	4,123,318	600	-	-	(4,122,718)	-	(4,122,718)
Transportation	12,845,956	315,033	1,033,892	5,993,399	(5,503,632)	-	(5,503,632)
Economic environment	7,559,297	4,642,437	2,300,306	-	(616,554)	-	(616,554)
Human services	54,110,736	47,785,824	1,647,166	-	(4,677,746)	-	(4,677,746)
Culture/recreation	20,948,154	3,702,140	992,792	160,051	(16,093,171)	-	(16,093,171)
Interest on long-term debt	16,823,152	10,070,967	-	-	(6,752,185)	-	(6,752,185)
Total governmental activities	<u>228,696,529</u>	<u>101,580,678</u>	<u>7,557,767</u>	<u>6,671,291</u>	<u>(112,886,793)</u>	<u>-</u>	<u>(112,886,793)</u>
Business-type activities:							
Public safety	4,100	-	10,066	-	-	5,966	5,966
Water utility services	5,318,837	15,372,828	-	1,463,234	-	11,517,225	11,517,225
Sewer/wastewater services	12,271,389	15,338,034	-	1,008,442	-	4,075,087	4,075,087
Water-sewer combined service	26,104,176	64,141	-	-	-	(26,040,035)	(26,040,035)
Total business-type activities	<u>43,698,502</u>	<u>30,775,003</u>	<u>10,066</u>	<u>2,471,676</u>	<u>-</u>	<u>(10,441,757)</u>	<u>(10,441,757)</u>
Total	<u>\$272,395,031</u>	<u>\$132,355,681</u>	<u>\$7,567,833</u>	<u>\$9,142,967</u>	<u>(112,886,793)</u>	<u>(10,441,757)</u>	<u>(123,328,550)</u>
General revenues:							
Property taxes, levied for debt service					2,665,536	-	2,665,536
Property taxes, levied for general purposes					47,104,494	-	47,104,494
Utility taxes					9,722,816	-	9,722,816
Communications services tax					7,060,041	-	7,060,041
Insurance premium taxes					2,442,108	-	2,442,108
Local option gas taxes					2,739,055	-	2,739,055
Local business tax					3,075,143	-	3,075,143
Permits, fees, and licenses					15,105,140	282,740	15,387,880
Intergovernmental revenue - unrestricted					13,503,386	-	13,503,386
Fines & forfeitures					18,010	-	18,010
Miscellaneous revenues					748,752	23,947	772,699
Investment earnings not restricted					6,910,527	4,222,049	11,132,576
Gain on sale of capital assets					9,972	336	10,308
Total general revenues					<u>111,104,980</u>	<u>4,529,072</u>	<u>115,634,052</u>
Change in net assets					(1,781,813)	(5,912,685)	(7,694,498)
Net assets, beginning					<u>116,410,958</u>	<u>226,758,937</u>	<u>343,169,895</u>
Net assets, ending					<u>\$114,629,145</u>	<u>\$220,846,252</u>	<u>\$335,475,397</u>

See notes to basic financial statements.

# Fund Financial Statements





**City of Pembroke Pines, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2007**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 16,464,475	\$ -	\$ -	\$ 14,024,657	\$ 30,489,132
Investments	66,957,986	-	-	-	66,957,986
Receivables:					
Franchise fees and taxes	6,003,556	-	-	405,724	6,409,280
Other	3,411,983	-	-	68,348	3,480,331
Inventories	359,358	-	-	57,046	416,404
Prepaid costs	-	-	-	49,455	49,455
Due from other funds	359,736	959,719	-	-	1,319,455
Due from other governments	3,129,147	-	43,166	717,563	3,889,876
Restricted assets:					
Pooled cash and cash equivalents	-	16,312,259	62,188,799	617,662	79,118,720
Total assets	<u>\$ 96,686,241</u>	<u>\$ 17,271,978</u>	<u>\$ 62,231,965</u>	<u>\$ 15,940,455</u>	<u>\$ 192,130,639</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 15,652,414	\$ -	\$ -	\$ 499,594	\$ 16,152,008
Accrued liabilities	15,901	-	-	62,520	78,421
Retainage payable	-	-	2,887,442	-	2,887,442
Due to other funds	-	-	959,719	359,736	1,319,455
Interfund payables	-	-	2,016,000	-	2,016,000
Due to other governments	12,325	-	-	-	12,325
Deposits	1,364,068	-	-	524,464	1,888,532
Deferred revenue	2,236,083	-	-	3,679,623	5,915,706
Advances from other funds	<u>43,666,720</u>	-	<u>10,726,615</u>	-	<u>54,393,335</u>
Total liabilities	<u>62,947,511</u>	<u>-</u>	<u>16,589,776</u>	<u>5,125,937</u>	<u>84,663,224</u>
Fund balances:					
Reserved for:					
Wetland Mitigation Trust:					
Nonexpendable	-	-	-	446,115	446,115
Expendable	-	-	-	171,547	171,547
Capital projects	-	-	42,063,447	-	42,063,447
Prepaid costs	-	-	-	49,455	49,455
Encumbrances	426,332	-	25,572,390	207,163	26,205,885
Inventory	359,358	-	-	57,046	416,404
Debt service	-	17,271,978	-	-	17,271,978
Unreserved, reported in:					
General fund:					
Designated for disaster assistance	2,125,000	-	-	-	2,125,000
Undesignated	30,828,040	-	-	-	30,828,040
Special revenue funds:					
Designated for rent payments	-	-	-	1,208,597	1,208,597
Undesignated	-	-	-	8,674,595	8,674,595
Capital projects fund:					
Undesignated	-	-	(21,993,648)	-	(21,993,648)
Total fund balances	<u>33,738,730</u>	<u>17,271,978</u>	<u>45,642,189</u>	<u>10,814,518</u>	<u>107,467,415</u>
Total liabilities and fund balances	<u>\$ 96,686,241</u>	<u>\$ 17,271,978</u>	<u>\$ 62,231,965</u>	<u>\$ 15,940,455</u>	<u>\$ 192,130,639</u>

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**September 30, 2007**

Fund Balances - Total governmental funds (page 24)	\$ 107,467,415
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.	351,440,509
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	6,062,909
Rebatable arbitrage, included in liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(524,682)
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(6,804,978)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(389,320,000)
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.	1,007,764
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(19,731,387)
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.	65,031,595
Net assets of governmental activities (page 22)	\$ 114,629,145

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, 2007**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 47,104,494	\$ 2,665,536	\$ -	\$ -	\$ 49,770,030
Utility taxes	8,048,514	1,674,302	-	-	9,722,816
Communications services tax	1,292,997	5,767,044	-	-	7,060,041
Insurance premium taxes	2,442,108	-	-	-	2,442,108
Local option, use and fuel taxes	-	-	-	2,739,055	2,739,055
Local business tax	3,075,143	-	-	-	3,075,143
Special assessments	8,468,562	-	-	-	8,468,562
Permits, fees and licenses	19,671,308	673,227	1,840,564	-	22,185,099
Intergovernmental	14,044,296	-	1,152,843	43,933,696	59,130,835
Charges for services	24,652,041	-	-	1,632,758	26,284,799
Fines and forfeitures	1,143,725	-	-	283,124	1,426,849
Investment income	2,834,769	758,896	2,586,737	659,855	6,840,257
Contributions	74,615	-	6,518,849	102,793	6,696,257
Rental revenue	8,270,252	10,070,967	-	1,547,418	19,888,637
Other	336,910	-	-	1,397,725	1,734,635
Total revenues	<u>141,459,734</u>	<u>21,609,972</u>	<u>12,098,993</u>	<u>52,296,424</u>	<u>227,465,123</u>
<b>Expenditures</b>					
Current:					
General government	22,317,686	-	174,059	24,246	22,515,991
Public safety	84,587,293	-	1,514,990	869,319	86,971,602
Physical environment	4,025,954	-	-	-	4,025,954
Transportation	-	-	21,339,107	5,004,882	26,343,989
Economic environment	4,606,268	-	19,822,003	2,300,293	26,728,564
Human services	6,856,315	-	213,963	43,541,717	50,611,995
Culture and recreation	17,291,172	-	22,031,352	-	39,322,524
Debt service:					
Principal	-	5,255,000	-	-	5,255,000
Interest	-	15,287,355	734,639	-	16,021,994
Bond issuance cost	-	2,144,681	-	-	2,144,681
Other debt service costs	-	28,511	-	-	28,511
Advance refunding escrow	-	249,176	-	-	249,176
Total expenditures	<u>139,684,688</u>	<u>22,964,723</u>	<u>65,830,113</u>	<u>51,740,457</u>	<u>280,219,981</u>
Excess (deficiency) of revenues over expenditures	<u>1,775,046</u>	<u>(1,354,751)</u>	<u>(53,731,120)</u>	<u>555,967</u>	<u>(52,754,858)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	20,464	-	1,675,020	1,695,484
Transfers out	(389,548)	-	(20,464)	(1,285,472)	(1,695,484)
Bonds issued	-	3,625,027	82,956,244	-	86,581,271
Bonds proceeds of refunding bonds	-	57,993,728	-	-	57,993,728
Premium on bonds	-	3,067,996	-	-	3,067,996
Payment to refunded bond escrow agent	-	(59,437,687)	-	-	(59,437,687)
Total other financing sources (uses)	<u>(389,548)</u>	<u>5,269,528</u>	<u>82,935,780</u>	<u>389,548</u>	<u>88,205,308</u>
Net change in fund balances	1,385,498	3,914,777	29,204,660	945,515	35,450,450
Fund balances, beginning	32,353,232	13,357,201	16,437,529	9,869,003	72,016,965
Fund balances, ending	<u>\$ 33,738,730</u>	<u>\$ 17,271,978</u>	<u>\$ 45,642,189</u>	<u>\$ 10,814,518</u>	<u>\$ 107,467,415</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, 2007**

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) \$ 35,450,450

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	\$ 64,558,803	
Depreciation expense	<u>(13,358,034)</u>	
Net adjustment		51,200,769

The net effect of various miscellaneous transactions involving capital assets (25,724)

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

The details of the difference are as follows:

Debt issued:		
2006 Public Improvement Refunding Revenue Bonds	(29,720,000)	
2006 Capital Improvement Refunding Revenue Bonds	(45,050,000)	
2007 Capital Improvement Revenue Bonds	(26,805,000)	
2007 General Obligation Bonds	<u>(43,000,000)</u>	
	(144,575,000)	

Principal payments:

Taxable Revenue Bonds	405,000	
General Obligation Bonds	910,000	
Capital Improvement Revenue Bonds	1,125,000	
Charter School Revenue Bonds	1,225,000	
Public Improvement Revenue Bonds	1,590,000	
Refunded Capital Improvement Revenue Bonds	28,100,000	
Refunded Public Improvement Revenue Bonds	<u>29,920,000</u>	
	63,275,000	

Bond Issue Costs, Bond Discount/Premium and Loss on Refunded Bonds	<u>341,775</u>	
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Net adjustment (80,958,225)

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:

Rebatable arbitrage		(524,682)
Compensated absences		(1,876,713)
Accrued interest		(1,105,517)
Amortization of negative pension obligation		(3,942,171)

Change in net assets of governmental activities (page 23)		<u><u>\$ (1,781,813)</u></u>
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**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2007**

	<b>Business-type Activities</b>	<b>Nonmajor Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Assets</b>		
Current assets:		
Pooled cash and cash equivalents	\$ 1,658,967	\$ 6,453,169
Investments	13,337,031	4,489,170
Accounts receivable:		
Customer accounts, net	3,140,487	-
Due from other governments	94,465	-
Inventory	24,396	-
Interfund receivables	<u>2,016,000</u>	<u>-</u>
Total current assets	<u>20,271,346</u>	<u>10,942,339</u>
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	1,073,112	-
Investments	<u>1,551,188</u>	<u>-</u>
Total restricted assets	<u>2,624,300</u>	<u>-</u>
Advances to other funds	<u>54,393,335</u>	<u>-</u>
Negative net pension obligation	<u>3,492,958</u>	<u>52,218</u>
Capital Assets:		
Land	3,006,562	-
Buildings and utility plant	192,221,386	-
Construction-in-progress	3,489,269	-
Machinery and equipment	6,601,143	7,570
Less accumulated depreciation	<u>(61,382,724)</u>	<u>(7,570)</u>
Total capital assets (net of accumulated depreciation)	<u>143,935,636</u>	<u>-</u>
Total noncurrent assets	<u>204,446,229</u>	<u>52,218</u>
Total assets	<u>\$ 224,717,575</u>	<u>\$ 10,994,557</u>

(continued)

**City of Pembroke Pines, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2007**  
**(continued)**

	<b>Business-type Activities</b>	<b>Nonmajor Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 30,766	\$ 310,449
Retainage payable	170,377	-
Compensated absences	576,635	9,508
Claims payable	-	10,662,293
Total current liabilities	<u>777,778</u>	<u>10,982,250</u>
Noncurrent liabilities payable from restricted assets:		
Customer deposits	2,624,278	-
Noncurrent liabilities:		
Compensated absences	<u>469,267</u>	<u>12,307</u>
Total noncurrent liabilities	<u>3,093,545</u>	<u>12,307</u>
Total liabilities	<u>3,871,323</u>	<u>10,994,557</u>
Net Assets:		
Invested in capital assets	143,935,636	-
Unrestricted	<u>76,910,616</u>	<u>-</u>
Total net assets	<u>220,846,252</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 224,717,575</u>	<u>\$ 10,994,557</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, 2007**

	<b>Business-type Activities</b>	<b>Nonmajor Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Operating revenues:</b>		
Charges for services	\$ 30,775,003	\$ 22,384,610
Other	306,687	1,435,093
Total operating revenues	<u>31,081,690</u>	<u>23,819,703</u>
<b>Operating expenses:</b>		
Operating, administrative and maintenance	38,190,871	24,414,654
Depreciation	<u>5,507,631</u>	-
Total operating expenses	<u>43,698,502</u>	<u>24,414,654</u>
Operating loss	<u>(12,616,812)</u>	<u>(594,951)</u>
<b>Nonoperating revenues:</b>		
Interest income	4,222,049	594,951
Other income	<u>60,402</u>	-
Total nonoperating revenues	<u>4,282,451</u>	<u>594,951</u>
Loss before contributions	(8,334,361)	-
Capital contributions	<u>2,421,676</u>	-
Change in net assets	(5,912,685)	-
Net assets, beginning	<u>226,758,937</u>	-
Net assets, ending	<u>\$ 220,846,252</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, 2007**

	<b>Business-type Activities</b>	<b>Nonmajor Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from operating activities</b>		
Cash received from customers:		
For services	\$ 30,546,455	\$ 22,384,610
For deposits	53,321	-
Cash payments to suppliers for goods and services	(14,329,587)	(23,192,568)
Cash payments to employees for services	(6,633,794)	(227,894)
Interfund services used	(16,910,449)	-
Other operating revenues	617,544	1,435,093
Net cash provided (used) by operating activities	<u>(6,656,510)</u>	<u>399,241</u>
<b>Cash flows from noncapital financing activities</b>		
Increase in advances to other funds	(12,856,206)	-
Interest earned from other funds	2,617,664	-
Grants for hurricane damage	101,328	-
Net cash used by noncapital financing activities	<u>(10,137,214)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(4,982,059)	-
Capital grants	50,000	-
Proceeds from sale of equipment	336	-
Capital contributions provided by developers	1,223,451	-
Net cash used by capital and related financing activities	<u>(3,708,272)</u>	<u>-</u>

(continued)



**City of Pembroke Pines, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Fiscal Year Ended September 30, 2007**  
(continued)

	<b>Business-type Activities</b>	<b>Nonmajor Governmental Activities</b>
	<b><u>Enterprise Fund</u></b>	<b><u>Internal Service Fund</u></b>
	<b><u>Utility Fund</u></b>	<b><u>Public Insurance</u></b>
<b>Cash flows from investing activities</b>		
Proceeds from sale and maturity of investments	\$ 18,746,951	\$ -
Interest on cash and cash equivalents	<u>226,861</u>	<u>372,605</u>
Net cash provided (used) by investing activities	<u>18,973,812</u>	<u>372,605</u>
Net increase (decrease) in equity in pooled cash and cash equivalents	(1,528,184)	771,846
Pooled cash and cash equivalents at beginning of year	<u>4,260,263</u>	<u>5,681,323</u>
Pooled cash and cash equivalents at end of year	<u>\$ 2,732,079</u>	<u>\$ 6,453,169</u>
 <b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>		
Operating loss	\$ (12,616,812)	\$ (594,951)
 Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	5,507,631	-
 Change in assets and liabilities:		
Receivables:		
Increase in customer accounts, net	(228,548)	-
Decrease in other, net	310,857	-
Increase in inventory	(24,396)	-
Decrease in negative net pension obligation	194,298	5,663
Increase in accounts payable	161,883	988,655
Increase (decrease) in compensating absences	192	(1,167)
Increase (decrease) in other liabilities	(14,936)	1,041
Increase in customer deposits	<u>53,321</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (6,656,510)</u>	<u>\$ 399,241</u>
 <b>Noncash investing, capital, and financing activities:</b>		
Property contributed by developers	\$ 1,198,226	\$ -
Increase in fair value of investments	1,377,524	222,346

See notes to basic financial statements.

**City of Pembroke Pines, Florida**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**September 30, 2007**

	<b><u>Pension Trust Funds</u></b>	<b><u>Agency Funds</u></b>
<b>Assets</b>		
Cash and short-term investments	\$ 11,249,140	\$ 2,635,729
Receivables		
Accrued interest and dividends	909,921	-
Other	<u>597,968</u>	<u>1,630,768</u>
Total receivables	<u>1,507,889</u>	<u>1,630,768</u>
Investments, at fair value		
U.S. Government securities	27,015,375	-
Corporate Bonds	43,966,422	-
Common Stocks	128,059,375	-
Foreign bonds	2,005,763	-
Domestic equity fund	22,835,115	-
International equity fund	26,775,469	-
Real estate fund	14,756,977	-
Mutual funds	<u>129,453,464</u>	<u>-</u>
Total investments	<u>394,867,960</u>	<u>-</u>
Capital Assets:		
Construction-in-progress	<u>437,399</u>	<u>-</u>
Total capital assets	<u>437,399</u>	<u>-</u>
 Total assets	 <u>408,062,388</u>	 <u>4,266,497</u>
<b>Liabilities</b>		
DROP participants payable	36,435,715	-
Accounts payable	880,781	1,630,768
Accrued liabilities	<u>-</u>	<u>2,635,729</u>
Total liabilities	<u>37,316,496</u>	<u>4,266,497</u>
<b>Net Assets</b>		
Net assets held in trust for pension benefits and other purposes	<u>\$ 370,745,892</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, 2007**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Plan members	\$ 5,295,332
Employee buybacks	110,110
Employer:	
Required contribution	19,231,272
State/County	2,442,108
Total contributions	27,078,822
Investment income:	
Investment earnings and appreciation	49,267,557
Less investment expense	1,542,837
Net investment income	47,724,720
Total additions	74,803,542
<b>Deductions</b>	
Pension benefits	16,877,528
Refunds of contributions	72,144
Administrative expenses	447,269
Total deductions	17,396,941
Change in net assets	57,406,601
Net assets, beginning	313,339,291
Net assets, ending	\$ 370,745,892

See notes to basic financial statements.

# Notes to Basic Financial Statements



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### a. Financial Reporting Entity

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

Fiscal Year Ended September 30, 2007

### 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

Fiscal Year Ended September 30, 2007

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

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



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

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

##### 1. Deposits and Investments

The City's "Pooled cash and cash equivalents" are considered to be cash on hand, demand deposits, money market deposits and deposits held with the State Board of Administration (SBA) Investment Pool. 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.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

##### **Deposits and Investments** (continued)

All investments of the City, except the SBA Investment Pool 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

Fiscal Year Ended September 30, 2007

### 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

Fiscal Year Ended September 30, 2007

### 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 30<sup>th</sup> and paid from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

##### 8. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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. Rebatable Arbitrage

Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued.

Governmental units that issue no more than \$5 million in total of all such debt in a calendar year are exempt from the rebate requirements. For this purpose, tax-exempt indebtedness includes bonds and certain capital leases and installment purchases. Rebates are payable every five years or at maturity of the debt, whichever is earlier. However, the potential liability is calculated annually for financial reporting purposes. The City incurred \$524,682 of rebatable arbitrage liability as of September 30, 2007.

##### 10. 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.

##### 11. 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.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

#### **12. Use of Estimates**

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

#### a. Fund Accounting Requirements

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

#### b. Revenue Restrictions

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

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

For the year ended September 30, 2007, the City complied, in all material respects, with these revenue restrictions.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 and investments as of September 30, 2007 are classified in the accompanying financial statements as follows:

#### Statement of net assets

Cash and cash equivalents	\$ 38,601,268
Investments	84,784,187
Restricted cash and cash equivalents	80,191,832
Restricted investments	1,551,188
Statement of Fiduciary net assets	
Cash and short-term investments	11,249,140
Investments	394,867,960
Total cash and investments	<u>\$ 611,245,575</u>

Cash on hand, deposits and investments as of September 30, 2007 consist of the following:

#### Governmental and Business-type investments

Cash on hand	\$ 21,838
Deposits with financial institutions	4,444,439
Money market funds held with financial institutions	38,071,945
Investment in real estate	44,505,521
Pooled State Board of Administration	76,254,878
Investments held with external Investment managers	41,829,497
G.N.M.A certificate	357
Firefighters and Police Officers Pension Fund:	
Cash and short-term investments	11,249,140
Investments	265,414,496
General Employees Pension Fund:	
Investments in mutual funds	129,453,464
Total cash and investments	<u>\$ 611,245,575</u>



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

##### *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

Fiscal Year Ended September 30, 2007

### 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 (SBA). 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, 2007, was 34 days. The LGIP does not have a credit rating. The City's investment balance in the LGIP as of September 30, 2007 was \$76,254,878, but on November 29, 2007 the City withdrew \$63,378,000 as a result of issues raised with regard to the pool's exposure to sub-prime loans. The City's withdrawal came immediately preceding the SBA's temporary freeze on withdrawals. Of the \$63,578,000 that was withdrawn, \$10,000,000 was deposited to the City's checking account to meet liquidity needs, and the balance of \$53,378,000 was deposited into the Florida League of Cities Enhanced Cash Portfolio. See Note 5- "Subsequent Events" for more information regarding the LGIP.

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 City invests in the Enhanced Cash Portfolio and the 1-3 Year Bond Fund which had the following balances as of September 30, 2007, \$8,274,757 and \$8,839,854, respectively.

