

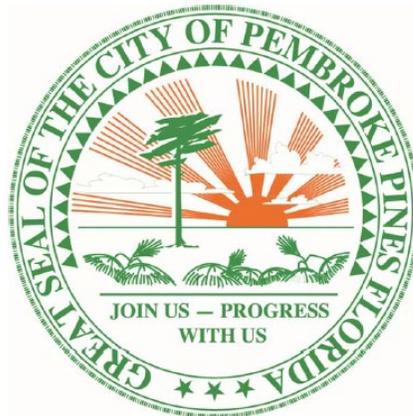
City of Pembroke Pines, Florida



Comprehensive Annual Financial Report and Compliance Reports Fiscal Year Ended September 30, 2019

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

**For the Fiscal Year Ended
September 30, 2019**



**Prepared by
The Finance Department**

City of Pembroke Pines, Florida
Fiscal Year Ended September 30, 2019

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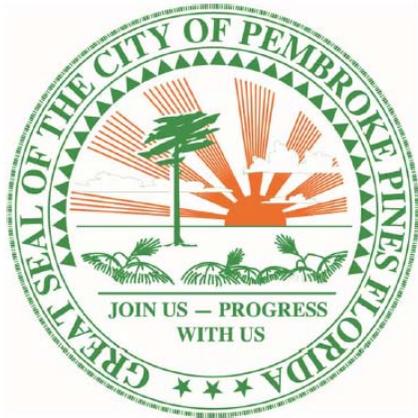
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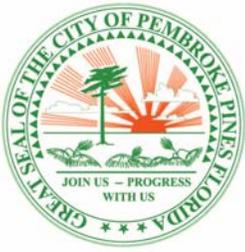


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I. INTRODUCTORY SECTION

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



**PEMBROKE PINES
CITY COMMISSION**

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Charles F. Dodge
CITY MANAGER
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April 16, 2020

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

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Pembroke Pines for the fiscal year ended September 30, 2019.

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. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As administrators, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by GLSC & Company PLLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2019 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 unmodified opinion that the City of Pembroke Pines' financial statements for the fiscal year ended September 30, 2019, 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, 2019.

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

Profile of the Government

The City of Pembroke Pines is a city in Broward County, Florida. The City had a population of 168,023 according to the 2019 estimate by the Bureau of Economic and Business Research at the University of Florida, making it the 2nd most populous city in Broward County, and the 11th most populous in Florida. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

The annual budget serves as the foundation for the City of Pembroke Pines' financial planning and control. All departments of the City are required to submit proposed budgets to the City Manager, who makes any necessary revisions. The City Manager then presents to the City Commission for their review, a budget estimate of the expenditures and revenues of all the City's departments and divisions. Two public hearings are conducted to inform the taxpayers of the proposed budget, to receive their comments, and to respond to their questions on the proposed budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of an Ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for that general classification of expenditures. The City's budget is approved at the fund level. The City Manager and the Finance Director may amend the adopted budget for adjustments within a fund. The City Commission must approve all other budget adjustments as well as any supplemental appropriations. Budget-to-actual comparisons are provided in this report for the General Fund for which an appropriated annual budget has been adopted. The General Fund budgetary comparison schedule, and notes to the budgetary comparison schedule are presented as part of the Required Supplementary Information.

The City owns and operates seven Charter Schools. These Schools are considered special revenue funds of the City and have a fiscal year ending June 30th. The governing body of the Schools is the City Commission comprising five voting members which consist of the City of Pembroke Pines Mayor, Vice Mayor, and three Commissioners. The Pembroke Pines City Manager also serves as the Superintendent of the Charter Schools.

The Schools operate under a charter of the sponsoring school district, the Broward County School Board (the District) and the Florida State University (FSU). Annual budgets are legally adopted for all Charter School funds which are governmental funds. The Charter Schools' budgets are approved via resolution at a public hearing conducted by the City Commission. The adopted budgets are integrated into the accounting software system effective July 1st. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budgets, which prior to July 1st, are legally enacted through passage of a resolution. Section 5.06 of the City Charter provides that no officer, department or agency may legally expend or contract to expend the

amounts in excess of the amounts appropriated for that general classification of expenditures. The budget is adopted at the school level, which is the legal level of control.

Factors Affecting Financial Condition

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

Local Economy

The impact of the coronavirus (COVID-19) is having a profound effect on the global and local economy. The U.S. economy has suffered major disruptions. Quarantines and travel restrictions around the world have interrupted supply chains and movements of labor. Businesses across the U.S. have faced closures, and curtailed operations. Florida's economy which is driven in large part by tourism has also been greatly affected by the closure of bars, restaurants, theme parks and beaches. At this time it is difficult to quantify just how much it will directly impact the City of Pembroke Pines, as governments everywhere focus our efforts on containment of the disease. The passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act is a positive step forward to providing economic relief to individuals and businesses facing hardship or economic ruin and signals that the US government is willing to help minimize the impact of the downturn.

Despite the out-break of the coronavirus, the City of Pembroke Pines' positioning for progress in the future is undoubtedly ensured for periods that extend far beyond the fifty-nine 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-West Palm Beach, Metropolitan Statistical Area (MSA), known as the "Gateway to the Americas", is an ideal location for conducting international business, especially in Latin America. As such, the MSA accounts for the majority of Florida's total export of goods to overseas markets. The total population based on the 2018 US Census Bureau estimates, is approximately 6.2 million and has the largest and most diverse labor force in the State. It is the 7th most populous MSA in the United States. Furthermore, it has access to a superb transportation system, including the superhighway connecting the Fort Lauderdale/Hollywood International Airport and Port Everglades, the deepest seaport between Norfolk and New Orleans, and the number one cruise ship port in Florida, and among the busiest container ports in the United States.

Before the out-break of the coronavirus pandemic, the economic outlook and prospects for the City continued to show a positive trajectory, as the City benefits from a stable and diverse revenue stream, and an efficiently managed service culture. Additionally, the City's 2019 taxable assessed value for fiscal year 2019-20, of \$13.5 billion increased by 7.6% over last year. This represented the eighth consecutive year of accelerated growth. New construction amounted to \$298.4 million and accounted for 31.3% of the increase.

The City will continue to affirm its efforts to increase and encourage business investment. These efforts include, but are not limited to, continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce, and eliminating burdens on businesses by expediting the permitting process.

Long-Term Financial Planning

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

The long-term financial focus has been a shift away from growth to one of economic development and redevelopment opportunities, in order to continue to meet the City's long-term goals and objectives. The City had to re-examine the way it does business, seeking to harness operational efficiencies while maintaining the level of services that residents have come to expect.

Pembroke Pines has always strived to maintain low property tax rates. The City's