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

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

#### *Interest Rate Risk*

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

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table on the following page as of September 30, 2007.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

*Investments (continued)*

*Interest Rate Risk (continued)*

#### INTEREST RATE RISK

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
<b>GOVERNMENTAL &amp; BUSINESS-TYPE INVESTMENTS:</b>			
<u>Managed by External Investment Manager:</u>			
Temporary investments	\$ 143,509	N/A	0.1%
U.S. treasuries	681,147	2.37	0.6%
Federal agencies	7,388,799	1.67	6.3%
Mortgage pass-through	2,150,054	2.69	1.8%
Collateralized mortgage obligations	2,531,564	2.11	2.2%
Mortgages -collateralized mortgage-backed securities	1,665,704	1.44	1.4%
Asset backed securities	1,096,787	1.31	0.9%
Corporate	8,547,417	1.13	7.2%
Sovereign/Other government	509,905	1.69	0.4%
<u>Investment in External Investment Pools:</u>			
FMIvT -Enhanced cash	8,274,757	N/A	7.0%
FMIvT -1-3 Year bond fund	8,839,854	1.68	7.5%
State Board of Administration (SBA)	76,254,878	N/A	64.6%
<b>Total Governmental &amp; Business-type Fixed Income</b>	<b>\$ 118,084,375</b>		<b>100.0%</b>
Weighted average effective duration of the Governmental & Business-type activities		0.46	
<b>FIDUCIARY FUNDS:</b>			
<b>Firefighters and Police Officers Pension Fund:</b>			
Federal agencies	\$ 27,015,375	3.22	37.0%
Corporate bonds	43,966,422	4.61	60.2%
State of Israel bonds	2,005,763	2.70	2.8%
<b>Total Fixed Income Firefighters and Police Officers Pension Fund</b>	<b>\$ 72,987,560</b>		<b>100.0%</b>
Weighted average effective duration of Police & Fire Pension Fund		4.04	
<b>General Employees Pension Fund:</b>			
<u>Investment in separate fixed income investments accounts:</u>			
Principal bond and mortgage	\$ 31,344,326	5.07	73.4%
Principal inflation protection	6,663,448	6.30	15.6%
Principal high yield	2,548,716	4.85	6.0%
Principal preferred securities	2,128,557	7.64	5.0%
<b>Total Fixed Income General Employees Pension Fund</b>	<b>\$ 42,685,047</b>		<b>100.0%</b>
Weighted average effective duration of the General Employees Pension Fund		5.38	

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 Operating Investment Policy, and detailed guidelines to manage the risk, diversification, maturity and liquidity requirements of the Fund. As a means of limiting its exposure to interest rate risk, the Firefighters and Police Officers Pension Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

##### *General Employees Pension Investments*

The Operating 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 Operating Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 Rating</u>	<u>Fair Value</u>
<b>GOVERNMENTAL &amp; BUSINESS-TYPE INVESTMENTS:</b>		
<u>Managed by External Investment Manager:</u>		
Temporary investments	AAA	\$ 143,509
U.S. treasuries	Not applicable	681,147
Federal agencies	AGY	7,388,799
Mortgage pass-through	AGY	2,150,054
Collateralized mortgage obligations	AGY	2,531,564
Mortgages -collateralized mortgage-backed securities	AAA	1,665,704
Asset-backed securities	AAA	1,096,787
Corporate	A+	8,547,417
Sovereign/Other government	A+	509,905
<u>Investment in External Investment Pools:</u>		
FMIvT -Enhanced cash	AAA1/S1+	8,274,757
FMIvT -1-3 Year bond fund	AAA/V2	8,839,854
State Board of Administration (SBA)	Not rated	76,254,878
<b>Total Governmental &amp; Business-type Fixed Income</b>		<b><u><u>\$ 118,084,375</u></u></b>
<b>FIDUCIARY FUNDS:</b>		
<b>Firefighters and Police Officers Pension Fund:</b>		
U.S. government guaranteed	Not applicable	\$ 27,015,375
Corporate bonds	AAA	2,225,289
Corporate bonds	AA+	507,744
Corporate bonds	AA	3,989,946
Corporate bonds	AA-	2,710,817
Corporate bonds	A+	8,048,632
Corporate bonds	A	20,750,114
Corporate bonds	A-	2,317,578
State of Israel bonds	A-	2,005,763
Corporate bonds	BBB+	3,065,395
Corporate bonds	BBB	350,907
<b>Total Fixed Income Firefighters and Police Officers Pension Fund</b>		<b><u><u>\$ 72,987,560</u></u></b>
<b>General Employees Pension Fund:</b>		
<u>Investment in separate fixed income investments accounts:</u>		
Principal bond and mortgage	Not rated	\$ 31,344,326
Principal inflation protection	Not rated	6,663,448
Principal high yield	Not rated	2,548,716
Principal preferred securities	Not rated	2,128,557
<b>Total Fixed Income General Employees Pension Fund</b>		<b><u><u>\$ 42,685,047</u></u></b>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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 Operating Investment Policy limits the exposure of mortgage-backed securities to a maximum of 30% of the portfolio.

The Operating Investment Policy stipulates that corporate bonds must have two (2) of the following three minimum ratings: A-, A3, or A-, as rated by Standard and Poor's, and/or Moody's, and or Fitch Investor Service rating services. However, if such obligations are rated by one rating service, then such rating shall be at least AA-, Aa3, or AA by Standard and Poor's, Moody's or Fitch. The City's operating investments in corporate bonds were rated 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 Operating 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. If the investment manager determines it is prudent to hold an investment that has been downgraded below BAA they will be required to report to the Board on the status of the bonds and the reason for holding the downgraded bond.

#### ***General Employees Pension Investments***

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

*Investments (continued)*

*Credit Risk (continued)*

**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. The General Employees Pension Plan is not subject to concentration of credit risk, custodial credit risk or foreign currency risk as the investments of Plan operate like mutual funds.

#### b. Receivables

Receivables and the related allowance for uncollectible accounts as of September 30, 2007 are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ 405,724	\$ 3,302,009	\$ 3,707,733
Franchise fees and taxes	6,003,556	-	-	-	6,003,556
Due from other governments	3,129,147	43,166	717,563	94,465	3,984,341
Other receivables	3,411,983	-	68,348	-	3,480,331
Gross receivables	<u>12,544,686</u>	<u>43,166</u>	<u>1,191,635</u>	<u>3,396,474</u>	<u>17,175,961</u>
Less: allowance for uncollectible accounts	-	-	-	(161,522)	(161,522)
Net total receivables	<u>\$ 12,544,686</u>	<u>\$ 43,166</u>	<u>\$ 1,191,635</u>	<u>\$ 3,234,952</u>	<u>\$17,014,439</u>

Receivables not expected to be collected within one year consist of amounts receivable from the Federal Emergency Management Agency (FEMA) in the amount of \$3,238,871 which may not be collected within one year.



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### 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, 2007 are as follows:

<u>Restricted assets</u>	<u>Debt Service</u> <u>Fund</u>	<u>Capital Projects</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Fund</u>	<u>Total</u>
Revenue Bonds sinking fund	\$ 10,028,937	\$ -	\$ -	\$ -	\$10,028,937
General Obligation Bonds sinking fund	68,568	-	-	-	68,568
Revenue Bonds reserve fund	6,214,754	-	-	-	6,214,754
Restricted for construction projects	-	62,188,799	-	-	62,188,799
Restricted for wetland mitigation	-	-	617,662	-	617,662
Customer deposits - water and sewer	-	-	-	2,624,300	2,624,300
Total restricted assets	\$ 16,312,259	\$ 62,188,799	\$ 617,662	\$ 2,624,300	\$81,743,020

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### d. Capital Assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 53,070,790	\$ 3,345,524	\$ -	\$ 56,416,314
Construction-in-progress	6,876,066	51,801,163	-	58,677,229
Total capital assets, not being depreciated	<u>59,946,856</u>	<u>55,146,687</u>	<u>-</u>	<u>115,093,543</u>
Capital assets, being depreciated:				
Buildings	199,316,408	151,517	-	199,467,925
Improvements other than buildings	65,884,198	3,778,586	-	69,662,784
Machinery and equipment	55,600,513	5,482,013	(3,057,722)	58,024,804
Infrastructure	32,887,950	-	-	32,887,950
Total capital assets, being depreciated	<u>353,689,069</u>	<u>9,412,116</u>	<u>(3,057,722)</u>	<u>360,043,463</u>
Less accumulated depreciation for:				
Buildings	(24,079,741)	(4,051,792)	-	(28,131,533)
Improvements other than buildings	(20,758,863)	(4,070,515)	-	(24,829,378)
Machinery and equipment	(40,927,453)	(4,667,677)	3,031,998	(42,563,132)
Infrastructure	(27,604,404)	(568,050)	-	(28,172,454)
Total accumulated depreciation	<u>(113,370,461)</u>	<u>(13,358,034)</u>	<u>3,031,998</u>	<u>(123,696,497)</u>
Total capital assets, being depreciated, net	240,318,608	(3,945,918)	(25,724)	236,346,966
Governmental activities capital assets, net	<u>\$ 300,265,464</u>	<u>\$ 51,200,769</u>	<u>\$ (25,724)</u>	<u>\$ 351,440,509</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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>
<b><u>Business-type activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 3,006,562	\$ -	\$ -	\$ 3,006,562
Construction-in-progress	-	3,489,269	-	3,489,269
Total capital assets, not being depreciated	<u>3,006,562</u>	<u>3,489,269</u>	<u>-</u>	<u>6,495,831</u>
Capital assets, being depreciated:				
Buildings	20,654,554	20,726	-	20,675,280
Improvements other than buildings	169,132,465	2,413,641	-	171,546,106
Machinery and equipment	6,426,284	256,649	(81,790)	6,601,143
Total capital assets, being depreciated	<u>196,213,303</u>	<u>2,691,016</u>	<u>(81,790)</u>	<u>198,822,529</u>
Less accumulated depreciation for:				
Buildings	(3,813,692)	(503,113)	-	(4,316,805)
Improvements other than buildings	(47,391,861)	(4,583,324)	-	(51,975,185)
Machinery and equipment	(4,751,330)	(421,194)	81,790	(5,090,734)
Total accumulated depreciation	<u>(55,956,883)</u>	<u>(5,507,631)</u>	<u>81,790</u>	<u>(61,382,724)</u>
Total capital assets, being depreciated, net	140,256,420	(2,816,615)	-	137,439,805
Business-type activities capital assets, net	<u>\$ 143,262,982</u>	<u>\$ 672,654</u>	<u>\$ -</u>	<u>\$ 143,935,636</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 961,346
Public safety	2,819,519
Physical environment	71,617
Transportation	1,699,326
Economic environment	1,071,156
Human services	4,310,121
Culture/recreation	2,424,949
Total depreciation expense - governmental activities	<u>\$ 13,358,034</u>
Business-type activities:	
Water-sewer combined service	\$ 5,507,631
Total depreciation expense - business-type activities	<u>\$ 5,507,631</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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, 2007 is follows:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor Governmental	\$ 359,736	Provide temporary resources
Debt Service	Capital Projects	959,719	Capitalized interest for bonds
Total		<u>\$ 1,319,455</u>	

##### Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Utility	Capital Projects	\$ 2,016,000	Capital projects expenditures
Total		<u>\$ 2,016,000</u>	

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
*Utility	General Fund	\$ 43,666,720	Purchase of investments
*Utility	Capital Projects	10,726,615	Capital projects expenditures
Total		<u>\$ 54,393,335</u>	

\*This amount is not expected to be paid within one year from September 30, 2007.

##### Interfund Transfers:

<b>Transfer in:</b>				
	Debt Service Fund	Nonmajor Governmental Funds	Total	Purpose
<b>Transfer out:</b>				
General Fund	\$ -	\$ 389,548	\$ 389,548	Supplement other funds
Capital Projects Fund	20,464	-	20,464	Payment of bond principal
Nonmajor Governmental Funds	-	1,285,472	1,285,472	Supplement other funds
Total	<u>\$ 20,464</u>	<u>\$ 1,675,020</u>	<u>\$1,695,484</u>	

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### f. Operating Leases

The City is the lessor in operating leases on various buildings as described below. Depreciation expense on these leased assets for the year ended September 30, 2007 amounted to \$685,668. Cost and carrying amounts of these leased assets as of September 30, 2007 were as follows:

Land	\$ 572,700
Construction in Progress	455,684
Buildings	<u>22,172,459</u>
Total Cost	23,200,843
Less: Accumulated Depreciation	<u>(1,822,103)</u>
Book Value as of 9/30/07	<u>\$ 21,378,740</u>

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 "Club 19" at the City's Golf & Racquet Club is also leased out to an operator. As of September 30, 2007, Club 19 leased facilities consisted 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 property as of September 30, 2007 are \$94,981 and \$189,796, respectively. Depreciation expense for the year was \$4,242. Additional office space at City Hall is provided at no cost to Federal, State and County elected officials who represent portions of the City.

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

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

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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### f. Operating Leases(continued)

On April 20, 1998 the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at \$500,000, construction in progress of \$455,684 and buildings costing \$1,325,150 with a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2007 amounted to \$645,560 and \$1,635,274, respectively. Depreciation expense for the year was \$258,368.

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

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 4.c. "Commitments"). As of September 30, 2007 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 provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City's seven Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools.

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, 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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### f. Operating Leases (continued)

twelve months ending June 30, which corresponds to the Charter School's year-end. The cost of the shared-use facility is \$13,599,845, and accumulated depreciation and net book value as of September 30, 2007 amounted to \$847,049 and \$12,752,796, respectively. Depreciation expense for the year was \$282,350.

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 cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2007 amounted to \$234,513 and \$6,800,874, respectively. Depreciation expense for the year was \$140,708.

The City receives various short-term rentals from religious groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the three Senior Housing facilities are rented on leases not exceeding one year. During the year ended September 30, 2007 the City received rental income of \$1,475,448 from the Southwest Focal Point Senior Housing Facility known as "Pines Point" and \$3,140,318 from the three 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, 2007 are:

Fiscal year ending September 30:	
2008	\$ 2,460,210
2009	2,163,451
2010	2,051,988
2011	2,100,715
2012	1,647,214
2013-2017	3,853,936
2018-2022	3,174,229
2023-2027	3,143,986
2028-2032	3,102,954
2033-2035	1,788,440
Total minimum future rentals	<u>\$ 25,487,123</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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. The \$18,935,000 outstanding bonds, maturing on and after October 1, 2009, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service until they are called for redemption on October 1, 2008. The remaining \$1,840,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2008. They bear interest at rates which range from 4.25% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues and rentals from the Charter Middle School and the Charter High School.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ 900,000	\$ 59,545	\$ 959,545
2009	940,000	20,210	960,210
Total	<u>\$ 1,840,000</u>	<u>\$ 79,755</u>	<u>\$ 1,919,755</u>



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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. The \$28,100,000 outstanding bonds, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds, were advance refunded and defeased on December 1, 2006 by the Capital Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service until they are called for redemption on December 1, 2008. The remaining \$11,390,000 outstanding bonds that were not refunded are due in varying installments through December 1, 2026. They bear interest at rates which range from 4.00% 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 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:			
2008	\$ 1,170,000	\$ 522,750	\$ 1,692,750
2009	1,220,000	474,340	1,694,340
2010	310,000	442,820	752,820
2011	320,000	429,310	749,310
2012	335,000	414,772	749,772
2013-2017	1,940,000	1,819,690	3,759,690
2018-2022	2,485,000	1,281,262	3,766,262
2023-2027	3,610,000	512,401	4,122,401
Total	<u>\$ 11,390,000</u>	<u>\$ 5,897,345</u>	<u>\$17,287,345</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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. The \$10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they are called for redemption on October 1, 2011. The remaining \$5,875,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest at rates which range from 3.50% to 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues 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:			
2008	\$ 750,000	\$ 223,625	\$ 973,625
2009	775,000	195,000	970,000
2010	800,000	163,500	963,500
2011	835,000	130,800	965,800
2012	870,000	96,265	966,265
2013-2014	1,845,000	79,635	1,924,635
Total	<u>\$ 5,875,000</u>	<u>\$ 888,825</u>	<u>\$ 6,763,825</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 \$29,405,000 due in varying installments through July 1, 2031. The outstanding bonds bear interest at rates from 4.000% 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:			
2008	\$ 680,000	\$ 1,454,144	\$ 2,134,144
2009	705,000	1,426,943	2,131,943
2010	735,000	1,398,744	2,133,744
2011	765,000	1,368,608	2,133,608
2012	795,000	1,336,479	2,131,479
2013-2017	4,620,000	6,040,888	10,660,888
2018-2022	5,950,000	4,710,500	10,660,500
2023-2027	7,595,000	3,066,000	10,661,000
2028-2031	7,560,000	968,000	8,528,000
Total	<u>\$ 29,405,000</u>	<u>\$21,770,306</u>	<u>\$51,175,306</u>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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 \$17,715,000 due in varying installments through July 1, 2031. The outstanding bonds bear interest at rates from 4.10% 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:			
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	700,000	765,663	1,465,663
2013-2017	2,625,000	3,431,037	6,056,037
2018-2022	3,340,000	2,713,562	6,053,562
2023-2027	4,255,000	1,791,313	6,046,313
2028-2031	4,270,000	574,875	4,844,875
Total	\$ 17,715,000	\$12,619,202	\$30,334,202

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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:			
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	795,000	2,196,214	2,991,214
2013-2017	4,735,000	10,188,551	14,923,551
2018-2022	6,340,000	8,546,949	14,886,949
2023-2027	8,470,000	6,350,886	14,820,886
2028-2032	11,315,000	3,417,080	14,732,080
2033-2034	5,530,000	334,917	5,864,917
Total	<u>\$ 39,935,000</u>	<u>\$40,254,665</u>	<u>\$80,189,665</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 \$49,505,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 2.75% 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:			
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	1,135,000	2,293,956	3,428,956
2013-2017	6,455,000	10,662,437	17,117,437
2018-2022	8,125,000	8,943,279	17,068,279
2023-2027	10,390,000	6,605,493	16,995,493
2028-2032	13,405,000	3,512,119	16,917,119
2033-2034	6,400,000	340,200	6,740,200
Total	\$ 49,505,000	\$41,916,254	\$91,421,254

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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:			
2008	\$ -	\$ 928,873	\$ 928,873
2009	-	928,873	928,873
2010	-	928,873	928,873
2011	475,000	921,747	1,396,747
2012	485,000	906,741	1,391,741
2013-2017	2,705,000	4,249,687	6,954,687
2018-2022	3,295,000	3,637,065	6,932,065
2023-2027	4,120,000	2,789,775	6,909,775
2028-2032	5,245,000	1,635,125	6,880,125
2033-2035	3,815,000	292,375	4,107,375
Total	<u>\$ 20,140,000</u>	<u>\$17,219,134</u>	<u>\$37,359,134</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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:			
2008	\$ -	\$ 757,915	\$ 757,915
2009	-	757,915	757,915
2010	-	757,915	757,915
2011	365,000	751,527	1,116,527
2012	375,000	738,343	1,113,343
2013-2017	2,105,000	3,455,876	5,560,876
2018-2022	2,600,000	2,945,297	5,545,297
2023-2027	3,290,000	2,237,128	5,527,128
2028-2032	4,190,000	1,306,500	5,496,500
2033-2035	3,050,000	233,500	3,283,500
Total	<u>\$ 15,975,000</u>	<u>\$13,941,916</u>	<u>\$29,916,916</u>



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 (1) on the first day of each Fixed Rate Period and (2) 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 of Debt Service on Outstanding Bonds as of September 30, 2007" is based on the Weekly Rate of 3.860% for the Weekly Rate Period of September 26, 2007 – October 2, 2007.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ -	\$ 305,326	\$ 305,326
2009	-	305,326	305,326
2010	-	305,326	305,326
2011	-	305,326	305,326
2012	-	305,326	305,326
2013-2017	-	1,526,630	1,526,630
2018-2022	-	1,526,630	1,526,630
2023-2027	-	1,526,630	1,526,630
2028-2032	-	1,526,630	1,526,630
2033-2035	7,910,000	631,565	8,541,565
Total	<u>\$7,910,000</u>	<u>\$8,264,715</u>	<u>\$16,174,715</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ 15,000	\$ 1,367,850	\$ 1,382,850
2009	15,000	1,367,250	1,382,250
2010	1,005,000	1,346,850	2,351,850
2011	1,040,000	1,305,950	2,345,950
2012	1,085,000	1,263,450	2,348,450
2013-2017	9,250,000	5,331,475	14,581,475
2018-2022	14,090,000	2,334,500	16,424,500
2023	3,220,000	64,400	3,284,400
Total	\$ 29,720,000	\$14,381,725	\$44,101,725

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

*Revenue Bonds (continued)*

**Capital Improvement Revenue Refunding Bonds, Series 2006** – On December 1, 2006, the City issued \$45,050,000 bonds for the purpose of (1) advance refunding \$28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. The advance refunding generates a net present value benefit of \$1,778,037. These refunding bonds have an outstanding balance of \$45,050,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 4.00 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999 and the Variable Rate Capital Improvement Revenue Bonds, Series 2005. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ 465,000	\$ 1,960,412	\$ 2,425,412
2009	475,000	1,941,613	2,416,613
2010	1,470,000	1,902,712	3,372,712
2011	1,530,000	1,842,713	3,372,713
2012	1,590,000	1,780,312	3,370,312
2013-2017	9,015,000	7,825,250	16,840,250
2018-2022	11,435,000	5,402,900	16,837,900
2023-2027	13,920,000	2,555,270	16,475,270
2028-2032	5,150,000	564,825	5,714,825
Total	\$ 45,050,000	\$25,776,007	\$70,826,007

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

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

**Capital Improvement Revenue Bonds, Series 2007** – On January 24, 2007, the City issued \$26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of \$26,805,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues. These bonds were issued on parity with the Capital Improvement Revenue Bonds, Series 1999, the Variable Rate Capital Improvement Revenue Bonds, Series 2005, and the Capital Improvement Revenue Refunding Bonds, Series 2006. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ -	\$ 1,211,462	\$ 1,211,462
2009	-	1,211,463	1,211,463
2010	515,000	1,201,162	1,716,162
2011	535,000	1,180,163	1,715,163
2012	555,000	1,158,362	1,713,362
2013-2017	3,150,000	5,430,463	8,580,463
2018-2022	3,845,000	4,727,069	8,572,069
2023-2027	4,705,000	3,871,125	8,576,125
2028-2032	5,910,000	2,666,250	8,576,250
2033-2037	7,590,000	986,750	8,576,750
Total	<u>\$ 26,805,000</u>	<u>\$23,644,269</u>	<u>\$50,449,269</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 \$45,055,000 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:			
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	1,055,000	1,739,252	2,794,252
2013-2017	5,860,000	8,123,933	13,983,933
2018-2022	7,085,000	6,896,150	13,981,150
2023-2027	8,690,000	5,289,637	13,979,637
2028-2032	10,760,000	3,225,200	13,985,200
2033-2035	7,685,000	701,775	8,386,775
Total	<u>\$ 45,055,000</u>	<u>\$33,242,642</u>	<u>\$78,297,642</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

##### *General Obligation Bonds (continued)*

**General Obligation Bonds, Series 2007** – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of \$43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of \$43,000,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2008	\$ 550,000	\$ 2,135,719	\$ 2,685,719
2009	760,000	1,920,937	2,680,937
2010	790,000	1,892,438	2,682,438
2011	820,000	1,860,837	2,680,837
2012	855,000	1,825,988	2,680,988
2013-2017	4,815,000	8,583,037	13,398,037
2018-2022	5,925,000	7,483,137	13,408,137
2023-2027	7,365,000	6,039,075	13,404,075
2028-2032	9,230,000	4,179,525	13,409,525
2033-2036	11,890,000	1,636,376	13,526,376
Total	<u>\$ 43,000,000</u>	<u>\$37,557,069</u>	<u>\$80,557,069</u>

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

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

##### *Advanced Refundings*

On December 1, 2006, the City issued \$29,720,000 Public Improvement Revenue Refunding Bonds, Series 2006 to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$18,935,000 of Public Improvement Revenue Bonds, Series 1998, and \$10,985,000 of Public Improvement Revenue Bonds, Series 2001. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$1,577,202. This amount is being netted against the new debt and amortized over the remaining life of both the refunded and refunding debts which have the same maturity date. This advance refunding was undertaken to reduce total net debt service payments over the next 16 years by \$1,725,029 and resulted in an economic gain of \$1,268,541.

In addition, on December 1, 2006, the City issued \$45,050,000 Capital Improvement Revenue Refunding Bonds, Series 2006 of which \$28,285,000 was used to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$28,100,000 of Capital Improvement Revenue Bonds, Series 1999. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$731,094. This amount is being netted against the new debt and amortized over the remaining life of both the refunded and refunding debts which have the same maturity date. This transaction also resulted in an economic gain of \$1,778,037 and a reduction of \$2,639,479 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 \$16,990,000. 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 General Obligation Bonds, Series 2005 were issued on September 30, 2005, and \$43,000,000 General Obligation Bonds, Series 2007 were issued on July 25, 2007. The remaining \$10,000,000 General Obligation Bonds already authorized will be issued only if needed. Currently, City's General Obligation Bonds authorized by voters is \$100,000,000. Any General Obligation Bonds in addition to this limit will need further approval.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

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

#### Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds and loans payable:					
Revenue bonds:					
Public Improvement Revenue Bonds, Series 1998	\$ 21,645,000	\$ -	\$ (19,805,000)	\$ 1,840,000	\$ 900,000
Capital Improvement Revenue Bonds, Series 1999	40,615,000	-	(29,225,000)	11,390,000	1,170,000
Public Improvement Revenue Bonds, Series 2001	17,580,000	-	(11,705,000)	5,875,000	775,000
Charter School Revenue Bonds, Series 2001A	30,060,000	-	(655,000)	29,405,000	680,000
Charter School Revenue Bonds, Series 2001B	18,285,000	-	(570,000)	17,715,000	595,000
Taxable Communications Services Tax Revenue Bonds, Series 2003A	39,935,000	-	-	39,935,000	630,000
Taxable Communications Services Tax Revenue Bonds, Series 2004	49,910,000	-	(405,000)	49,505,000	415,000
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	-
Public Improvement Refunding Revenue Bonds, Series 2006	-	29,720,000	-	29,720,000	15,000
Capital Improvement Refunding Revenue Bonds, Series 2006	-	45,050,000	-	45,050,000	465,000
Capital Improvement Revenue Bonds, Series 2007	-	26,805,000	-	26,805,000	-
Total revenue bonds	262,055,000	101,575,000	(62,365,000)	301,265,000	5,645,000
General obligation bonds:					
General obligation bonds, Series 2005	45,965,000	-	(910,000)	45,055,000	935,000
General obligation bonds, Series 2007	-	43,000,000	-	43,000,000	550,000
Total general obligation bonds	45,965,000	43,000,000	(910,000)	88,055,000	1,485,000
Less deferred amounts:					
For issuance discounts/premiums	(1,700,278)	3,067,996	(186,742)	1,180,976	-
On refundings	-	(2,308,296)	119,556	(2,188,740)	-
Total bonds payable	306,319,722	145,334,700	(63,342,186)	388,312,236	7,130,000
Estimated self-insurance claims	9,976,050	18,633,164	(17,946,922)	10,662,292	3,128,112
Compensated absences	17,876,615	10,756,945	(8,880,358)	19,753,202	11,677,714
Governmental activity Long-term liabilities	\$ 334,172,387	\$ 174,724,809	\$ (90,169,466)	\$ 418,727,730	\$ 21,935,826

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Compensated absences	\$ 1,060,646	\$ 556,503	\$ (571,247)	\$ 1,045,902	\$ 576,635
Business-type activity Long-term liabilities	\$ 1,060,646	\$ 556,503	\$ (571,247)	\$ 1,045,902	\$ 576,635



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 \$1,206 per month per covered employee. Total maximum loss exposure to the City for health insurance on covered employees was \$21,464,811 for the fiscal year ended September 30, 2007. 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 \$10,662,292 reported in the fund at September 30, 2007 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>
2005-2006	\$8,672,970	\$21,172,549	\$(19,869,469)	\$9,976,050
2006-2007	9,976,050	18,633,164	(17,946,922)	10,662,292

#### 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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 4. OTHER INFORMATION (continued)

#### b. Contingent Liabilities (continued)

grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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, which does not expire, 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 \$6,079,945 during the year ended September 30, 2007.

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

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank™ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site comprised of approximately 459 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 seven sites totaling approximately 583 acres of Wetlands. The City became the Grantor of the Mitigation Bank Irrevocable Trust Fund on April 5, 1995 in order to hold the funds to maintain the Wetlands in perpetuity. The current Trustee is the Bank of New York Mellon, Inc., and the beneficiaries of the Trust Fund are the City, the South Florida Water Management District, the U. S. Army Corps of Engineers, and Broward County. Payments are made quarterly from the investment earnings of the Trust Fund to cover the expenses in maintaining the Wetlands. In the event that investment earnings are insufficient to cover expenses, payments from the principal of the Trust can be utilized with the written consent of the Trust's beneficiaries. At

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 4. OTHER INFORMATION (continued)

#### c. Commitments (continued)

September 30, 2007 the balance in the Trust Fund was \$617,265. For the fiscal year ended September 30, 2007, the Trust earned \$33,659 in investment income, and incurred expenses of \$24,246.

The City has the following construction commitments as of September 30, 2007:

<u>Vendor</u>	<u>Project Name</u>	<u>Original Amount</u>	<u>Balance as of September 30, 2007</u>
The Haskell Company.	SW Pines Nature/Rec Park.	\$15,295,617	\$5,296,498
T.D.I. International, Inc.	Golf Course Renovation.	6,309,145	398,502
Stiles Construction Co.	City Center.	18,642,631	3,833,903
Widell, Inc.	Expand Water Treatment Plant.	1,676,400	292,500
Widell, Inc.	Water Plant Improvements II.	15,403,880	13,870,483
Bergeron Land Devel.	Sheridan Street Widening.	18,562,599	9,829,434
The Haskell Company.	Senior Housing Tower III.	24,991,952	2,181,400
Weekley Asphalt.	Pembroke Road Corridor.	4,874,897	3,383,103
Bergeron Land Devel.	Pembroke Road Corridor.	4,369,002	4,369,002
Recreational Design.	Pembroke Lakes Tennis Center.	577,280	489,032

On March 15, 2001, the City entered into an Interlocal Agreement with The Florida Department of Children & Families (DCF), which provides for the City to develop, operate and maintain the 157-acre site of the former South Florida State Hospital. The site was originally leased by DCF from the State of Florida on January 4, 1973. The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 3.f. "Operating Leases"). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 3.g. "Long-Term Debt"). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 4. OTHER INFORMATION (continued)

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

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

<b>Ordinance Number</b>	<b>Dated</b>	<b>Ordinance Number</b>	<b>Dated</b>
990	April 15, 1992	1371	April 4, 2001
1015	November 4, 1992	1443	June 18, 2003
1024	February 17, 1993	1480	March 17, 2004
1144	December 6, 1995	1554	August 16, 2006

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. Additionally, retired members hired on or after June 8, 2005 for General Employees, April 1, 2006 for Firefighters, and October 1, 2006 for Police Officers are required to pay 100% of the active/blended rate for their retirement coverage. Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage.

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, 2007, those costs totaled \$3,426,042, and there were 263 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. 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

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 4. OTHER INFORMATION (continued)

#### d. Postretirement Health and Life Insurance Benefits (continued)

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. The City is in the process of obtaining a more current valuation report. On December 3, 2007, the City Commission adopted Ordinance 1598 creating an OPEB Trust in accordance with Florida Statutes Chapter 115.

#### Retirement Health Savings Plan – Police Union Members

Effective October 1, 2006, as part of the collective bargaining agreement between the City of Pembroke Pines and Broward County Police Benevolent Association (PBA), the City is required to contribute 2% of the Police Union member's base salary, to a retirement health saving account for employees hired after October 1, 2006. As of the fiscal year ended September 30, 2007 there were 13 officers in this Plan and the City has contributed \$8,676. The Plan is sponsored by the PBA, and is administered by the International City Management Association Retirement Corporation (ICMA-RC). Plan benefits are 100% vested and must be used towards medical expenses eligible under the Internal Revenue Code (IRC) Section 213 other than direct long-term care expenses, and including non-prescription medications allowed under the IRC.

A participant is eligible to receive benefits at the earliest of:

1. attainment of age 45,
2. normal retirement from the City's retirement plan
3. one (1) year following the participant's union membership is dropped or
4. six (6) months following the date of separation of service.

A participant who dies or becomes totally and permanently disabled (as defined by the Social Security Administration) will become immediately eligible to receive medical benefit payments from his/her retirement health saving plan account.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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, 2006, 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	356	183
Current employees:		
Fully Vested	213	171
Partially Vested	133	n/a
Non-vested	<u>131</u>	<u>240</u>
Total	<u>833</u>	<u>594</u>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

#### General Employees Pension Plan

The General Employees Pension Trust Fund does not issue separate stand-alone financial statements, therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the fiscal year ended September 30, 2007.

#### General Employees Pension Trust Fund Statement of Fiduciary Net Assets September 30, 2007

	<u>2007</u>
<b>Assets</b>	
Investments	\$ 129,453,464
Receivables	143,889
Total assets	<u>129,597,353</u>
<b>Liabilities</b>	<u>-</u>
<b>Net Assets</b>	
Net assets held in trust for pension benefits	<u><u>\$ 129,597,353</u></u>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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, 2007**

<b>Additions:</b>	<b><u>2007</u></b>
Contributions	
Plan members	\$ 2,149,033
Employer:	
Required contribution	7,418,930
Total contributions	<u>9,567,963</u>
Investment earnings:	
Investment earnings	14,771,911
Less investment expenses	60,881
Net investment earnings	<u>14,711,030</u>
Total additions	<u>24,278,993</u>
<b>Deductions:</b>	
Pension benefits	4,636,992
Refunds of contributions	(14,400)
Administrative expenses	52,491
Total deductions	<u>4,675,083</u>
Change in net assets	19,603,910
Net assets, beginning	<u>109,993,443</u>
Net assets, ending	<u>\$ 129,597,353</u>



# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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"):

<b>Ordinance Number</b>	<b>Dated</b>	<b>Ordinance Number</b>	<b>Dated</b>
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

Fiscal Year Ended September 30, 2007

## 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 \$7,418,930 or 34.5% of annual covered payroll, is based on the actuarial report using the entry age normal frozen initial liability method with the unfunded liabilities being amortized over 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 24 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. See also Note 3.g. for additional information on the bond issue.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### 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 investment earnings and employee and City contributions in order to maintain the plan actuarially sound.

##### Investments

As of September 30, 2007, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. As of September 30, 2007, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment earnings for the year ended September 30, 2007 were \$14,711,030 which represented a 63% increase over last year's net investment earnings of \$9,023,594.

##### 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	\$	7,418,930
Interest on net pension obligation		(1,399,720)
Adjustment to annual required contribution		2,321,692
Annual pension cost		8,340,902
Contributions made		(7,418,930)
Change in net pension obligation/(asset)		921,972
Net pension obligation/(asset), beginning of year		(17,496,504)
Net pension obligation/(asset), end of year		\$ (16,574,532)

##### 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>
9/30/2005	\$ 7,053,397	\$ 6,152,234	87%	\$ (18,469,761)
9/30/2006	7,402,662	6,429,405	87	(17,496,504)
9/30/2007	8,340,902	7,418,930	89	(16,574,532)

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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, 2007, \$834,257 was contributed to the DROP.

Additional information as of the latest actuarial valuation follows:

Valuation date	10/1/2006
Actuarial cost method	Entry age normal frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	24 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*	8.41%
Cost of living adjustments	3%
*Includes inflation at	3.0%

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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 (CPFFPO) was established and amended by the following Ordinances (collectively known as the “Ordinances”):

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

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

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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. For firefighter members hired on or after April 1, 2006, in no event shall the benefit exceed 98% of average monthly regular wages. 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.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Service Retirement Benefits (continued)

Firefighter and police members who elect to retire under the Career Anniversary Retirement Incentive Option, earnings shall include payments up to 1,000 hours of accrued unused leave.

Effective June 18, 2003 (Firefighters) and March 17, 2004 (Police) continuous service for members may include up to four years purchased for active service in the Armed Forces or Merchant Marine 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 the average monthly salary of the member at the time of disability retirement or (b) the accrued benefit.

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

##### Death Benefits

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

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Refund of Employee Contributions

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

##### Termination Benefits

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

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

Retired police officers and disabled police officers receiving pension or DROP benefits, prior to October 1, 2006, or their beneficiaries may be eligible to receive a supplemental pension distribution, the amount of which shall be determined September 30<sup>th</sup> 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. However, no supplemental benefits will be available for members who retire, enter the DROP or are disabled on or after October 1, 2006. Police retirees who retired prior to April 1, 2006 will be provided with a one-time irrevocable option to continue to receive the 13<sup>th</sup> check; or they may opt to receive instead a cost of living increase to their retirement benefit.

##### 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 \$14,254,450 or 54.74% of covered payroll.

The State contributions totaled \$2,442,108 or 9.4% 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



# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Funding Policy (continued)

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.

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

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

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, 2007, the total employee buybacks were \$110,110.

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.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Property and Equipment

Land is carried at cost. Property and equipment represents the capitalized costs of construction in progress of the building and deposits on the computer network and security system during the period the building is being readied for its intended purpose which will be the Plan's offices. Occupancy of the building took place in December 2007, and at that time depreciation of the building and equipment will commence over its estimated useful life.

Property and equipment consist of the following at September 30, 2007:

Construction-in-progress	<u>\$437,399</u>
--------------------------	------------------

##### Investments

Investments are reported at fair value as of September 30, 2007. 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.

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

The fixed income portfolio shall be comprised of securities with a minimum quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below BAA shall be liquidated within a reasonable period of time. If the investment manager determines it is prudent to hold an investment that has been downgraded below BAA, they will be

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Investments (continued)

required to report to the Board on the status of, and the reason for, holding the bond. No more than 5% of the total market value of fixed income securities shall be invested in debt obligations of any one fixed income issuer, except for securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitations. (See Note 3.a. –“Deposits and Investments” for additional information)

The Plan’s net investment earnings for the year ended September 30, 2007 was \$33,013,690, a 148% increase from last year’s net investment earnings of \$13,325,260.

##### 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	\$ 14,254,450
Interest on net pension obligation	(4,417,792)
Adjustment to annual required contribution	<u>7,637,953</u>
Annual pension cost	17,474,611
Contributions made	<u>(14,254,450)</u>
Change in net pension obligation/(asset)	3,220,161
Net pension obligation/(asset), beginning of year	(55,222,399)
Net pension obligation/(asset), end of year	<u><u>\$ (52,002,238)</u></u>

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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)
9/30/2007	17,474,611	14,254,450	82	(52,002,238)

#### DROP Plan

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

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 1<sup>st</sup>.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

##### Cost of Living Adjustment

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

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. Effective October 1, 2009, and October 1 of each year thereafter, police retirees who retired or entered the DROP on or after October 1, 2006, or their beneficiaries will receive a 3% increase to their retirement benefit.

For the year ended September 30, 2007 and 2006 investment income in the financial statements of the CPFPO excluded investment income on DROP accounts totaling \$2,664,962 and \$2,109,453, 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

Fiscal Year Ended September 30, 2007

## 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	10/1/2006
Actuarial cost method	Frozen initial liability
Amortization method	Level percent, closed
Remaining amortization period	28 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*	5.0% - 12%
Payroll growth	5.3%
Cost of living adjustments:	
Firefighters	2.0%
Police officers	1.5%
*Includes inflation at	4.0%

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## NOTE 4. OTHER INFORMATION (continued)

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

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

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

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

#### Plan Description

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

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

#### Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State statute. For the fiscal year ended June 30, 2007, the actuarially determined contribution rate was 9.85% of covered payroll which amounted to \$1,911,112. As of June 30, 2007 there were 378 members in this Plan. The Charter Schools are required to contribute both for full-time and part-time members of the Plan. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.05%.

# City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

## 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, 2007, there were one hundred and thirty-six (136) Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 9.85 percent of the Plan member's gross salary. For the 2007 fiscal year, the City contributed \$506,006 to the Charter Schools' Plan. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. In fiscal year 2006, the City increased its contribution to the defined contribution plan from 5% to 9.85% of the members' gross wages, in keeping with the contribution required by the FRS (See Note 4.e. – "Municipal Employees Retirement Pension Plans").



# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### NOTE 5. SUBSEQUENT EVENTS

As discussed in Note 3.a, at September 30, 2007, the City had \$76,254,878 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants' existing balances were proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principal value of Pool B assets is not readily determinable.

On November 29, 2007 the City withdrew \$63,378,000 from the SBA before the temporary freeze on the account, however as of December 31, 2007 the City had \$40,739,884 and \$88,598 invested in Pool A and B, respectively and has been steadily depositing money back into the SBA Pool A Shares. It is important to note that there are no liquidity restrictions on any of the City's Pool A shares. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The City is currently in the process of issuing variable rate charter school bonds in a preliminary amount of \$63,080,000. An estimate of \$14,000,000 of the proceeds of the 2008 Bonds will be used for the design and construction of additional classroom facilities for the City's Charter Schools and other capital improvements and acquisitions as result of the Class Size Reduction mandated by the Florida legislature. The balance will be used to advance refund the City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and B, and fund the issuance costs. The 2008 Bonds and the City's payment obligations under the Series 2008 Swap Transaction are payable from, and secured by, the revenues derived by the City from lease payments made to the City as a result of its ownership and operation of certain charter schools, including, without limitation, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements. The 2008 Bonds will initially bear interest at the Weekly Rate, but may be converted at the option of the City, subject to certain restrictions, to a Fixed Rate. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City will enter into a floating-to-fixed rate interest rate swap transaction with an Initial Swap Counterparty.

# City of Pembroke Pines, Florida

## Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2007

### **NOTE 5. SUBSEQUENT EVENTS (continued)**

In addition to the Series 2008 Swap Transaction, the City may enter into additional Interest Rate Swaps and certain other contracts as authorized by the

Commission. On December 19, 2007, the City Commission passed Resolution number 3171, which will allow the City to be reimbursed for expenditures related to these projects prior to the bond closing. It is anticipated that bonds will be issued in February 2008.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by another \$25,000 (for property values of \$50,000 - \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, and second homes) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homestead property which becomes effective on January 1, 2009.

The loss of property tax revenues for the City for fiscal year 2009 as a result of Amendment 1 is estimated to be \$6.3 million.

# 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, 2007**

<b>Fiscal Year</b>	<b>(A) Annual Required Contributions</b>	<b>Employer Contributions</b>	<b>State Contributions</b>	<b>Total Employer Contributions</b>	<b>(B) Percentage Contributed</b>
<b>General Employees</b>					
2007	\$ 7,418,930	\$ 7,418,930	\$ -	\$ 7,418,930	100%
2006	6,429,405	6,429,405	-	6,429,405	100%
2005	6,152,234	6,152,234	-	6,152,234	100%
2004	4,961,285	4,961,285 (C)	-	4,961,285	100%
2003	4,273,282	4,273,282	-	4,273,282	100%
2002	3,604,737	3,604,737	-	3,604,737	100%
2001	3,361,081	3,361,081	-	3,361,081	100%
2000	2,800,921	2,800,921	-	2,800,921	100%
1999	2,336,107	2,336,107	-	2,336,107	100%
<b>Firefighters and Police Officers</b>					
2007	\$ 14,254,450	\$ 11,812,342	\$ 2,442,108	\$ 14,254,450	100%
2006	10,233,546	8,205,196	2,028,350	10,233,546	100%
2005	8,322,719	6,461,387	1,861,332	8,322,719	100%
2004	4,905,659	3,654,190 (C)	1,730,676	5,384,866	110%
2003	4,898,628	3,472,188	1,426,440	4,898,628	100%
2002	4,877,023	3,643,183	1,233,840	4,877,023	100%
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, 2007**

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>(c) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (b-a) / (c)</b>
<b>General Employees</b>						
10/1/2006	\$ 107,426,569	\$ 123,224,221	\$ 15,797,652	87.2%	\$ 21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
10/1/2002	51,328,586	62,044,070	10,715,484	82.7%	18,280,801	58.6%
10/1/2001	45,363,715	52,913,807	7,550,092	85.7%	17,534,331	43.1%
10/1/2000	41,116,588	48,928,587	7,811,999	84.0%	17,310,177	45.1%
10/1/1999	35,531,088	43,534,603	8,003,515	81.6%	14,777,035	54.2%
10/1/1998	30,441,656	38,673,221	8,231,565	78.7%	13,037,087	63.1%
<b>Firefighters and Police Officers</b>						
10/1/2006	\$ 205,102,670	\$ 302,916,889	\$ 97,814,219	67.7%	\$ 26,040,640	375.6%
10/1/2005	186,347,282	263,608,172	77,260,890	70.7%	24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
10/1/2002	96,599,615	109,491,991	12,892,376	88.2%	23,984,023	53.8%
10/1/2001	89,587,047	103,737,625	14,150,578	86.4%	22,906,692	61.8%
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, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$71,776,092	\$61,904,597	\$61,963,626	\$59,029
Permits, fees and licenses	7,494,555	16,869,905	19,671,308	2,801,403
Intergovernmental revenue	13,704,662	14,016,111	14,044,296	28,185
Charges for services	23,996,067	24,703,285	24,651,671	(51,614)
Fines and forfeitures	1,096,800	1,111,800	1,143,725	31,925
Miscellaneous revenues	18,451,140	18,641,685	19,985,108	1,343,423
Total revenues	<u>136,519,316</u>	<u>137,247,383</u>	<u>141,459,734</u>	<u>4,212,351</u>
<b>Expenditures</b>				
General government services				
Administrative services	4,254,535	4,260,535	3,621,215	639,320
City attorney	799,440	799,440	796,800	2,640
City clerk	1,108,152	1,108,152	1,034,892	73,260
City manager	862,529	881,270	873,251	8,019
Finance	2,493,330	2,498,630	2,476,943	21,687
Human resources	1,080,276	1,080,276	978,744	101,532
Mayor & commission	430,643	439,609	439,452	157
Non-departmental	6,055,560	5,866,249	4,060,446	1,805,803
Public services	7,908,218	8,229,305	8,035,943	193,362
Total general government services	<u>24,992,683</u>	<u>25,163,466</u>	<u>22,317,686</u>	<u>2,845,780</u>
Public safety				
Administrative services	956,454	956,454	916,695	39,759
Emergency & disaster relief services	-	-	1,089,712	(1,089,712)
Fire	42,314,774	44,085,926	41,724,512	2,361,414
Police	39,307,898	41,062,418	40,856,374	206,044
Total public safety	<u>82,579,126</u>	<u>86,104,798</u>	<u>84,587,293</u>	<u>1,517,505</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, 2007**  
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Physical environment				
Public services	\$4,588,033	\$4,492,535	\$4,025,954	\$466,581
Total physical environment	<u>4,588,033</u>	<u>4,492,535</u>	<u>4,025,954</u>	<u>466,581</u>
Economic environment				
Community services	4,671,698	4,713,145	4,606,268	106,877
Total economic environment	<u>4,671,698</u>	<u>4,713,145</u>	<u>4,606,268</u>	<u>106,877</u>
Human services				
Community services	2,699,486	3,006,032	2,681,100	324,932
Education	4,379,166	4,402,134	4,175,215	226,919
Total human services	<u>7,078,652</u>	<u>7,408,166</u>	<u>6,856,315</u>	<u>551,851</u>
Culture/recreation				
Parks & recreation	18,765,530	19,039,559	17,291,172	1,748,387
Total culture/recreation	<u>18,765,530</u>	<u>19,039,559</u>	<u>17,291,172</u>	<u>1,748,387</u>
Total expenditures	<u>142,675,722</u>	<u>146,921,669</u>	<u>139,684,688</u>	<u>7,236,981</u>
Excess (deficiency) of revenues over expenditures	<u>(6,156,406)</u>	<u>(9,674,286)</u>	<u>1,775,046</u>	<u>11,449,332</u>
<b>Other financing sources (uses):</b>				
Transfers out	(690,921)	(659,837)	(389,548)	270,289
Total other financing sources (uses)	<u>(690,921)</u>	<u>(659,837)</u>	<u>(389,548)</u>	<u>270,289</u>
Net change in fund balances	(6,847,327)	(10,334,123)	1,385,498	11,719,621
Fund balances, beginning	32,353,232	32,353,232	32,353,232	-
Fund balances, ending	<u>\$25,505,905</u>	<u>\$22,019,109</u>	<u>\$33,738,730</u>	<u>\$11,719,621</u>

See notes to budgetary comparison schedule.

# City of Pembroke Pines, Florida

## Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2007

### NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.
4. The adopted budget may be amended as follows:
  - a. The City Manager and Finance Director approve line item adjustments within a department or a division.
  - b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
  - c. The City Commission may approve supplemental appropriations of revenues and expenditures. If this is done, adoption of an amended budget ordinance is required.
5. The final budget includes budget transfers and supplemental appropriations, which have the effect of adjusting the original adopted budget. General Fund supplemental appropriations amounted to \$4,214,863 for the fiscal year ended September 30, 2007 and consist primarily of:
  - a. \$2,890,502 for contribution to the Police & Fire Pension Plan,
  - b. \$790,299 in carryover of funds related principally to encumbered capital items,
  - c. \$303,551 for transitional housing which was grant funded and,
  - d. \$261,595 for debt service on the Capital Improvement Revenue Refunding Bonds, Series 2006.



# City of Pembroke Pines, Florida

## Notes to Budgetary Comparison Schedule

### **NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)**

There was a \$728,067 net revenue upward adjustment which included mainly:

- a. \$428,821 for administrative services provided to the senior housing rental division,
- b. \$303,551 grant award for the establishment of transitional housing and support services to youths who are adjudicated dependent, to assist them in making a successful transition to independence,
- c. \$131,448 in relation to subcontracting of building services personnel to another city,
- d. \$125,000 to reflect unanticipated increases in roofing permits due mainly to Hurricane Wilma,
- e. \$110,000 grant award to address security risks and needs, geared towards enhancement of security capability, and
- f. \$107,549 for summer activities at the Early Development Centers.

The most significant downward adjustment relates to a \$673,235 transfer of franchise fees electricity to the Debt Service Fund to cover debt service on the Capital Improvement Revenue Refunding Bonds, Series 2006.

### **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, 2007 was additional emergency and disaster relief services in connection with Hurricane Wilma. The City anticipates a subsequent 100% reimbursement from the Federal Emergency Management Agency (FEMA) or insurance.

# Combining and Individual Fund Statements and Schedules



# **NONMAJOR GOVERNMENTAL FUNDS**

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## **Special Revenue Funds**

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

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

**Law Enforcement Grant Fund** – To account for the Federal funded program:

Victim's Advocate (Victims of Crime Act):

1. One (1) part time victim's advocate

Buffer Zone Protection Plan (BZPP):

1. Equipment

Highway Safety Grant (DUI Reduction Program):

1. Overtime
2. Equipment

Homeland Security (Urban Area Security Initiative-UASI)

1. Equipment

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

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

Byrne Grant:

1. Equipment

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

Cops Ahead:

1. One (1) full time officer.
2. Benefits.

# **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

Community Development Block Grant (CDBG):

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

HOME Investment partnership Program (HOME):

1. Home repairs/weatherization.

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

# **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

## **Permanent Fund**

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

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

**City of Pembroke Pines, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2007**

	Special Revenue Funds								
	<b>Road and Bridge</b>	<b>Law Enforcement Grant</b>	<b>ADA Paratransit Program</b>	<b>Police Community Service Grant</b>	<b>COPS Grants</b>	Schools Chartered by *			<b>Florida State University Elementary</b>
						Broward County School District			
					<b>Elementary</b>	<b>Middle</b>	<b>High</b>		
<b>Assets</b>									
Pooled cash and cash equivalents	\$ 6,480,143	\$ -	\$ 182,662	\$ -	\$ -	\$ 1,179,994	\$ 336,741	\$ 401,552	\$ 300
Receivables:									
Franchise fees and taxes	405,724	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	28,704	21,283	8,891	9,470
Total receivables	<u>405,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,704</u>	<u>21,283</u>	<u>8,891</u>	<u>9,470</u>
Inventory	-	-	-	-	-	8,510	6,885	15,355	1,296
Due from other governments	158,647	16,492	-	-	3,338	18,979	8,144	29,100	317,513
Prepaid costs	-	-	-	-	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,044,514</u>	<u>\$ 16,492</u>	<u>\$ 182,662</u>	<u>\$ -</u>	<u>\$ 3,338</u>	<u>\$ 1,236,187</u>	<u>\$ 373,053</u>	<u>\$ 454,898</u>	<u>\$ 328,579</u>
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 26,742	\$ -	\$ -	\$ -	\$ -	\$ 183,505	\$ 122,933	\$ 166,414	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	62,520
Due to other funds	-	16,492	-	-	3,338	-	-	-	100,101
Deposits	-	-	-	-	-	132,301	57,584	286,405	24,576
Deferred revenue	-	-	-	-	-	7,955	1,972	2,079	3,729
Total liabilities	<u>26,742</u>	<u>16,492</u>	<u>-</u>	<u>-</u>	<u>3,338</u>	<u>323,761</u>	<u>182,489</u>	<u>454,898</u>	<u>190,926</u>
Fund balances:									
Reserved for:									
Wetland Mitigation Trust:									
Nonexpendable	-	-	-	-	-	-	-	-	-
Expendable	-	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-	-	-	-
Encumbrances	18,132	131,942	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	8,510	6,885	15,355	1,296
Unreserved:									
Designated for rent payments	-	-	-	-	-	903,916	183,679	(15,355)	136,357
Undesignated (deficit)	<u>6,999,640</u>	<u>(131,942)</u>	<u>182,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>7,017,772</u>	<u>-</u>	<u>182,662</u>	<u>-</u>	<u>-</u>	<u>912,426</u>	<u>190,564</u>	<u>-</u>	<u>137,653</u>
Total liabilities and fund balances	<u>\$ 7,044,514</u>	<u>\$ 16,492</u>	<u>\$ 182,662</u>	<u>\$ -</u>	<u>\$ 3,338</u>	<u>\$ 1,236,187</u>	<u>\$ 373,053</u>	<u>\$ 454,898</u>	<u>\$ 328,579</u>

\* As of June 30, 2007

(continued)

**City of Pembroke Pines, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2007**  
(continued)

	Special Revenue Funds								Permanent Fund	Total Nonmajor Governmental Funds
	State Housing Initiative Program	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	
<b>Assets</b>										
Pooled cash and cash equivalents	\$ 3,663,900	\$ -	\$ -	\$ -	\$ 149,332	\$ 235,881	\$ 167,242	\$ 1,226,910	\$ -	\$ 14,024,657
Receivables:										
Franchise fees and taxes	-	-	-	-	-	-	-	-	-	405,724
Other	-	-	-	-	-	-	-	-	-	68,348
Total receivables	-	-	-	-	-	-	-	-	-	474,072
Inventory	-	-	-	25,000	-	-	-	-	-	57,046
Due from other governments	-	36,081	-	129,269	-	-	-	-	-	717,563
Prepaid costs	-	49,455	-	-	-	-	-	-	-	49,455
Restricted pooled cash and investments	-	-	-	-	-	-	-	-	617,662	617,662
<b>Total assets</b>	<b><u>\$ 3,663,900</u></b>	<b><u>\$ 85,536</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 154,269</u></b>	<b><u>\$ 149,332</u></b>	<b><u>\$ 235,881</u></b>	<b><u>\$ 167,242</u></b>	<b><u>\$ 1,226,910</u></b>	<b><u>\$ 617,662</u></b>	<b><u>\$ 15,940,455</u></b>
<b>Liabilities and Fund Balances</b>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,594
Accrued liabilities	-	-	-	-	-	-	-	-	-	62,520
Due to other funds	-	85,536	-	154,269	-	-	-	-	-	359,736
Deposits	-	-	-	-	-	-	-	23,598	-	524,464
Deferred revenue	3,663,888	-	-	-	-	-	-	-	-	3,679,623
<b>Total liabilities</b>	<b><u>3,663,888</u></b>	<b><u>85,536</u></b>	<b><u>-</u></b>	<b><u>154,269</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>23,598</u></b>	<b><u>-</u></b>	<b><u>5,125,937</u></b>
Fund balances:										
Reserved for:										
Wetland Mitigation Trust:										
Nonexpendable	-	-	-	-	-	-	-	-	446,115	446,115
Expendable	-	-	-	-	-	-	-	-	171,547	171,547
Prepaid costs	-	49,455	-	-	-	-	-	-	-	49,455
Encumbrances	51,259	-	-	-	-	-	5,830	-	-	207,163
Inventory	-	-	-	25,000	-	-	-	-	-	57,046
Unreserved:										
Designated for rent payments	-	-	-	-	-	-	-	-	-	1,208,597
Undesignated (deficit)	(51,247)	(49,455)	-	(25,000)	149,332	235,881	161,412	1,203,312	-	8,674,595
<b>Total fund balances</b>	<b><u>12</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>149,332</u></b>	<b><u>235,881</u></b>	<b><u>167,242</u></b>	<b><u>1,203,312</u></b>	<b><u>617,662</u></b>	<b><u>10,814,518</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 3,663,900</u></b>	<b><u>\$ 85,536</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 154,269</u></b>	<b><u>\$ 149,332</u></b>	<b><u>\$ 235,881</u></b>	<b><u>\$ 167,242</u></b>	<b><u>\$ 1,226,910</u></b>	<b><u>\$ 617,662</u></b>	<b><u>\$ 15,940,455</u></b>

\* As of June 30, 2007

**City of Pembroke Pines, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2007**

	Special Revenue Funds								
	<u>Road and Bridge</u>	<u>Law Enforcement Grant</u>	<u>ADA Paratransit Program</u>	<u>Police Community Service Grant</u>	<u>COPS Grants</u>	Schools Chartered by *			<u>Florida State University Elementary</u>
						<u>Broward County School District</u>			
						<u>Elementary</u>	<u>Middle</u>	<u>High</u>	
<b>Revenues:</b>									
Taxes	\$ 2,739,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,254,594	419,790	526,571	22,639	18,165	12,176,509	8,057,268	12,842,679	4,838,321
Charges for services	315,033	-	-	-	-	798,222	168,342	79,960	271,201
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	360,601	-	-	389	-	87,021	23,597	60,086	-
Contributions	15,000	-	-	-	-	111	87	135	36
Rental revenue	-	-	-	-	-	95,961	131,209	1,272,836	47,412
Other	92,032	-	-	-	-	363,079	293,391	543,900	104,996
Total revenues	<u>4,776,315</u>	<u>419,790</u>	<u>526,571</u>	<u>23,028</u>	<u>18,165</u>	<u>13,520,903</u>	<u>8,673,894</u>	<u>14,799,596</u>	<u>5,261,966</u>
<b>Expenditures:</b>									
General government	-	-	-	-	-	-	-	-	-
Public safety	19,609	419,790	-	23,028	97,839	-	-	-	-
Transportation	4,018,050	-	356,939	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	13,449,033	9,644,790	14,165,047	5,147,653
Total expenditures	<u>4,037,659</u>	<u>419,790</u>	<u>356,939</u>	<u>23,028</u>	<u>97,839</u>	<u>13,449,033</u>	<u>9,644,790</u>	<u>14,165,047</u>	<u>5,147,653</u>
Excess (deficiency) of revenues over expenditures	<u>738,656</u>	<u>-</u>	<u>169,632</u>	<u>-</u>	<u>(79,674)</u>	<u>71,870</u>	<u>(970,896)</u>	<u>634,549</u>	<u>114,313</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	-	-	-	79,674	423,587	970,951	-	-
Transfers out	(155,466)	-	-	-	-	(495,457)	-	(634,549)	-
Total other financing sources (uses)	<u>(155,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,674</u>	<u>(71,870)</u>	<u>970,951</u>	<u>(634,549)</u>	<u>-</u>
Net change in fund balances	583,190	-	169,632	-	-	-	55	-	114,313
Fund balances, beginning	6,434,582	-	13,030	-	-	912,426	190,509	-	23,340
Fund balances, ending	<u>\$ 7,017,772</u>	<u>\$ -</u>	<u>\$ 182,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,426</u>	<u>\$ 190,564</u>	<u>\$ -</u>	<u>\$ 137,653</u>

\* As of June 30, 2007

(continued)



**City of Pembroke Pines, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended September 30, 2007**  
(continued)

	<u>Special Revenue Funds</u>								<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>State Housing Initiative Program</u>	<u>Housing and Urban Development Grant</u>	<u>Community Bus Program</u>	<u>Older Americans Act</u>	<u>Treasury Confiscated</u>	<u>Justice Confiscated</u>	<u>\$2 Police Education</u>	<u>FDLE Confiscated</u>	<u>Wetland Mitigation Trust Fund</u>	
<b>Revenues:</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,739,055
Intergovernmental	1,270,000	1,163,632	341,100	1,002,428	-	-	-	-	-	43,933,696
Charges for services	-	-	-	-	-	-	-	-	-	1,632,758
Fines and forfeitures	-	-	-	-	-	5,111	49,517	228,496	-	283,124
Investment income	-	-	-	-	8,572	13,394	8,807	63,728	33,660	659,855
Contributions	-	-	-	87,424	-	-	-	-	-	102,793
Rental revenue	-	-	-	-	-	-	-	-	-	1,547,418
Other	-	-	-	-	-	327	-	-	-	1,397,725
Total revenues	<u>1,270,000</u>	<u>1,163,632</u>	<u>341,100</u>	<u>1,089,852</u>	<u>8,572</u>	<u>18,832</u>	<u>58,324</u>	<u>292,224</u>	<u>33,660</u>	<u>52,296,424</u>
<b>Expenditures:</b>										
General government	-	-	-	-	-	-	-	-	24,246	24,246
Public safety	-	-	-	-	15,860	23,093	57,862	212,238	-	869,319
Transportation	-	133,327	496,566	-	-	-	-	-	-	5,004,882
Economic environment	1,269,988	1,030,305	-	-	-	-	-	-	-	2,300,293
Human services	-	-	-	1,135,194	-	-	-	-	-	43,541,717
Total expenditures	<u>1,269,988</u>	<u>1,163,632</u>	<u>496,566</u>	<u>1,135,194</u>	<u>15,860</u>	<u>23,093</u>	<u>57,862</u>	<u>212,238</u>	<u>24,246</u>	<u>51,740,457</u>
Excess (deficiency) of revenues over expenditures	<u>12</u>	<u>-</u>	<u>(155,466)</u>	<u>(45,342)</u>	<u>(7,288)</u>	<u>(4,261)</u>	<u>462</u>	<u>79,986</u>	<u>9,414</u>	<u>555,967</u>
<b>Other financing sources (uses):</b>										
Transfers in	-	-	155,466	45,342	-	-	-	-	-	1,675,020
Transfers out	-	-	-	-	-	-	-	-	-	(1,285,472)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>155,466</u>	<u>45,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,548</u>
Net change in fund balances	12	-	-	-	(7,288)	(4,261)	462	79,986	9,414	945,515
Fund balances, beginning	-	-	-	-	156,620	240,142	166,780	1,123,326	608,248	9,869,003
Fund balances, ending	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,332</u>	<u>\$ 235,881</u>	<u>\$ 167,242</u>	<u>\$ 1,203,312</u>	<u>\$ 617,662</u>	<u>\$ 10,814,518</u>

\* As of June 30, 2007

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

**City of Pembroke Pines, Florida**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual**  
**Debt Service Fund**  
**Fiscal Year Ended September 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 2,623,678	\$ 2,623,678	\$ 2,665,536	\$ 41,858
Utility taxes	1,729,420	1,679,730	1,674,302	(5,428)
Communication services tax	5,782,463	5,782,463	5,767,044	(15,419)
Permits, fees and licenses	-	673,235	673,227	(8)
Investment income	542,702	579,225	758,896	179,671
Rental revenue	10,038,791	10,163,251	10,070,967	(92,284)
Total revenues	<u>20,717,054</u>	<u>21,501,582</u>	<u>21,609,972</u>	<u>108,390</u>
<b>Expenditures</b>				
Debt service:				
Principal	5,255,000	5,255,000	5,255,000	-
Interest	14,864,931	15,299,259	15,287,355	11,904
Bond issuance cost	-	2,160,012	2,144,681	15,331
Other debt service costs	29,411	29,411	28,511	900
Advance refunding escrow	-	249,176	249,176	-
Total expenditures	<u>20,149,342</u>	<u>22,992,858</u>	<u>22,964,723</u>	<u>28,135</u>
Excess (deficiency) of revenues over expenditures	<u>567,712</u>	<u>(1,491,276)</u>	<u>(1,354,751)</u>	<u>136,525</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	20,464	20,464	-
Bonds issued	-	3,640,358	3,625,027	(15,331)
Bonds proceeds of refunding bonds	-	57,993,728	57,993,728	-
Premium on bonds	-	3,067,996	3,067,996	-
Payment to refunded bond escrow agent	-	59,437,687	(59,437,687)	(118,875,374)
Total other financing sources (uses)	<u>-</u>	<u>124,160,233</u>	<u>5,269,528</u>	<u>(118,890,705)</u>
Net change in fund balances	567,712	122,668,957	3,914,777	(118,754,180)
Fund balances, beginning	13,357,201	13,357,201	13,357,201	-
Fund balances, ending	<u>\$ 13,924,913</u>	<u>\$ 136,026,158</u>	<u>\$ 17,271,978</u>	<u>\$ (118,754,180)</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, 2007**

	Special Revenue Funds							
	Road and Bridge Fund				State Housing Initiative Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ 2,739,055	\$ 2,739,055	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,390,500	215,884	1,254,594	1,038,710	1,420,699	5,500	1,270,000	1,264,500
Charges for services	315,033	61,002	315,033	254,031	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	271,800	1,000	360,601	359,601	127,000	27,260	-	(27,260)
Contributions	-	37,913	15,000	(22,913)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	51,000	26,341	92,032	65,691	-	-	-	-
Total revenues	<u>2,028,333</u>	<u>342,140</u>	<u>4,776,315</u>	<u>4,434,175</u>	<u>1,547,699</u>	<u>32,760</u>	<u>1,270,000</u>	<u>1,237,240</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	19,609	(19,609)	-	-	-	-
Transportation	4,472,082	196,395	4,018,050	(3,821,655)	-	-	-	-
Economic environment	-	-	-	-	1,420,699	934,315	1,269,988	(335,673)
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>4,472,082</u>	<u>196,395</u>	<u>4,037,659</u>	<u>(3,841,264)</u>	<u>1,420,699</u>	<u>934,315</u>	<u>1,269,988</u>	<u>(335,673)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,443,749)</u>	<u>145,745</u>	<u>738,656</u>	<u>592,911</u>	<u>127,000</u>	<u>(901,555)</u>	<u>12</u>	<u>901,567</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(155,466)	(155,466)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(155,466)</u>	<u>(155,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,443,749)	145,745	583,190	437,445	127,000	(901,555)	12	901,567
Fund balances, beginning	6,434,582	6,434,582	6,434,582	-	-	-	-	-
Fund balances, ending	<u>\$ 3,990,833</u>	<u>\$ 6,580,327</u>	<u>\$ 7,017,772</u>	<u>\$ 437,445</u>	<u>\$ 127,000</u>	<u>\$ (901,555)</u>	<u>\$ 12</u>	<u>\$ 901,567</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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>Housing and Urban Development Grant</b>				<b>Law Enforcement Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,147,982	30,620	1,163,632	1,133,012	-	18,770	419,790	401,020
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>1,147,982</u>	<u>30,620</u>	<u>1,163,632</u>	<u>1,133,012</u>	<u>-</u>	<u>18,770</u>	<u>419,790</u>	<u>401,020</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,830,893	419,790	2,411,103
Transportation	138,858	280,378	133,327	147,051	-	-	-	-
Economic environment	1,009,124	320,153	1,030,305	(710,152)	-	-	-	-
Human services	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>1,147,982</u>	<u>600,531</u>	<u>1,163,632</u>	<u>(563,101)</u>	<u>-</u>	<u>2,830,893</u>	<u>419,790</u>	<u>2,411,103</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(569,911)</u>	<u>-</u>	<u>569,911</u>	<u>-</u>	<u>(2,812,123)</u>	<u>-</u>	<u>2,812,123</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(569,911)	-	569,911	-	(2,812,123)	-	2,812,123
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ (569,911)</u>	<u>\$ -</u>	<u>\$ 569,911</u>	<u>\$ -</u>	<u>\$ (2,812,123)</u>	<u>\$ -</u>	<u>\$ 2,812,123</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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>ADA Paratransit Program</b>				<b>Police Community Service Grant</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	284,892	-	526,571	526,571	-	-	22,639	22,639
Charges for services	1,244	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	389	389
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>286,136</u>	<u>-</u>	<u>526,571</u>	<u>526,571</u>	<u>-</u>	<u>-</u>	<u>23,028</u>	<u>23,028</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	23,028	(23,028)
Transportation	380,022	3,452,214	356,939	3,095,275	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>380,022</u>	<u>3,452,214</u>	<u>356,939</u>	<u>3,095,275</u>	<u>-</u>	<u>-</u>	<u>23,028</u>	<u>(23,028)</u>
Excess (deficiency) of revenues over expenditures	<u>(93,886)</u>	<u>(3,452,214)</u>	<u>169,632</u>	<u>3,621,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>								
Transfers in	93,886	1,697,000	-	(1,697,000)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>93,886</u>	<u>1,697,000</u>	<u>-</u>	<u>(1,697,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(1,755,214)	169,632	1,924,846	-	-	-	-
Fund balances, beginning	<u>13,030</u>	<u>13,030</u>	<u>13,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 13,030</u>	<u>\$ (1,742,184)</u>	<u>\$ 182,662</u>	<u>\$ 1,924,846</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, 2007**  
(continued)

	Special Revenue Funds							
	COPS Grants				Community Bus Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final	Original			Final			
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,600	-	18,165	18,165	349,059	114,129	341,100	226,971
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>13,600</u>	<u>-</u>	<u>18,165</u>	<u>18,165</u>	<u>349,059</u>	<u>114,129</u>	<u>341,100</u>	<u>226,971</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	100,392	405,908	97,839	308,069	-	-	-	-
Transportation	-	-	-	-	593,739	3,013,567	496,566	2,517,001
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>100,392</u>	<u>405,908</u>	<u>97,839</u>	<u>308,069</u>	<u>593,739</u>	<u>3,013,567</u>	<u>496,566</u>	<u>2,517,001</u>
Excess (deficiency) of revenues over expenditures	<u>(86,792)</u>	<u>(405,908)</u>	<u>(79,674)</u>	<u>326,234</u>	<u>(244,680)</u>	<u>(2,899,438)</u>	<u>(155,466)</u>	<u>2,743,972</u>
<b>Other financing sources (uses):</b>								
Transfers in	86,792	-	79,674	79,674	244,680	87,379	155,466	68,087
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>86,792</u>	<u>-</u>	<u>79,674</u>	<u>79,674</u>	<u>244,680</u>	<u>87,379</u>	<u>155,466</u>	<u>68,087</u>
Net change in fund balances	-	(405,908)	-	405,908	-	(2,812,059)	-	2,812,059
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ (405,908)</u>	<u>\$ -</u>	<u>\$ 405,908</u>	<u>\$ -</u>	<u>\$ (2,812,059)</u>	<u>\$ -</u>	<u>\$ 2,812,059</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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>Elementary Schools Chartered by Broward County *</b>				<b>Middle Schools Chartered by Broward County *</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,897,219	12,111,734	12,176,509	64,775	7,858,874	7,996,276	8,057,268	60,992
Charges for services	704,222	712,222	798,222	86,000	139,730	139,730	168,342	28,612
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	75,000	75,000	87,021	12,021	32,000	32,000	23,597	(8,403)
Contributions	-	-	111	111	-	-	87	87
Rental revenue	108,140	108,140	95,961	(12,179)	157,186	157,186	131,209	(25,977)
Other	252,000	338,970	363,079	24,109	247,000	285,502	293,391	7,889
<b>Total revenues</b>	<b>13,036,581</b>	<b>13,346,066</b>	<b>13,520,903</b>	<b>174,837</b>	<b>8,434,790</b>	<b>8,610,694</b>	<b>8,673,894</b>	<b>63,200</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	13,023,451	13,630,308	13,449,033	181,275	9,363,335	9,737,272	9,644,790	92,482
<b>Total expenditures</b>	<b>13,023,451</b>	<b>13,630,308</b>	<b>13,449,033</b>	<b>181,275</b>	<b>9,363,335</b>	<b>9,737,272</b>	<b>9,644,790</b>	<b>92,482</b>
Excess (deficiency) of revenues over expenditures	13,130	(284,242)	71,870	356,112	(928,545)	(1,126,578)	(970,896)	155,682
<b>Other financing sources (uses):</b>								
Transfers in	-	423,587	423,587	-	928,545	1,139,507	970,951	(168,556)
Transfers out	(431,268)	(495,457)	(495,457)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(431,268)</b>	<b>(71,870)</b>	<b>(71,870)</b>	<b>-</b>	<b>928,545</b>	<b>1,139,507</b>	<b>970,951</b>	<b>(168,556)</b>
Net change in fund balances	(418,138)	(356,112)	-	356,112	-	12,929	55	(12,874)
Fund balances, beginning	912,426	912,426	912,426	-	190,509	190,509	190,509	-
Fund balances, ending	<u>\$ 494,288</u>	<u>\$ 556,314</u>	<u>\$ 912,426</u>	<u>\$ 356,112</u>	<u>\$ 190,509</u>	<u>\$ 203,438</u>	<u>\$ 190,564</u>	<u>\$ (12,874)</u>

\* As of June 30, 2007

(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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>High School Chartered by Broward County *</b>				<b>Elementary School Chartered by Florida State University*</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,382,901	12,708,859	12,842,679	133,820	4,655,442	4,913,907	4,838,321	(75,586)
Charges for services	67,074	67,074	79,960	12,886	232,419	232,419	271,201	38,782
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	15,000	15,000	60,086	45,086	-	-	-	-
Contributions	-	-	135	135	-	-	36	36
Rental revenue	1,289,879	1,289,879	1,272,836	(17,043)	50,849	50,849	47,412	(3,437)
Other	492,000	508,795	543,900	35,105	85,000	97,148	104,996	7,848
Total revenues	<u>14,246,854</u>	<u>14,589,607</u>	<u>14,799,596</u>	<u>209,989</u>	<u>5,023,710</u>	<u>5,294,323</u>	<u>5,261,966</u>	<u>(32,357)</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	14,246,854	14,553,431	14,165,047	388,384	4,975,000	5,159,667	5,147,653	12,014
Total expenditures	<u>14,246,854</u>	<u>14,553,431</u>	<u>14,165,047</u>	<u>388,384</u>	<u>4,975,000</u>	<u>5,159,667</u>	<u>5,147,653</u>	<u>12,014</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>36,176</u>	<u>634,549</u>	<u>598,373</u>	<u>48,710</u>	<u>134,656</u>	<u>114,313</u>	<u>(20,343)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(634,549)	(634,549)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(634,549)</u>	<u>(634,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(598,373)</u>	<u>-</u>	<u>598,373</u>	<u>48,710</u>	<u>134,656</u>	<u>114,313</u>	<u>(20,343)</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,340</u>	<u>23,340</u>	<u>23,340</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ (598,373)</u>	<u>\$ -</u>	<u>\$ 598,373</u>	<u>\$ 72,050</u>	<u>\$ 157,996</u>	<u>\$ 137,653</u>	<u>\$ (20,343)</u>

\* As of June 30, 2007

(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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>Older Americans Act</b>				<b>Treasury Confiscated</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	827,003	2,726,465	1,002,428	(1,724,037)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	1,500	-	(1,500)
Investment income	1,000	-	-	-	6,300	3,000	8,572	5,572
Contributions	100,000	681,516	87,424	(594,092)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>928,003</b>	<b>3,407,981</b>	<b>1,089,852</b>	<b>(2,318,129)</b>	<b>6,300</b>	<b>4,500</b>	<b>8,572</b>	<b>4,072</b>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	17,409	234,433	15,860	218,573
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	1,075,904	4,428,805	1,135,194	3,293,611	-	-	-	-
<b>Total expenditures</b>	<b>1,075,904</b>	<b>4,428,805</b>	<b>1,135,194</b>	<b>3,293,611</b>	<b>17,409</b>	<b>234,433</b>	<b>15,860</b>	<b>218,573</b>
Excess (deficiency) of revenues over expenditures	(147,901)	(1,020,824)	(45,342)	975,482	(11,109)	(229,933)	(7,288)	222,645
<b>Other financing sources (uses):</b>								
Transfers in	147,901	26,569	45,342	18,773	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>147,901</b>	<b>26,569</b>	<b>45,342</b>	<b>18,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	(994,255)	-	994,255	(11,109)	(229,933)	(7,288)	222,645
Fund balances, beginning	-	-	-	-	156,620	156,620	156,620	-
Fund balances, ending	<b>\$ -</b>	<b>\$ (994,255)</b>	<b>\$ -</b>	<b>\$ 994,255</b>	<b>\$ 145,511</b>	<b>\$ (73,313)</b>	<b>\$ 149,332</b>	<b>\$ 222,645</b>

(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, 2007**  
(continued)

	<b>Special Revenue Funds</b>							
	<b>Justice Confiscated</b>				<b>\$2 Police Education</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	21,000	5,111	(15,889)	46,057	-	49,517	49,517
Investment income	11,000	40,000	13,394	(26,606)	7,200	10,000	8,807	(1,193)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	196,678	327	(196,351)	-	-	-	-
Total revenues	<u>11,000</u>	<u>257,678</u>	<u>18,832</u>	<u>(238,846)</u>	<u>53,257</u>	<u>10,000</u>	<u>58,324</u>	<u>48,324</u>
<b>Expenditures:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	7,852	457,292	23,093	434,199	46,057	-	57,862	(57,862)
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>7,852</u>	<u>457,292</u>	<u>23,093</u>	<u>434,199</u>	<u>46,057</u>	<u>-</u>	<u>57,862</u>	<u>(57,862)</u>
Excess (deficiency) of revenues over expenditures	<u>3,148</u>	<u>(199,614)</u>	<u>(4,261)</u>	<u>195,353</u>	<u>7,200</u>	<u>10,000</u>	<u>462</u>	<u>(9,538)</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,148	(199,614)	(4,261)	195,353	7,200	10,000	462	(9,538)
Fund balances, beginning	240,142	240,142	240,142	-	166,780	166,780	166,780	-
Fund balances, ending	<u>\$ 243,290</u>	<u>\$ 40,528</u>	<u>\$ 235,881</u>	<u>\$ 195,353</u>	<u>\$ 173,980</u>	<u>\$ 176,780</u>	<u>\$ 167,242</u>	<u>\$ (9,538)</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, 2007**  
(continued)

	<u>Special Revenue Funds</u>				<u>Permanent Fund</u>			
	<u>FDLE Confiscated</u>				<u>Wetland Mitigation Trust Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	(127,000)	228,496	355,496	-	-	-	-
Investment income	67,000	-	63,728	63,728	29,000	29,000	33,660	4,660
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	189,627	-	(189,627)	-	-	-	-
Total revenues	<u>67,000</u>	<u>62,627</u>	<u>292,224</u>	<u>229,597</u>	<u>29,000</u>	<u>29,000</u>	<u>33,660</u>	<u>4,660</u>
<b>Expenditures:</b>								
General government	-	-	-	-	24,000	24,000	24,246	(246)
Public safety	226,135	4,136,467	212,238	3,924,229	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>226,135</u>	<u>4,136,467</u>	<u>212,238</u>	<u>3,924,229</u>	<u>24,000</u>	<u>24,000</u>	<u>24,246</u>	<u>(246)</u>
Excess (deficiency) of revenues over expenditures	<u>(159,135)</u>	<u>(4,073,840)</u>	<u>79,986</u>	<u>4,153,826</u>	<u>5,000</u>	<u>5,000</u>	<u>9,414</u>	<u>4,414</u>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(159,135)	(4,073,840)	79,986	4,153,826	5,000	5,000	9,414	4,414
Fund balances, beginning	<u>1,123,326</u>	<u>1,123,326</u>	<u>1,123,326</u>	<u>-</u>	<u>608,248</u>	<u>608,248</u>	<u>608,248</u>	<u>-</u>
Fund balances, ending	<u>\$ 964,191</u>	<u>\$ (2,950,514)</u>	<u>\$ 1,203,312</u>	<u>\$ 4,153,826</u>	<u>\$ 613,248</u>	<u>\$ 613,248</u>	<u>\$ 617,662</u>	<u>\$ 4,414</u>

## **FIDUCIARY FUND TYPES**

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- PENSION TRUST FUNDS
- AGENCY FUNDS

## **PENSION TRUST FUNDS**

---

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

**City of Pembroke Pines, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Pension Trust Funds**  
**September 30, 2007**

	<b>General Employees Pension Fund</b>	<b>Firefighters and Police Officers Pension Fund</b>	<b>Totals</b>
<b>Assets</b>			
Cash and short-term investments	\$ -	\$ 11,249,140	\$ 11,249,140
Receivables			
Accrued interest and dividends	-	909,921	909,921
Other	143,889	454,079	597,968
Total receivables	<u>143,889</u>	<u>1,364,000</u>	<u>1,507,889</u>
Investments, at fair value			
U.S. Government securities	-	27,015,375	27,015,375
Corporate bonds	-	43,966,422	43,966,422
Common stocks	-	128,059,375	128,059,375
Foreign bonds	-	2,005,763	2,005,763
Domestic equity fund	-	22,835,115	22,835,115
International equity fund	-	26,775,469	26,775,469
Real estate fund	-	14,756,977	14,756,977
Mutual funds	129,453,464	-	129,453,464
Total investments	<u>129,453,464</u>	<u>265,414,496</u>	<u>394,867,960</u>
Capital Assets:			
Construction-in-progress	-	437,399	437,399
Total capital assets	<u>-</u>	<u>437,399</u>	<u>437,399</u>
Total assets	<u>129,597,353</u>	<u>278,465,035</u>	<u>408,062,388</u>
<b>Liabilities</b>			
DROP participants payable	-	36,435,715	36,435,715
Accounts payable	-	880,781	880,781
Total liabilities	<u>-</u>	<u>37,316,496</u>	<u>37,316,496</u>
<b>Net Assets</b>			
Net assets held in trust for pension benefits	<u>\$ 129,597,353</u>	<u>\$ 241,148,539</u>	<u>\$ 370,745,892</u>

**City of Pembroke Pines, Florida**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**Fiscal Year Ended September 30, 2007**

	<b><u>General Employees Pension Fund</u></b>	<b><u>Firefighters and Police Officers Pension Fund</u></b>	<b><u>Totals</u></b>
<b>Additions</b>			
Contributions:			
Plan members	\$ 2,149,033	\$ 3,146,299	\$ 5,295,332
Employee buybacks	-	110,110	110,110
Employer:			
Required contribution	7,418,930	11,812,342	19,231,272
State	-	2,442,108	2,442,108
Total contributions	<u>9,567,963</u>	<u>17,510,859</u>	<u>27,078,822</u>
Investment income:			
Investment earnings and appreciation	14,771,911	34,495,646	49,267,557
Less investment expenses	<u>60,881</u>	<u>1,481,956</u>	<u>1,542,837</u>
Net investment income	<u>14,711,030</u>	<u>33,013,690</u>	<u>47,724,720</u>
Total additions	<u>24,278,993</u>	<u>50,524,549</u>	<u>74,803,542</u>
<b>Deductions</b>			
Pension benefits	4,636,992	12,240,536	16,877,528
Refunds of contributions	(14,400)	86,544	72,144
Administrative expenses	<u>52,491</u>	<u>394,778</u>	<u>447,269</u>
Total deductions	<u>4,675,083</u>	<u>12,721,858</u>	<u>17,396,941</u>
Change in net assets	19,603,910	37,802,691	57,406,601
Net assets, beginning	<u>109,993,443</u>	<u>203,345,848</u>	<u>313,339,291</u>
Net assets, ending	<u>\$ 129,597,353</u>	<u>\$ 241,148,539</u>	<u>\$ 370,745,892</u>



## **AGENCY FUNDS**

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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, 2007**

	<u>Balance</u> <u>September 30,</u> <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2007</u>
<b>General Trust Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ 2,260,892	\$ 101,169,860	\$ 100,795,023	\$ 2,635,729
Total assets	<u>\$ 2,260,892</u>	<u>\$ 101,169,860</u>	<u>\$ 100,795,023</u>	<u>\$ 2,635,729</u>
Liabilities:				
Accrued liabilities	\$ 2,260,892	\$ 95,818,090	\$ 95,443,253	\$ 2,635,729
Due to other funds	-	5,356,870	5,356,870	-
Total liabilities	<u>\$ 2,260,892</u>	<u>\$ 101,174,960</u>	<u>\$ 100,800,123</u>	<u>\$ 2,635,729</u>
<b>Sanitation Fund</b>				
Assets:				
Pooled cash and cash equivalents	\$ -	\$ 25,386,052	\$ 25,386,052	\$ -
Customer accounts receivable	1,228,349	17,124,396	16,721,977	1,630,768
Total assets	<u>\$ 1,228,349</u>	<u>\$ 42,510,448</u>	<u>\$ 42,108,029</u>	<u>\$ 1,630,768</u>
Liabilities:				
Accounts payable	1,228,349	17,943,756	17,541,337	1,630,768
Total liabilities	<u>\$ 1,228,349</u>	<u>\$ 17,943,756</u>	<u>\$ 17,541,337</u>	<u>\$ 1,630,768</u>
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and cash equivalents	\$ 2,260,892	\$ 126,555,912	\$ 126,181,075	\$ 2,635,729
Customer accounts receivable	1,228,349	17,124,396	16,721,977	1,630,768
Total assets	<u>\$ 3,489,241</u>	<u>\$ 143,680,308</u>	<u>\$ 142,903,052</u>	<u>\$ 4,266,497</u>
Liabilities:				
Accounts payable	\$ 1,228,349	\$ 17,943,756	\$ 17,541,337	\$ 1,630,768
Accrued liabilities	2,260,892	95,818,090	95,443,253	2,635,729
Due to other funds	-	5,356,870	5,356,870	-
Total liabilities	<u>\$ 3,489,241</u>	<u>\$ 119,118,716</u>	<u>\$ 118,341,460</u>	<u>\$ 4,266,497</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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Changes in Net Assets .....	129
Governmental Activities Tax Revenues by Source .....	131
Fund Balances of Governmental Funds .....	132
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General Governmental Tax Revenue by Source.....	134

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

Assessed Value and Estimated Actual Value of Taxable Property.....	135
Property Tax Rates.....	136
Principal Property Taxpayers.....	137
Property Tax Levies and Collections .....	138

**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.*

Ratios of Outstanding Debt by Type .....	139
Ratios of General Bonded Debt Outstanding.....	140
Direct and Overlapping Government Activities Debt.....	141
Pledged-Revenue Coverage .....	142

# 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.*

Demographic and Economic Statistics .....	144
Principal Employers.....	145

**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 Six Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 116,772,277	\$ 112,598,736	\$ 114,619,737	\$ 108,374,146	\$ 95,504,416	\$ 100,395,349
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838
Unrestricted	7,431,859	14,649,585	2,836,562	1,504,644	3,898,185	(11,556,042)
<b>Total governmental activities net assets</b>	<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>	<u>\$ 114,629,145</u>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	\$ 153,811,331	\$ 154,941,053	\$ 152,461,927	\$ 148,774,481	\$ 143,262,982	\$ 143,935,636
Restricted	-	-	-	-	-	-
Unrestricted	79,795,388	82,017,074	31,828,371	83,683,180	83,495,955	76,910,616
<b>Total business-type activities net assets</b>	<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>	<u>\$ 220,846,252</u>
<b>Primary government</b>						
Invested in capital assets, net of related debt	\$ 270,583,608	\$ 267,539,789	\$ 267,081,664	\$ 257,148,627	\$ 238,767,398	\$ 244,330,985
Restricted	18,913,070	18,890,606	25,397,569	18,819,948	17,008,357	25,789,838
Unrestricted	87,227,247	96,666,659	34,664,933	85,187,824	87,394,140	65,354,574
<b>Total primary government net assets</b>	<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>	<u>\$ 335,475,397</u>

**City of Pembroke Pines, Florida**

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

Expenses	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:						
General government	\$ 20,085,237	\$ 19,804,913	\$ 21,245,245	\$ 21,438,009	\$ 23,008,076	\$ 23,303,062
Public safety	54,363,115	59,919,473	64,769,067	75,037,886	115,482,598 (1)	88,982,854
Physical environment	3,184,132	3,740,853	3,788,410	3,612,466	3,997,835	4,123,318
Transportation	5,785,707	5,486,631	5,725,790	12,013,824 (2)	8,243,716	12,845,956
Economic environment	2,154,679	2,754,664	2,774,502	3,064,478	4,715,450	7,559,297
Human services (3)	24,138,249	36,142,870	43,531,313	49,160,396	50,152,084	54,110,736
Culture/Recreation	14,640,884	15,269,764	16,875,139	18,447,037	19,673,548	20,948,154
Interest on long-term debt	6,722,426	7,694,630	11,349,415	13,765,458	15,728,258	16,823,152
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>	<u>228,696,529</u>
Business-type activities:						
Public safety	-	-	19,241	48,130	273,616	4,100
Water utility services	3,843,161	3,917,274	4,050,643	4,421,132	5,088,235	5,318,837
Sewer/wastewater services	8,590,253	8,974,311	8,873,928	9,600,254	9,970,132	12,271,389
Water-sewer combined services	17,112,758	19,865,795	22,821,895	22,917,382	25,887,741	26,104,176
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>	<u>43,698,502</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>	<u>\$ 272,395,031</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
General government	\$ 14,881,020	\$ 14,889,651	\$ 15,307,054	\$ 16,210,579	\$ 15,318,437	\$ 15,166,539
Public safety	17,614,392	15,535,883	14,630,803	16,612,089	19,436,165	19,897,138
Physical environment	1,625	2,413	2,593	560	120	600
Transportation	3,075,107	1,223,166	1,220,800	235,650	285,684	315,033
Economic environment	1,288,795	1,321,006	1,328,939	1,996,031	4,316,254	4,642,437
Human services (3)	18,950,247	28,432,894	36,713,012	38,929,127	40,293,116	47,785,824
Culture/Recreation	3,799,282	4,030,889	3,854,108	4,112,009	3,962,945	3,702,140
Interest on long-term debt	3,456,284	6,081,203	8,328,253	8,217,168	8,996,692	10,070,967
Operating grants and contributions	3,630,457	3,222,313	4,866,288	6,803,875	34,437,431 (4)	7,557,767
Capital grants and contributions	4,120,865	2,978,244	512,573	1,109,677	304,636	6,671,291
Total governmental activities program revenues	<u>70,818,074</u>	<u>77,717,662</u>	<u>86,764,423</u>	<u>94,226,765</u>	<u>127,351,480</u>	<u>115,809,736</u>
Business-type activities:						
Charges for services:						
Water utility services	11,286,813	13,010,984	14,033,938	14,188,320	14,775,105	15,372,828
Sewer/wastewater services	11,514,216	13,423,668	18,145,972	14,633,008 (5)	15,277,785	15,338,034
Water-sewer combined services	108,908	87,145	83,197	71,475	67,850	64,141
Operating grants and contributions	-	114,859	19,241	42,113	151,310	10,066
Capital grants and contributions (6)	11,743,301	7,877,097	3,176,882	712,820	1,577,331	2,471,676
Total business-type activities program revenues	<u>34,653,238</u>	<u>34,513,753</u>	<u>35,459,230</u>	<u>29,647,736</u>	<u>31,849,381</u>	<u>33,256,745</u>
Total primary government program revenues	<u>\$ 105,471,312</u>	<u>\$ 112,231,415</u>	<u>\$ 122,223,653</u>	<u>\$ 123,874,501</u>	<u>\$ 159,200,861</u>	<u>\$ 149,066,481</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 Six Fiscal Years  
(accrual basis of accounting)  
(continued)**

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net (expense)/revenue:						
Governmental activities	\$ (60,256,355)	\$ (73,096,136)	\$ (83,294,458)	\$ (102,312,789)	\$ (113,650,085)	\$ (112,886,793)
Business-type activities	5,107,066	1,756,373	(306,477)	(7,339,162)	(9,370,343)	(10,441,757)
Total primary government net expense	<u>\$ (55,149,289)</u>	<u>\$ (71,339,763)</u>	<u>\$ (83,600,935)</u>	<u>\$ (109,651,951)</u>	<u>\$ (123,020,428)</u>	<u>\$ (123,328,550)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes:						
Property taxes, levied for debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,825,984	\$ 2,665,536
Property taxes, levied for general purposes	25,230,301	28,460,430	32,372,655	35,586,353	39,709,378	47,104,494
Utility taxes	8,530,503	9,044,100	9,116,958	9,461,819	9,673,442	9,722,816
Communication service tax	7,094,762	7,574,837	6,497,257	6,729,782	7,062,674	7,060,041
Insurance premium taxes (7)	1,233,840	1,426,440	1,730,676	1,861,332	2,028,350	2,442,108
Local option gas taxes (7)	2,598,699	2,709,524	2,784,224	2,858,951	2,835,233	2,739,055
Local business tax (8)	2,466,261	2,549,602	2,643,082	2,583,227	2,792,926	3,075,143
Permits, fees, and licenses	8,272,014	10,681,172	11,437,462	12,946,625	14,712,631	15,105,140
Intergovernmental revenue - unrestricted	10,560,558	11,347,886	11,795,659	13,439,226	14,081,754	13,503,386
Miscellaneous revenues	61,950	400,358	211,184	282,531	341,544	766,762
Investment earnings not restricted	2,516,513	1,856,974	1,070,666	2,407,813	5,298,389	6,910,527
Gain on sale of capital assets	-	66,534	122,097	-	-	9,972
Total governmental activities	<u>68,565,401</u>	<u>76,117,857</u>	<u>79,781,920</u>	<u>88,157,659</u>	<u>101,362,305</u>	<u>111,104,980</u>
Business-type activities:						
Permits, fees, and licenses (9)	77,648	63,439	102,766	70,319	80,097	282,740
Investment earnings not restricted	4,029,199	1,526,367	1,113,253	1,856,224	3,482,457	4,222,049
Miscellaneous revenues	-	6	-	142	99,618	23,947
Gain on sale of capital assets	510	5,223	2,000	469	9,447	336
Total business-type activities	<u>4,107,357</u>	<u>1,595,035</u>	<u>1,218,019</u>	<u>1,927,154</u>	<u>3,671,619</u>	<u>4,529,072</u>
Total primary government	<u>\$ 72,672,758</u>	<u>\$ 77,712,892</u>	<u>\$ 80,999,939</u>	<u>\$ 90,084,813</u>	<u>\$ 105,033,924</u>	<u>\$ 115,634,052</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ 8,309,046	\$ 3,021,721	\$ (3,512,538)	\$ (14,155,130)	\$ (12,287,780)	\$ (1,781,813)
Business-type activities	9,214,423	3,351,408	911,542	(5,412,008)	(5,698,724)	(5,912,685)
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>	<u>\$ (7,694,498)</u>

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

(8) Occupational licenses reclassified from General government Program revenues to Local business tax in FY 2002-2006 for purposes of comparability.

(9) Building permits reclassified from Water utility services Program revenues to Permits, fees, and licenses in FY 2002-2006 for purposes of comparability.



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

<b>Fiscal Year</b>	<b>Property Taxes levied for:</b>			<b>Utility Taxes</b>	<b>Communications Services Tax</b>	<b>Insurance Premium Taxes (1)</b>	<b>Local Option Gas Taxes (1)</b>	<b>Local Business Tax (3)</b>	<b>Total</b>
	<b>Debt Service</b>	<b>General Purposes</b>							
2002	\$ -	\$25,230,301	\$8,530,503	\$7,094,762	\$1,233,840	\$2,598,699	\$2,466,261	\$47,154,366	
2003	-	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933	
2004	-	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852	
2005	-	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464	
2006	2,825,984 (2)	39,709,378	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987	
2007	2,665,536	47,104,494	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193	

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

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

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

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

	<b>Fiscal Year</b>									
	<u>1998</u>	<u>1999</u>	<u>2000 (1)</u>	<u>2001 (2)</u>	<u>2002</u>	<u>2003 (3)</u>	<u>2004 (4)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund										
Reserved	\$ 2,809,477	\$ 3,472,893	\$ 2,424,997	\$ 1,135,784	\$ 1,703,458	\$ 962,277	\$ 2,887,984	\$ 1,075,843	\$ 1,531,181	\$ 785,690
Unreserved	4,151,947	3,691,256	5,833,761	9,177,918	15,205,451	26,288,290	25,674,246	31,442,994	30,822,051	32,953,040
Total general fund	<u>\$ 6,961,424</u>	<u>\$ 7,164,149</u>	<u>\$ 8,258,758</u>	<u>\$ 10,313,702</u>	<u>\$ 16,908,909</u>	<u>\$ 27,250,567</u>	<u>\$ 28,562,230</u>	<u>\$ 32,518,837</u>	<u>\$ 32,353,232</u>	<u>\$ 33,738,730</u>
All other governmental funds										
Reserved	\$ 21,178,209	\$ 27,284,441	\$ 30,340,678	\$ 22,267,164	\$ 17,549,497	\$ 12,975,753	\$ 42,851,529	\$ 61,155,573	\$ 51,769,615	\$ 85,839,141
Unreserved, reported in:										
Special revenue funds	163,239	(142,205)	5,381,442	5,153,381	8,905,554	10,267,333	9,071,583	9,214,679	8,994,528	9,883,192
Capital projects fund	-	-	(22,109,195)	(23,981,935)	(6,192,792)	(15,144,540)	(19,443,097)	(15,397,753)	(21,100,410)	(21,993,648)
Total all other governmental funds	<u>\$ 21,341,448</u>	<u>\$ 27,142,236</u>	<u>\$ 13,612,925</u>	<u>\$ 3,438,610</u>	<u>\$ 20,262,259</u>	<u>\$ 8,098,546</u>	<u>\$ 32,480,015</u>	<u>\$ 54,972,499</u>	<u>\$ 39,663,733</u>	<u>\$ 73,728,685</u>

(1) Includes a residual equity transfer in to the General Fund of \$2,816,432.

(2) Includes a cumulative effect of a change in accounting principle of \$1,451,938 - \$1,080,831 to the General Fund and \$371,107 to a Special Revenue Fund.

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

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

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 29,151,224	\$ 33,166,767	\$ 36,850,188	\$ 38,763,751	\$ 47,154,365	\$ 51,764,934	\$ 55,144,852	\$ 59,081,464	\$ 66,927,985	\$ 74,809,193
Special assessments	11,226,489	10,481,907	7,636,295	8,953,985	8,465,016	8,099,749	7,998,798	8,194,372	8,299,540	8,468,562
Permits, fees and licenses	15,098,158	16,133,457	12,539,808	16,100,999	14,947,419	15,011,340	14,719,053	17,592,755	21,021,458	22,185,099
Intergovernmental	10,126,718	14,479,561	25,241,878	27,232,171	32,960,088	40,117,149	46,663,998	50,899,822	81,112,119	59,130,835
Charges for services	8,616,379	12,083,151	14,124,656	17,993,638	20,485,835	22,584,114	23,259,471	24,989,138	24,836,751	26,284,799
Fines and forfeitures	839,129	1,545,253	1,901,675	1,618,439	1,280,456	1,248,016	882,780	958,626	1,364,608	1,426,849
Investment income	2,154,498	2,529,833	3,406,942	3,197,232	2,207,098	1,719,456	1,018,094	2,223,782	4,764,002	6,840,257
Contributions	-	-	-	-	1,186,811	241,082	236,906	1,773,367	487,008	6,696,257
Rental revenue	-	-	-	-	7,589,890	10,736,905	14,183,345	15,345,787	18,498,842	19,888,637
Other	3,070,736	3,203,497	9,849,328	7,404,364	195,282	1,556,028	1,473,464	1,338,585	1,426,743	1,734,635
<b>Total revenues</b>	<b>80,283,331</b>	<b>93,623,426</b>	<b>111,550,770</b>	<b>121,264,579</b>	<b>136,472,260</b>	<b>153,078,773</b>	<b>165,580,761</b>	<b>182,397,698</b>	<b>228,739,056</b>	<b>227,465,123</b>
<b>Expenditures</b>										
General government	13,051,166	13,148,804	14,131,594	15,397,402	18,590,168	19,455,762	25,858,854	26,862,617	23,624,343	22,515,991
Public safety	35,826,235	39,897,590	48,740,902	54,980,563	57,402,925	59,672,849	133,594,581	69,464,940	110,276,174	86,971,602
Physical environment	1,748,574	2,223,786	2,473,812	2,870,259	3,185,017	3,918,738	4,373,793	3,531,434	3,917,975	4,025,954
Transportation	2,765,119	3,538,304	4,646,378	5,618,774	4,105,968	3,736,102	4,608,285	10,365,168	8,689,081	26,343,989
Economic environment	1,513,937	1,435,300	2,741,414	2,520,043	2,304,252	2,740,721	20,264,192	18,235,896	6,406,373	26,728,564
Human services	15,097,099	35,925,837	26,445,834	24,395,141	51,041,052	45,622,226	42,221,480	45,094,806	46,032,389	50,611,995
Culture and recreation	19,993,529	13,222,126	17,562,429	17,394,292	16,674,222	15,826,371	19,228,390	18,611,509	18,454,015	39,322,524
Debt service:										
Principal	8,533,658	10,409,723	3,754,863	11,814,485	4,325,353	3,958,424	3,971,425	3,855,000	5,035,000	5,255,000
Interest	3,338,767	4,267,665	6,304,678	5,871,174	5,360,537	7,066,243	8,012,377	13,581,146	15,770,383	16,021,994
Other debt service costs	-	-	-	-	1,477,904	239,789	2,716,813	897,238	22,694	2,422,368
<b>Total expenditures</b>	<b>101,868,084</b>	<b>124,069,135</b>	<b>126,801,904</b>	<b>140,862,133</b>	<b>164,467,398</b>	<b>162,237,225</b>	<b>264,850,190</b>	<b>210,499,754</b>	<b>238,228,427</b>	<b>280,219,981</b>
Deficiency of revenues over expenditures	(21,584,753)	(30,445,709)	(15,251,134)	(19,597,554)	(27,995,138)	(9,158,452)	(99,269,429)	(28,102,056)	(9,489,371)	(52,754,858)
<b>Other financing sources (uses)</b>										
Transfers in	277,966	2,340,610	369,919	3,389,592	1,576,893	542,117	4,469,516	1,536,782	1,413,924	1,695,484
Transfers out	(277,966)	(2,340,610)	(369,919)	(3,363,347)	(1,576,893)	(542,117)	(4,469,516)	(1,536,782)	(1,413,924)	(1,695,484)
Bonds issued	34,055,000	34,644,900	-	10,000,000	71,570,000	-	124,736,467	54,910,000	-	144,574,999
Premium (discount) on bonds	-	-	-	-	(363,592)	-	-	(358,853)	-	3,067,996
Payment to refunded bond escrow agent	-	-	-	-	(19,792,421)	-	-	-	(5,985,000)	(59,437,687)
Proceeds for sale of land	-	1,804,322	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>34,055,000</b>	<b>36,449,222</b>	<b>-</b>	<b>10,026,245</b>	<b>51,413,987</b>	<b>-</b>	<b>124,736,467</b>	<b>54,551,147</b>	<b>(5,985,000)</b>	<b>88,205,308</b>
<b>Net change in fund balances</b>	<b>\$ 12,470,247</b>	<b>\$ 6,003,513</b>	<b>\$ (15,251,134)</b>	<b>\$ (9,571,309)</b>	<b>\$ 23,418,849</b>	<b>\$ (9,158,452)</b>	<b>\$ 25,467,038</b>	<b>\$ 26,449,091</b>	<b>\$ (15,474,371)</b>	<b>\$ 35,450,450</b>
Debt service as a percentage of noncapital expenditures	24.4%	17.3%	11.6%	15.1%	9.0%	7.8%	6.1%	10.1%	9.3%	11.0%

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utility Taxes</u>	<u>Communications Services Tax (1)</u>	<u>Insurance Premium Taxes</u>	<u>Local Option Gas Taxes</u>	<u>Local Business Tax (2)</u>	<u>Total</u>
1998	\$ 14,816,621	\$ 9,915,949	\$ -	\$ -	\$ 1,779,785	\$ 2,108,179	\$ 28,620,534
1999	16,587,816	11,002,386	-	988,367	1,995,352	2,348,972	32,922,893
2000	18,744,031	11,628,084	-	970,129	2,135,241	2,412,674	35,890,159
2001	20,319,515	12,549,292	-	1,013,126	2,418,596	2,463,222	38,763,751
2002	25,230,301	8,530,503	7,094,762	1,233,840	2,598,699	2,466,261	47,154,366
2003	28,460,430	9,044,100	7,574,837	1,426,440	2,709,524	2,549,602	51,764,933
2004	32,372,655	9,116,958	6,497,257	1,730,676	2,784,224	2,643,082	55,144,852
2005	35,586,353	9,461,819	6,729,782	1,861,332	2,858,951	2,583,227	59,081,464
2006	42,535,362	9,673,442	7,062,674	2,028,350	2,835,233	2,792,926	66,927,987
2007	49,770,030	9,722,816	7,060,041	2,442,108	2,739,055	3,075,143	74,809,193

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

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

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

<b>Fiscal Year Ended September 30</b>	<b>Assessment Value</b>		<b>Less:</b>				<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (5)</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value(6) as a Percentage of Actual Value</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Tax-Exempt Properties(1)</b>	<b>Personal Exemptions(2)</b>	<b>Capped Differential(3)</b>	<b>V.A.B. Adjustments (4)</b>				
1998	\$ 4,912,997,040	\$ 234,211,078	\$ 258,443,649	\$ 817,619,450	\$ 104,040,970	\$ 14,140,327	\$ 3,952,963,722	3.9034	\$ 5,147,208,118	100.00%
1999	5,470,069,790	256,398,819	279,179,649	867,240,210	124,980,180	24,821,302	4,430,247,268	3.9034	5,726,468,609	100.00%
2000	6,007,465,480	282,503,273	281,580,840	918,649,190	108,756,020	23,004,493	4,957,978,210	3.9034	6,289,968,753	100.00%
2001	6,541,449,910	313,997,576	308,744,700	1,013,417,350	99,567,590	31,420,987	5,402,296,859	3.9034	6,855,447,486	100.00%
2002	7,259,698,260	319,983,517	353,757,395	1,046,873,320	228,088,840	66,883,039	5,884,079,183	4.4597	7,579,681,777	100.00%
2003	8,353,286,540	325,524,641	385,820,960	1,093,126,650	660,162,890	99,433,357	6,440,267,324	4.5990	8,678,811,181	100.00%
2004	9,893,613,820	326,666,763	467,318,917	1,137,266,930	1,273,239,600	91,310,573	7,251,144,563	4.5990	10,220,280,583	100.00%
2005	11,264,982,620	341,697,566	556,966,799	1,152,257,400	1,831,872,990	53,852,583	8,011,730,414	4.5990	11,606,680,186	100.00%
2006	13,270,318,770	335,740,322	632,642,006	1,170,867,380	2,773,394,220	52,508,365	8,976,647,121	4.9265	13,606,059,092	100.00%
2007	16,778,736,280	366,721,537	781,881,297	1,170,127,780	4,554,450,930	46,195,039	10,592,802,771	4.8596	17,145,457,817	100.00%

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

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

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead age 65 and older and homestead assessment reduction for parents or grandparents.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 & BCPA.
- (5) Total direct tax rate for FY 2006 includes debt service millage of 0.3275 and FY 2007 of 0.2606.
- (6) Includes tax-exempt property.

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

<u>Fiscal Year</u>	<u>City of Pembroke Pines</u>			<u>Broward County</u>				<u>School Board</u>				<u>Special Districts</u>	<u>Total Direct &amp; Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Capital Projects Millage</u>	<u>Debt Service Millage</u>	<u>Total County Millage</u>	<u>General Fund Millage</u>	<u>Capital Outlay Millage</u>	<u>Debt Service Millage</u>	<u>Total School Millage</u>		
1998	3.9034	-	3.9034	7.1487	(2)	0.6893	7.8380	7.4460	2.0000	0.5285	9.9745	2.8852	24.6011
1999	3.9034	-	3.9034	6.7013	0.2132	0.6565	7.5710	7.2390	2.0000	0.4866	9.7256	2.8572	24.0572
2000	3.9034	-	3.9034	6.6794	0.2153	0.6763	7.5710	6.6740	2.0000	0.4543	9.1283	2.8241	23.4268
2001	3.9034	-	3.9034	6.6449	0.2454	0.6347	7.5250	6.5410	2.0000	0.4143	8.9553	2.7319	23.1156
2002	4.4597	-	4.4597	6.4443	0.2234	0.7328	7.4005	6.3590	2.0000	0.3951	8.7541	2.9104	23.5247
2003	4.5990	-	4.5990	6.2752	0.3933	0.6965	7.3650	6.5410	2.0000	0.3415	8.8825	2.8007	23.6472
2004	4.5990	-	4.5990	6.3146	0.2919	0.5815	7.1880	6.1240	2.0000	0.2936	8.4176	2.8611	23.0657
2005	4.5990	-	4.5990	6.1905	0.2926	0.5399	7.0230	6.0140	2.0000	0.2555	8.2695	2.7347	22.6262
2006	4.5990	0.3275	4.9265	5.9838	0.3104	0.4888	6.7830	5.8410	2.0000	0.2213	8.0623	2.6086	22.3804
2007	4.5990	0.2606	4.8596	5.4054	0.2379	0.4228	6.0661	5.6790	2.0000	0.1897	7.8687	2.4728	21.2672

Source: Broward County Property Appraiser.

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Pembroke Pines. Not all overlapping rates apply to all City of Pembroke Pines property owners (e.g. the rates for special districts only apply to the proportion of Pembroke Pines' property owners whose property is located within the geographic boundaries of the special district).
- (2) Broward County Capital Projects Millage for the Fiscal Years 1997 and 1998 is included in Operating Millage.

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

<u>Taxpayer</u>	<u>2007 Collection Year</u>			<u>1998 Collection Year</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed</u>		<u>Total Taxable</u>	<u>Assessed</u>		<u>Total Taxable</u>
	<u>Value</u>		<u>Value</u>	<u>Value</u>		<u>Value</u>
Pembroke Lakes Mall LTD	\$ 123,445,230	1	1.20%	\$ 56,289,090	1	1.42%
Pasadena Place Associates PH I, II & III	106,640,950	2	1.04%	53,549,960	2	1.35%
Windsor @ Pembroke Cay	54,119,620	3	0.53%	-	-	-
Prudential Insurance Co. of America	53,515,020	4	0.52%	-	-	-
Pembroke Cove LLC	51,305,660	5	0.50%	-	-	-
Westfork Tower LLC	50,160,910	6	0.49%	-	-	-
Fairfield Pembroke Limited	47,889,970	7	0.46%	-	-	-
Taplin Falls Ltd.	45,100,760	8	0.44%	-	-	-
WRI Flamingo Pines LLC	41,999,110	9	0.41%	-	-	-
WRI/Pembroke LTD	38,974,040	10	0.38%	-	-	-
Merry Land Investment Co., Inc.	-	-	-	23,030,000	3	0.58%
Eagle Homes Pembroke Inc.	-	-	-	20,626,830	4	0.52%
Mc Vay W Cassidy P Pratt C Trs.	-	-	-	18,005,100	5	0.46%
Dim- Pines Power Center Ltd.	-	-	-	17,606,790	6	0.45%
Zell Samuel Trust	-	-	-	15,921,160	7	0.40%
Pennsylvania Real Estate Investment	-	-	-	14,602,400	8	0.37%
Humana Hospital	-	-	-	14,453,780	9	0.37%
Streicker J. M. Tr of Trinet Tr.	-	-	-	14,222,410	10	0.36%
Totals	<u>\$ 613,151,270</u>		<u>5.97%</u>	<u>\$ 248,307,520</u>		<u>6.28%</u>

Source: Broward County Property Appraiser's Tax Roll.

## City of Pembroke Pines, Florida

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

<u>Fiscal Year Ended September 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	\$33,348,014	\$32,255,971	96.7%	\$61,792	\$32,317,763	96.9%
2005	36,845,948	35,493,585	96.3%	10,488	35,504,073	96.4%
2006	41,283,600	39,684,572	96.1%	69,210	39,753,782	96.3%
2007	48,716,300	46,954,319	96.4%	-	46,954,319	96.4%

Source: Broward County Property Appraiser

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

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



**City of Pembroke Pines, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years (2) (3)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Total Primary Government</b>	<b>Percentage of Personal Income (1)</b>	<b>Per Capita (1)</b>
	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Special Assessment Bonds</b>	<b>Certificates of Indebtedness</b>			
1998	\$ -	\$ 56,870,000	\$ 14,409,829	\$ 10,495,870	\$ 81,775,699	2.55%	\$ 726
1999	-	88,840,000	7,838,906	9,687,070	106,365,976	3.04%	886
2000	-	85,665,000	7,586,607	9,359,507	102,611,114	2.43%	747
2001	-	81,780,000	-	19,016,628	100,796,628	2.26%	712
2002	-	148,722,040	-	-	148,722,040	3.20%	1,027
2003	-	145,197,940	-	-	145,197,940	3.01%	979
2004	-	266,387,937	-	-	266,387,937	5.16%	1,771
2005	46,641,200	270,527,999	-	-	317,169,199	5.74%	2,100
2006	45,625,776	260,693,946	-	-	306,319,722	*	2,018
2007	87,417,966	300,894,270	-	-	388,312,236	*	2,533

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

(1) See Schedule of Demographic and Economic Statistics on page 144 for personal income and population data.

(2) For this period, there was no business-type activities debt outstanding.

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

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

\* Information not available.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Amounts Available in Debt</b>			<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value(1) of Property</b>	<b>Per Capita(2)</b>
		<b><u>Service Fund for Payment of Principal</u></b>	<b><u>Interest</u></b>				
1998	\$ -	\$ -	\$ -	\$ -	-%	\$ -	
1999	-	-	-	-	-%	-	
2000	-	-	-	-	-%	-	
2001	-	-	-	-	-%	-	
2002	-	-	-	-	-%	-	
2003	-	-	-	-	-%	-	
2004	-	-	-	-	-%	-	
2005	46,641,200	-	-	46,641,200	0.40%	309	
2006	45,625,776	-	112,347	45,625,776	0.34%	301	
2007	87,417,966	-	68,568	87,417,966	0.51%	570	

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 135 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 144.

## City of Pembroke Pines, Florida

### Direct and Overlapping Governmental Activities Debt As of September 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Broward County	\$ 532,535,994	6.73%	\$ 35,839,672
School Board of Broward County	27,949,000	6.73%	1,880,968
South Florida Water Management District	558,047,215	6.73%	37,556,578
Other debt			
Broward County	281,693,732	6.73%	18,957,988
School Board of Broward County	1,829,389,000	6.73%	123,117,880
South Florida Water Management District	91,329,445	6.73%	6,146,472
South Broward Hospital District	429,332,795	6.73%	28,894,097
Subtotal, overlapping debt			252,393,655
City of Pembroke Pines, direct debt			388,312,236
Total direct and overlapping debt (2)			\$ 640,705,891

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

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

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

(2) Includes all governmental activities debt.

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
<b>Revenue Bonds Secured by Electric Franchise Fees (2)</b>				
1998	\$ 4,531,246	\$ 525,000	\$ 1,097,561	2.79
1999	4,850,760	545,000	1,072,023	3.00
2000	4,883,095	575,000	2,823,689	1.44
2001	6,127,824	1,170,000	2,580,588	1.63
2002	5,902,581	1,085,000	2,531,539	1.63
2003	6,509,589	1,135,000	2,480,394	1.80
2004	7,001,743	1,185,000	2,431,283	1.94
2005	7,448,243	1,235,000	2,497,603	2.00
2006	8,958,121	1,280,000	2,428,471	2.42
2007	9,184,098	1,125,000	2,969,187	2.24
<b>Revenue Bonds Secured by Electric Public Service Tax (3)</b>				
1998	6,541,977	1,915,000	639,931	2.56
1999	6,760,447	2,485,000	1,141,116	1.86
2000	6,703,083	2,600,000	1,573,319	1.61
2001	6,871,802	2,715,000	1,453,659	1.65
2002	7,334,212	2,840,000	1,745,793	1.60
2003	7,647,870	2,365,000	2,096,800	1.71
2004	7,612,895	1,425,000	2,011,198	2.22
2005	7,931,137	1,475,000	3,336,527	1.65
2006	8,084,904	1,530,000	3,586,996	1.58
2007	8,093,581	1,590,000	3,236,221	1.68
<b>Revenue Bonds Secured by Rentals &amp; Fees (4)</b>				
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	6,294,213	-	1,083,207	5.81
2003	9,157,753	175,000	2,489,047	3.44
2004	11,667,579	1,115,000	2,483,796	3.24
2005	12,075,622	1,145,000	2,452,147	3.36
2006	11,588,227	1,190,000	2,415,592	3.21
2007	10,769,573	1,225,000	2,374,022	2.99

**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 <b>Communications Services Tax and Water Public Service Tax (5)</b>				
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
2007	8,469,829	405,000	4,828,220	1.62

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

- (1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable.
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities.
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **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

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population(1)</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income(2)</b>	<b>Median Age(3)</b>	<b>Percent with a bachelor's degree or higher(3)</b>	<b>School Enrollment(4)</b>	<b>Unemployment Rate(5)</b>
1998	112,692	3,212,398	28,506	*	*	19,209	3.2%
1999	120,091	3,501,613	29,158	37.9	28.6%	21,814	2.8%
2000	137,427	4,219,833	30,706	36.5	28.7%	23,489	2.7%
2001	141,659	4,457,159	31,464	39.4	28.8%	25,084	2.8%
2002	144,792	4,653,181	32,137	35.8	29.8%	24,523	4.3%
2003	148,280	4,820,879	32,512	38.1	32.2%	23,212	4.1%
2004	150,435	5,165,938	34,340	37.8	32.2%	24,270	3.8%
2005	151,045	5,527,492	36,595	37.8	32.3%	24,744	3.4%
2006	151,786	*	*	37.5	30.4%	23,487	2.9%
2007	153,300	*	*	*	*	23,219	2.8%

Data sources:

- (1) Year 2000 is from the U.S. Census. All other years are estimates from the University of Florida's Statistical Abstract
  - (2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
  - (3) US Census Bureau, American Community Survey Profile - Pembroke Pines.
  - (4) Grades 1 -12, Broward County School Board.
  - (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY 1998-2007 represent the average for 12 months ending September 30th.
- \* Information not available.

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

<u>Employer</u>	<u>2007</u>			<u>1998</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>
Memorial Health Systems	3,142	1	34.68%	581	2	35.11%
Pembroke Lakes Mall (3)	2,248	2	24.81%	N/A	-	-
City of Pembroke Pines	1,875	3	20.69%	1,074	1	64.89%
Wal Mart, Pembroke Pines	584	4	6.45%	N/A	-	-
Target	208	5	2.30%	N/A	-	-
World Ford	205	6	2.26%	N/A	-	-
Winn Dixie	200	7	2.21%	N/A	-	-
Cintas Corporation	198	8	2.19%	N/A	-	-
Claire's Corporation	190	9	2.10%	N/A	-	-
Gator Freightways, Inc.	174	10	1.92%	N/A	-	-

- (1) Source - City of Pembroke Pines Economic Development Division & Corporate Human Resources Departments. Includes full-time and part-time employees.
- (2) Source - 2005 American Community Survey, Data Profile, percent in labor force (population 16 years and over).
- (3) Includes all employees at this location which encompasses many individual employers.

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

	<b>Full-time Equivalent Employees as of September 30</b>									
<b>Function</b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
General government services	112.00	126.00	126.50	139.00	145.50	143.50	141.50	141.50	141.00	140.00
Public safety:										
Police										
Sworn	192.00	197.00	202.00	213.00	216.00	233.00	230.00	236.00	242.00	250.00
Non-sworn and grant positions	94.50	103.00	62.50	67.50	77.00	83.00	93.00	93.00	91.00	84.50
Fire and rescue	177.00	208.00	226.00	247.00	249.00	250.00	250.00	250.00	259.00	259.00
Building	77.00	80.50	78.50	84.00	80.00	80.00	68.50	65.50	59.50	57.50
Code enforcement	9.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	11.00
Physical environment	31.50	32.00	32.00	34.00	30.00	29.00	28.50	28.00	27.00	27.00
Transportation	15.00	15.00	16.50	16.50	31.00	30.00	32.00	32.50	32.11	31.30
Economic environment	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00	2.00	4.00
Human services:										
Early development centers	34.50	3.00	2.00	105.50	128.00	121.00	123.00	117.50	117.50	118.50
Community services	22.00	26.00	26.00	27.50	27.25	29.75	30.75	30.75	29.25	31.25
SW multipurpose center	-	-	-	-	23.75	23.75	22.75	21.75	22.64	23.45
Charter schools	*	*	*	200.50	240.50	262.24	449.00	446.99	461.50	473.00
Culture and recreation	179.00	127.50	177.50	224.50	236.50	235.50	229.50	231.50	236.50	239.50
Water-sewer combined service	128.50	133.50	133.50	135.50	136.00	124.00	124.50	125.00	125.00	125.00
<b>Total</b>	<b><u>1,074.00</u></b>	<b><u>1,064.50</u></b>	<b><u>1,096.00</u></b>	<b><u>1,508.50</u></b>	<b><u>1,634.50</u></b>	<b><u>1,658.74</u></b>	<b><u>1,837.00</u></b>	<b><u>1,835.99</u></b>	<b><u>1,858.00</u></b>	<b><u>1,875.00</u></b>

\* The City utilized contracted employees.

Source: City of Pembroke Pines Annual Budget .



**City of Pembroke Pines, Florida**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>									
	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
<b>Public safety</b>										
<b>Police</b>										
Number of calls answered	n/a	n/a	97,651	102,592	103,242	97,297	106,772	78,376	97,790	100,480
Felony arrests	n/a	n/a	n/a	n/a	2,875	4,171	2,064	1,564	1,068	n/a
Traffic accidents	n/a	n/a	n/a	n/a	4,222	4,803	4,980	5,192	5,125	5,152
Traffic/parking citations	n/a	n/a	24,397	31,275	31,269	26,692	28,346	38,268	42,575	46,797
<b>Fire/ambulance rescue</b>										
Number of EMS calls answered	12,518	13,824	14,281	15,796	15,896	17,159	17,528	18,204	18,638	18,726
Number of fire calls answered	292	297	288	307	314	288	318	288	274	224
Building permits issued	10,859	10,533	9,957	10,368	10,140	9,171	9,457	10,991	16,996	10,837
<b>Physical environment</b>										
Maintained rights of ways (miles)	429	433	449	478	510	520	550	575	575	576
Landscaping and irrigation (miles)	85	92	98	104	112	120	140	155	165	165
<b>Transportation</b>										
Traffic guardrails installed (linear feet)	n/a	n/a	n/a	n/a	4,000	200	200	-	500	-
Sidewalks replaced (linear feet)	n/a	n/a	n/a	n/a	14,440	4,000	4,500	2,000	11,700	2,200
Curbing installed (linear feet)	n/a	n/a	n/a	n/a	5,000	5,000	1,000	500	600	-
Number of trips - Community Bus program	n/a	n/a	n/a	n/a	26,945	41,299	131,205	182,518	195,610	201,292
<b>Human services</b>										
<b>Charter schools</b>										
Average student class size	25	25	25	25	25	25	25	25	25	25
Number of students enrolled	704	1,000	2,242	2,804	4,189	4,600	5,172	5,194	5,289	5,295
<b>Culture/recreation</b>										
Number of sports leagues	10	10	33	36	38	43	49	42	51	55
Number of tennis memberships	200	260	283	330	213	215	217	233	217	137
<b>Water-sewer combined service</b>										
Number of water accounts	36,770	38,821	40,260	41,832	43,977	44,785	44,036	44,161	44,644	44,997
Sewer mains rehabilitated (linear feet)	n/a	n/a	n/a	n/a	12,000	27,300	11,500	9,802	2,200	18,048
Average daily consumption (millions of gallons)	10.66	11.63	11.81	11.79	11.92	12.93	13.02	12.39	12.54	12.61

Source: Various City Departments

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

**City of Pembroke Pines, Florida**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Police:										
Stations	1	1	1	1	2	2	2	2	2	2
Patrol units	225	225	225	225	365	365	365	365	365	365
Fire/ambulance rescue:										
Stations	5	5	5	5	5	6	6	6	6	6
Fire trucks / engines	10	10	10	10	10	13	13	13	13	13
Fire rescue ambulances	9	9	9	9	9	11	11	11	11	11
Physical environment										
Water:										
Water mains (miles)	415	410	452	452	478	478	489	489	489	489
Fire hydrants	3,238	3,213	3,626	3,649	3,952	3,952	4,121	4,121	4,121	4,121
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sewer:										
Sanitary sewers (miles)	366.0	375.7	375.7	381.5	392.0	397.0	397.0	399.0	400.0	401.9
Storm sewers (miles)	*	205	209	212	215	215	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	7.7	7.7	7.7	7.7	7.7	7.7	7.7	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	*	*	285	390	444	450	460	462	460	460
Economic environment										
Senior housing units	190	190	190	190	190	190	190	584	584	584
Transitional living units	-	-	-	-	-	-	-	-	-	24
Human services										
City operated charter schools										
Elementary School	-	1	1	1	1	1	2	4	4	4
Middle School	-	1	1	1	1	1	2	2	2	2
High School	-	-	1	1	1	1	1	1	1	1
Culture/recreation										
Parks acreage	*	*	283	294	294	294	302	302	302	302
Parks	21	23	24	26	26	26	29	29	29	29
Swimming pools	5	5	5	6	7	7	8	8	8	8
Tennis courts	52	46	48	50	50	50	50	50	50	50
Recreation centers	5	5	5	5	5	5	5	5	6	6
Football/Soccer fields	-	12	11	14.5	12.5	12.5	12.5	12.5	15	15
Basketball courts	24.5	24.5	22	21	17	17	17	17	20.5	20.5
Playgrounds	15	17	18	21	20	20	20	20	21	19

Source: Various City Departments

\* Information Unkown

# City of Pembroke Pines, Florida

## Property Assessed Value, Outstanding Debt, Legal Debt Limit & Covenants

**September 30, 2007**

Estimated Actual Taxable Value	\$ 17,145,457,817
Less: Tax Exempt Properties	(781,881,297)
Personal Exemptions	(1,170,127,780)
Capped Differential*	(4,554,450,930)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(46,195,039)
Total Taxable Assessed Value	\$ 10,592,802,771

<b>City's direct unlimited tax general obligation debt limitation (1.5% of the City's total taxable assessed valuation)</b>	<b>\$ 158,892,042</b>
---	-----------------------

**Amount of debt outstanding:**

Revenue Bonds:

Public Improvement Revenue Bonds, Series 1998	\$ 1,840,000	
Capital Improvement Revenue Bonds, Series 1999	11,390,000	
Public Improvement Revenue Bonds, Series 2001	5,875,000	
Charter School Revenue Bonds, Series 2001A	29,405,000	
Charter School Revenue Bonds, Series 2001B	17,715,000	
Taxable Communications Services Tax Revenue Bonds, Series 2003A	39,935,000	
Taxable Communications Services Tax Revenue Bonds, Series 2004	49,505,000	
Public Improvement Revenue Bonds, Series 2004A	20,140,000	
Public Improvement Revenue Bonds, Series 2004B	15,975,000	
Variable Rate Capital Improvement Revenue Bonds, Series 2005	7,910,000	
Public Improvement Revenue Refunding Bonds, Series 2006	29,720,000	
Capital Improvement Revenue Refunding Bonds, Series 2006	45,050,000	
Capital Improvement Revenue Bonds, Series 2007	26,805,000	
Total outstanding revenue bonds	301,265,000	
<u>General Obligation Bonds:</u>		
General Obligation Bonds, Series 2005	45,055,000	
General Obligation Bonds, Series 2007	43,000,000	
<b>Total General Obligation Bonds subject to debt limitation</b>	<b>88,055,000</b>	
Total outstanding debt	389,320,000	
Less: Reserve for debt service	(10,606,004)	
Net total outstanding debt	\$ 378,713,996	
<b>Legal debt margin</b>		<b>\$ 70,837,042</b>

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

# City of Pembroke Pines, Florida

## Property Assessed Value, Outstanding Debt, Legal Debt Limit & Covenants

September 30, 2007

(continued)

### Legal Debt Limit:

The State of Florida Constitution or Statutes do not limit the amount of debt that the City can issue.

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

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

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

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

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

## City of Pembroke Pines, Florida

### Property Assessed Value, Outstanding Debt, Legal Debt Limit & Covenants

September 30, 2007  
(continued)

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

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

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

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

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

## **City of Pembroke Pines, Florida**

### **Property Assessed Value, Outstanding Debt, Legal Debt Limit & Covenants**

**September 30, 2007  
(continued)**

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

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 bonds and additional parity franchise revenue bonds payable from the pledged revenues may be issued only for acquisitions or construction of additions, extensions or improvements to the Project, or for refunding of bonds, and only if the pledged revenues for the 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 & Covenants**

**September 30, 2007  
(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, and  
Public Improvement Revenue Bonds, Series 2004B***

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

***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.

***Public Improvement Revenue Refunding Bonds, Series 2006***

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

***Capital Improvement Revenue Refunding Bonds, Series 2006***

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

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

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

## City of Pembroke Pines, Florida

### Debt Service Coverage

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

#### Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1993	1998	2001	2004A	2004B	2006	Total	Coverage
			Public Improvement Revenue Bonds (3) (4)	Public Improvement Revenue Bonds (5)	Public Improvement Revenue Bonds (5)	Public Improvement Revenue Bonds (5)	Public Improvement Revenue Bonds (5)	Public Improvement Revenue Refunding Bonds (5) (6)		
1998	\$ 6,541,977	9.3%	\$ 2,554,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,554,931	2.56
1999	6,760,447	3.3%	3,033,825	592,291	-	-	-	-	3,626,116	1.86
2000	6,703,083	-0.8%	3,039,144	1,134,175	-	-	-	-	4,173,319	1.61
2001	6,871,802	2.5%	3,034,484	1,134,175	-	-	-	-	4,168,659	1.65
2002	7,334,212	6.7%	3,027,475	1,134,175	424,143	-	-	-	4,585,793	1.60
2003	7,647,870	4.3%	2,424,125	1,134,175	903,500	-	-	-	4,461,800	1.71
2004	7,612,895	-0.5%	-	1,889,160	1,547,038	-	-	-	3,436,198	2.22
2005	7,931,137	4.2%	-	1,893,045	1,538,850	838,565	541,067	-	4,811,527	1.65
2006	8,084,904	1.9%	-	1,890,245	1,539,963	928,873	757,915	-	5,116,996	1.58
2007	8,093,581	0.1%	-	1,428,608	1,254,775	928,873	757,915	456,050	4,826,221	1.68

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$8,093,581
Combined Maximum Annual Debt Service (7)	5,825,025
Coverage	1.39

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



## City of Pembroke Pines, Florida

### Debt Service Coverage

Public Improvement Refunding Revenue Bonds, Series 1992; Capital Improvement Revenue Bonds, Series 1993;  
 Capital Improvement Revenue Bonds, Series 1995; Capital Improvement Revenue Bonds, Series 1999;  
 Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center);  
 Capital Improvement Revenue Refunding Bonds, Series 2006; and  
 Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007

#### Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	1992	1993	1995	1999	2005	2006	2007	Total	Coverage
			Public Improvement Refunding Revenue Bonds (3)	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds	Capital Improvement Revenue Bonds	Variable Rate Capital Imp. Revenue Bonds (5) (8)	Capital Improvement Revenue Refunding Bonds (5) (6)	Capital Improvement Revenue Bonds (5)		
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
2007	9,184,098	2.5%	-	-	-	2,394,515	287,439	984,856	427,377	4,094,187	2.24

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 9,184,098
Combined Maximum Annual Debt Service (7)	6,409,415
Coverage	1.43

- (1) Exclude bank paying agent fees and variable rate bond fees (Remarketing fee, liquidity provider fee, and rating agency monitoring fee and extension 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) The 1995 Capital Improvement Revenue Bonds were defeased by the 1999 Capital Improvement Revenue Bonds
- (5) No statistics are available prior to the year of bond issuance.
- (6) A portion of his bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Sereis 1999.
- (7) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (8) 2007 debt service payment is actual.

Debt service for years 2008-2010 debt service is based on the Weekly Rate in effect at the financial statement date per "GASB No. 38".  
 Debt service for years 2011 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 (2)</u>	<u>% Change</u>	<u>2001A Charter School Revenue Bonds (3)</u>	<u>2001B Charter School Revenue Bonds (3)</u>	<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
2007	10,769,573	-7.1%	2,132,724	1,466,298	3,599,022	2.99

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	\$10,769,573
Combined Maximum Annual Debt Service (4)	3,603,211
Coverage	2.99

(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 the year of bond issuance.

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

# City of Pembroke Pines, Florida

## Debt Service Coverage

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 (3)</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
2007	8,469,829	0.5%	2,384,120	2,849,100	5,233,220	1.62

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$8,469,829
Combined Maximum Annual Debt Service (4)	6,428,133
Coverage	1.32

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

**City of Pembroke Pines, Florida**  
**Schedule of Debt Service on Outstanding Bonds as of September 30, 2007**

Type of Bonds	Charter Mid School & Academic Village	Charter High School & Other Capital Projects	Police Annex, Park & Other Improv	Charter School Central Campus	Charter School Facility & Buses	Firefighters Pension	Police Officers & Gen Employees Pension	Senior Housing Project Tower 1	Senior Housing Project Tower 2	Susan B. Anthony Center	Various Capital Projects & Refunding	Refunding	Various Capital Projects & Refunding	Senior Housing Project Tower 3	Various Capital Projects	
	\$24,055,000	\$45,240,000	\$19,600,000	\$31,910,000	\$20,060,000	\$39,935,000	\$49,910,000	\$20,140,000	\$15,975,000	\$7,910,000	\$47,000,000	\$29,720,000	\$45,050,000	\$26,805,000	\$43,000,000	
Revenue	Public Improv.	Capital Improv.	Public Improv.	Charter School	Charter School	Taxable Comm. Services Tax	Taxable Comm. Services Tax	Public Improv.	Public Improv.	Variable Rate Capital Improv.		Public Improv. Refunding	Capital Improv. Refunding	Capital Improv.		
General Obligation											General Obligation				General Obligation	
										* Based on Weekly Rate of 3.86%						
Fiscal Y/E	Series 1998	Series 1999	Series 2001	Series 2001A	Series 2001B	Series 2003A	Series 2004	Series 2004A	Series 2004B	Series 2005	Series 2005	Series 2006	Series 2006	Series 2007	Series 2007	Total Debt Service
Sep 30																
2008	\$ 959,545	\$ 1,692,750	\$ 973,625	\$ 2,134,144	\$ 1,469,067	\$ 2,995,314	\$ 2,848,838	\$ 928,873	\$ 757,915	\$ 305,326	\$ 2,794,897	\$ 1,382,850	\$ 2,425,412	\$ 1,211,462	\$ 2,685,719	\$ 25,565,737
2009	960,210	1,694,340	970,000	2,131,943	1,464,673	2,991,658	3,436,475	928,873	757,915	305,326	2,796,848	1,382,250	2,416,613	1,211,463	2,680,937	26,129,524
2010	-	752,820	963,500	2,133,744	1,468,535	2,990,764	3,436,269	928,873	757,915	305,326	2,797,897	2,351,850	3,372,712	1,716,162	2,682,438	26,658,805
2011	-	749,310	965,800	2,133,608	1,465,477	2,992,332	3,432,188	1,396,747	1,116,527	305,326	2,797,053	2,345,950	3,372,713	1,715,163	2,680,837	27,469,031
2012	-	749,772	966,265	2,131,479	1,465,663	2,991,214	3,428,956	1,391,741	1,113,343	305,326	2,794,252	2,348,450	3,370,312	1,713,362	2,680,988	27,451,123
2013	-	754,248	964,425	2,132,294	1,208,812	2,987,409	3,426,181	1,390,110	1,114,136	305,326	2,794,438	2,349,150	3,365,513	1,715,663	2,681,787	27,189,492
2014	-	752,704	960,210	2,132,681	1,211,725	2,985,768	3,423,431	1,391,610	1,113,879	305,326	2,797,377	2,348,050	3,373,012	1,716,962	2,680,075	27,192,810
2015	-	750,100	-	2,130,650	1,212,975	2,985,994	3,426,731	1,391,397	1,112,423	305,326	2,797,828	3,294,550	3,370,675	1,717,263	2,678,075	27,173,987
2016	-	751,332	-	2,131,200	1,212,512	2,982,935	3,420,763	1,389,735	1,109,678	305,326	2,795,707	3,296,675	3,361,088	1,716,562	2,679,675	27,153,188
2017	-	751,306	-	2,134,063	1,210,013	2,981,445	3,420,331	1,391,835	1,110,760	305,326	2,798,583	3,293,050	3,369,962	1,714,013	2,678,425	27,159,112
2018	-	754,975	-	2,130,250	1,211,262	2,981,222	3,416,813	1,387,732	1,110,587	305,326	2,798,557	3,288,550	3,366,713	1,716,250	2,679,225	27,147,462
2019	-	752,200	-	2,131,500	1,211,013	2,977,119	3,415,088	1,386,942	1,109,059	305,326	2,796,158	3,282,925	3,371,350	1,712,319	2,683,112	27,134,111
2020	-	753,075	-	2,135,000	1,209,262	2,978,838	3,414,919	1,389,365	1,110,701	305,326	2,796,757	3,285,675	3,363,487	1,716,300	2,679,875	27,138,580
2021	-	752,050	-	2,130,500	1,211,013	2,976,078	3,412,881	1,384,763	1,105,656	305,326	2,795,158	3,276,550	3,372,113	1,714,900	2,683,250	27,120,238
2022	-	753,962	-	2,133,250	1,211,012	2,973,692	3,408,578	1,383,263	1,109,294	305,326	2,794,520	3,290,800	3,364,237	1,712,300	2,682,675	27,122,909
2023	-	754,300	-	2,132,750	1,209,263	2,971,381	3,404,791	1,384,831	1,106,253	305,326	2,794,495	3,284,400	3,363,763	1,713,400	2,684,625	27,109,578
2024	-	753,063	-	2,134,000	1,210,762	2,963,995	3,406,134	1,383,844	1,106,125	305,326	2,796,707	-	3,366,363	1,713,100	2,678,875	23,818,294
2025	-	871,969	-	2,131,750	1,210,263	2,966,088	3,397,481	1,380,725	1,104,125	305,326	2,795,945	-	3,250,153	1,716,300	2,680,650	23,810,775
2026	-	870,756	-	2,131,000	1,207,762	2,962,210	3,397,212	1,379,750	1,105,500	305,326	2,797,208	-	3,249,963	1,717,287	2,679,500	23,803,474
2027	-	872,313	-	2,131,500	1,208,263	2,957,212	3,389,875	1,380,625	1,105,125	305,326	2,795,282	-	3,245,028	1,716,038	2,680,425	23,787,012
2028	-	-	-	2,133,000	1,209,175	2,955,648	3,386,500	1,379,250	1,103,000	305,326	2,795,170	-	1,148,687	1,713,375	2,683,200	20,812,331
2029	-	-	-	2,130,250	1,212,462	2,952,069	3,386,563	1,375,625	1,099,125	305,326	2,796,745	-	1,142,569	1,713,750	2,683,400	20,797,884
2030	-	-	-	2,133,250	1,212,863	2,946,177	3,384,669	1,374,625	1,098,375	305,326	2,799,270	-	1,144,750	1,716,250	2,679,800	20,795,355
2031	-	-	-	2,131,500	1,210,375	2,942,524	3,380,556	1,376,000	1,100,500	305,326	2,797,520	-	1,140,125	1,715,750	2,682,400	20,782,576
2032	-	-	-	-	-	2,935,662	3,378,831	1,374,625	1,095,500	305,326	2,796,495	-	1,138,694	1,717,125	2,680,725	17,422,983
2033	-	-	-	-	-	2,934,994	3,374,100	1,370,500	1,098,250	305,326	2,795,825	-	-	1,715,250	2,679,775	16,274,020
2034	-	-	-	-	-	2,929,923	3,366,100	1,368,500	1,093,625	305,326	2,795,575	-	-	1,715,000	2,684,313	16,258,362
2035	-	-	-	-	-	-	-	1,368,375	1,091,625	7,930,913	2,795,375	-	-	1,716,125	2,683,863	17,586,276
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	1,713,500	5,478,425	7,191,925
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	1,716,875	-	1,716,875
Total debt service	\$ 1,919,755	\$ 17,287,345	\$ 6,763,825	\$ 51,175,306	\$ 30,334,202	\$ 80,189,665	\$ 91,421,254	\$ 37,359,134	\$ 29,916,916	\$ 16,174,715	\$ 78,297,642	\$ 44,101,725	\$ 70,826,007	\$ 50,449,269	\$ 80,557,069	\$ 686,773,829
Principal outstanding	\$ 1,840,000	\$ 11,390,000	\$ 5,875,000	\$ 29,405,000	\$ 17,715,000	\$ 39,935,000	\$ 49,505,000	\$ 20,140,000	\$ 15,975,000	\$ 7,910,000	\$ 45,055,000	\$ 29,720,000	\$ 45,050,000	\$ 26,805,000	\$ 43,000,000	\$ 389,320,000

\* This is the rate in effect at the financial statement date (September 30, 2007) per GASB Statement No. 38, paragraph 10.

## City of Pembroke Pines, Florida

### SCHEDULE OF INSURANCE IN FORCE - FISCAL YEAR ENDED SEPTEMBER 30, 2007

<u>Company</u>	<u>Policy Number</u>	<u>Effective Dates</u>	<u>Description of Coverages or Services</u>	<u>Limits</u>	<u>Annual Premiums/Fees</u>
Hartford Life and Accident Ins. Co.	21ETB-012917	10/1/06-9/30/09	Police & Firefighters Accidental Death & Dismemberment 3-year Policy	\$55,835 in the line of duty or fresh pursuit; \$167,505 unlawful and intentional death	\$17,815
Travelers Property Casualty Ins. Co.	6054C509	10/1/06-9/30/07	Equipment Breakdown	\$50,000,000 limit; \$1,000 deductible	21,309
Travelers Property Casualty Ins. Co.	6054C510	10/1/06-9/30/07	Equipment Breakdown-covers only the W.C. Young Human Resource Center	\$50,000,000 limit; \$1,000 deductible	1,708
Princeton Excess Surplus Lines Ins.Co.	G1-A3-EX-0000024-02	10/1/06-9/30/07	Comprehensive General Liability - 3rd Party Liab.;Auto Liab.;Work.Comp.; Empl. Benefits Liab.-Claims Made; Crime - Money & Securities, Deposits Forgery and Employee Dishonesty	Limit \$850,000 per occurrence/Combined Single Limit Excess \$150,000 SIR per occurrence. Work.Comp.& Employer Liab. \$150,000 Excess \$350,000 SIR per occurrence; Police & Fire \$250,000 Excess \$350,000 per occur; \$1,850,000 annual aggregate excess the SIR	703,099
Florida Division of Workers' Comp.	-	10/1/06-9/30/07	Workers' Compensation	State Self-Insurer Annual Assessment	167,911
Florida Municipal Insurance Trust	FMIT # 0470	10/1/06-9/30/07	Buildings and Personal Property Automobiles - 807 vehicles covered ;	\$25,000 deduct. \$254.3MM bldg; \$16.5MM pers. Stoploss \$1,031,991 on property & \$75,000 autos	1,862,619
Arthur J. Gallagher & Co. & Affiliates	-	10/1/06-9/30/07	Service and Consulting Fees	Service fees- \$120,903; Consulting fees- \$35,025; Prior years liability policies audit billings - \$8,236	164,167
AIG / National Union Fire Ins. Co	7132821	4/1/07-3/31/08	MuniPro Public Officials Liability	\$2MM aggregate; \$50M to \$150M deductible. Also covers certain independent contractor	280,419
Western World Insurance Company	NPP1913458	10/1/06-9/30/07	Ambulance/EMT malpractice liability	\$1MM per occurrence and annual aggregate	47,308
Safety National Casualty	SP-1E63-FL	10/1/06-9/30/07	Excess Workers' Compensation and Employers Liability Indemnity	\$1,000,000 each accident;\$1,000,000 employee liab.& \$500K-\$600K retention each occurrence; \$1,000,000 annual maximum limit of indemnity	351,230
Travelers Casualty & Surety Company	104317755	10/1/05-9/30/08	Public Employees Dishonesty, including Faithful Performance	\$2,400,000 Limit per Loss,Excess \$100,000 Ded., \$75,000 Excess, \$25,000 Self Insured Retention	6,972
Travelers Casualty & Surety Company	104038463	3/1/07-2/28/10	Crime policy for Charles F. Dodge,LLC	Covers City Manager and Asst. City Manager	839
The Hartford Insurance Co.of the SE	21BSBCK4619	12/10/06-12/9/07	Public Officials Bond	\$100,000 Limit - Covers Finance Director	400
American Bankers Insurance Co.	Various	Various	Flood - 72 different City locations	Limits/premiums vary for each location. Deductibles on each-\$500 bldg. & \$500 content;	51,761
National Fire & Marine Insurance Co.	72LPE705268	10/1/06-9/30/07	Liability - Seven Special Use Facilities	\$1MM/occurrence;\$2MM/aggregate-\$1,000 ded.	15,010
Fiserv Health Plan Administrators,Inc.	Group No. 100001	10/1/06-9/30/07	Administrative fees / stop loss broker		635,839
Fiserv Health Plan Administrators,Inc.	Group No. 100001	10/1/06-9/30/07	EPO/ PPO - Reinsurance carrier is Combined Insurance Co. of America	Individual max. \$250,000; Max. City exposure for annual loss per employee is \$14,474	439,769
Medical Life Insurance Company	MG12351	10/1/06-9/30/07	Employees life insurance and AD&D	1 x base annual salary-maximum \$100,000	370,752
Commerce and Industry Insurance Co.	FPL8084644#4	11/26/06-11/25/07	40 Fuel Storage Tanks- 3rd-Party Liab.	\$2MM each / \$4MM aggregate; \$25,000 ded.	18,622
Mt. Hawley Insurance Company	MGL0150936	6/25/07-6/24/08	General Liability-Walter C. Young Resource Center and Southwest Regional Library at Academic Village	\$2,000,000 General Aggregate Per Location; \$1,000,000 each occurrence; \$1,000 ded.ea.claim (net of \$7,561 paid by County & School Board)	5,364
National Union Fire Ins.of Pittsburgh	SRG9100271	9/2/07-9/1/08	Youth Soccer Accidental Death&Dism	\$500,000 per injury, \$25 ded.; \$10,000 death	5,941
Special Purpose Policies & Services	Various	Various	Cobra adm.fees; Professional Liability; Police Horse Mortality & Surgical; Mandatory Insurance Appraisals	Premiums:Cobra Fees-\$1,190; Nurses-\$120; Dive Team Instructor-\$588; Horses-\$760; Insurance Appraisals-\$48,800	51,458

## City of Pembroke Pines, Florida

### School Enrollment

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Community College: (1)</b>										
Broward Community College										
Pines Center -Academic Village	-	-	666	801	1,188	1,288	1,350	1,701	2,610	2,591
South Campus (1)	<u>7,726</u>	<u>7,427</u>	<u>7,701</u>	<u>7,806</u>	<u>8,290</u>	<u>8,913</u>	<u>8,854</u>	<u>9,068</u>	<u>9,938</u>	<u>9,489</u>
Total BCC Enrollment	<u>7,726</u>	<u>7,427</u>	<u>8,367</u>	<u>8,607</u>	<u>9,478</u>	<u>10,201</u>	<u>10,204</u>	<u>10,769</u>	<u>12,548</u>	<u>12,080</u>
<b>High Schools: (2)</b>										
Pembroke Pines Charter High School	-	-	570	1,032	1,214	1,608	1,578	1,591	1,691	1,703
Flanagan	4,158	4,857	4,925	5,480	5,401	3,701	3,267	3,146	3,063	3,172
Somerset Academy Charter High School	-	-	-	-	-	-	305	477	542	593
Total High School Enrollment	<u>4,158</u>	<u>4,857</u>	<u>5,495</u>	<u>6,512</u>	<u>6,615</u>	<u>5,309</u>	<u>5,150</u>	<u>5,214</u>	<u>5,296</u>	<u>5,468</u>
<b>Middle Schools: (2)</b>										
Pines Middle School	1,665	1,606	1,658	1,837	1,423	1,452	1,487	1,463	1,343	1,461
Silver Trail Middle	2,085	1,873	1,926	2,354	2,329	2,423	1,555	1,695	1,785	1,745
Walter C. Young	1,897	2,554	2,044	2,072	1,487	1,841	1,885	1,899	1,874	1,945
Somerset Academy Charter Middle School	-	-	-	-	-	-	620	661	654	604
Pembroke Pines Charter Middle School	-	-	672	672	1,189	1,192	1,099	1,204	1,198	1,199
Total Middle School Enrollment	<u>5,647</u>	<u>6,033</u>	<u>6,300</u>	<u>6,935</u>	<u>6,428</u>	<u>6,908</u>	<u>6,646</u>	<u>6,922</u>	<u>6,854</u>	<u>6,954</u>
<b>Elementary Schools: (2)</b>										
Pembroke Pines	893	843	896	873	844	850	816	803	664	690
Pembroke Lakes	935	899	942	896	858	841	861	854	772	730
Pines Lakes	814	843	1,011	1,111	965	1,020	1,058	965	837	853
Pasadena Lakes	907	924	899	948	914	881	843	837	818	725
Palm Cove	1,114	1,149	1,215	1,223	1,087	1,124	1,136	1,154	1,031	961
Chapel Trail	1,311	1,365	1,436	1,436	1,410	1,309	1,270	1,231	1,153	1,043
Silver Palms	1,010	1,379	1,422	1,506	1,434	1,169	1,081	1,067	1,014	912
Panther Run	986	1,335	1,360	1,432	986	952	982	940	791	780
Lakeside	730	1,187	1,513	1,112	1,196	1,049	1,057	1,024	958	885
Somerset Academy Charter Elementary	-	-	-	-	-	-	875	932	899	825
Pembroke Pines Charter Elem (East/West/Central)	704	1,000	1,000	1,100	1,786	1,800	1,895	1,799	1,800	1,793
Pembroke Pines/FSU Charter Elementary	-	-	-	-	-	-	600	600	600	600
Dolphin Bay Elementary (3)	-	-	-	-	-	-	-	402	-	-
Total Elementary School Enrollment	<u>9,404</u>	<u>10,924</u>	<u>11,694</u>	<u>11,637</u>	<u>11,480</u>	<u>10,995</u>	<u>12,474</u>	<u>12,608</u>	<u>11,337</u>	<u>10,797</u>

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

(2) Broward County School Board, 2007-2008 Twentieth Day Enrollment Report

(3) For one year Dolphin Bay Elementary School was temporarily located in the City, it has subsequently moved to the City of Miramar.

## City of Pembroke Pines, Florida

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

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>	<u>Number Units</u>	<u>Valuation</u>		
1998	9,268	6,508	\$ 29,661,890	2,669	\$ 260,529,339	91	\$ 58,544,338	\$ 348,735,567	\$ 5,147,208,118
1999	10,171	8,764	40,339,436	1,828	177,081,893	51	25,844,899	243,266,228	5,726,468,609
2000	9,957	8,881	44,536,688	1,040	124,146,207	36	44,803,999	213,486,894	6,289,968,753
2001	10,368	8,899	65,639,331	1,446	186,519,453	23	12,987,592	265,146,376	6,855,447,486
2002	10,140	9,117	45,421,312	1,005	152,912,991	18	9,069,036	207,403,339	7,579,681,777
2003	9,170	8,792	54,660,725	361	40,571,126	17	14,659,667	109,891,518	8,678,811,181
2004	9,457	8,939	52,063,598	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583
2005	10,991	10,761	73,078,888	214	17,326,438	16	26,553,469	116,958,795	11,606,680,186
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817

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

(2) Miscellaneous permits include remodeling, partitioning, and interior completions.

(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value ("just value") as required by State Statute.

# City of Pembroke Pines, Florida

## General Information

### Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 7th largest in the country with an estimated population of 5.5 million. A projected 7.5 million people will reside in the MSA by 2030. The population of Pembroke Pines is currently estimated at 153,300. During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25 square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area. South of the City is the rapidly growing City of Miramar with its thriving Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of four senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

### Airports

The City of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The North Perry Airport, which is located in Pembroke Pines, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

### Road and Highway Systems

Road and highway facilities are excellent in Pembroke Pines. Pines Boulevard is the main east-west corridor that connects into beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of approximately 460 miles of paved and signalized roadways, in addition to bike paths and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

### Parks & Recreation

The City of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the six recreation centers. Programs include such diverse activities as art, music, baseball, softball, football, volleyball, basketball, swimming, tennis, soccer, roller-hockey, karate, gymnastics, preschool and after-school programs, Jazzercise, and dancing.



# City of Pembroke Pines, Florida

## General Information

Located throughout the City are 29 neighborhood and community parks totaling 927.7 acres. In addition, four golf courses are located within the City including the City-owned 18-hole newly renovated Pembroke Lakes Golf and Racquet Club. The other three are the Hollybrook Golf and Tennis Club, the Flamingo Lakes Country Club located in Century Village at Pembroke Pines, and the Grand Palms Golf and Country Club Resort. In August 2002, the City purchased 60 acres in western Pembroke Pines to be developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. This facility should open in April 2008. 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 459 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

### Medical Facilities

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 5,310 students. Of this total, the FSU charter school students include 600 in elementary school and 10 in the Exceptional Student Program; the elementary schools have 1,800 students; the middle schools 1,200 students; and the high school 1,700 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

# City of Pembroke Pines, Florida

## General Information

Drive on Pines Boulevard, and the Pines Center/Academic Village Campus. The Academic Village is a unique multi-building facility located on Sheridan Street west of Interstate 75, and also houses Florida International University (FIU), which is a part of the State University system, offering under-graduate and graduate programs. The campus of the Venezuelan-administered Jose Maria Vargas University is located in the Senator Howard C. Forman Human Services Campus. Keiser College also operates its Pembroke Pines branch campus with a 30,000 square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City.

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 programming public art exhibitions of local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board and often include special opening exhibit programs accompanied by music and dance performances. 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 Parks & Recreation Department and includes annual events such as *Kids Konnection*; the *Art Festival in the Pines* which is conducted in the River of Grass ArtsPark; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year.

## National and State 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 that 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.

On November 9, 2007, the Florida League of Cities honored the City again with another Florida Cities of Excellence Award – this time the City's Controller/Internal Auditor was named the City Employee of the Year.

On November 16, 2007, the National League of Cities awarded the Silver Award for Municipal Excellence to the City of Pembroke Pines because of its utilization of the Senator Howard C. Forman Human Services Campus for human services collaborations and redevelopment. This award identifies

# City of Pembroke Pines, Florida

## General Information

and showcases outstanding municipal programs that improve the quality of life for the residents. The winners of this award exemplify excellence in city governance, best practices in municipal policy, and models to follow to improve the lives of their citizens.

The 14th annual Morgan-Quitno Press City Crime Survey conducted in 2006 and released in November 2007 by CQ Press, ranked the City of Pembroke Pines the 48th safest city out of 378 cities reviewed. They ranked the City second safest out of the 29 cities reviewed in the State of Florida.

## Communications

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

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

## Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex is nearly completed, and will contain 79 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities.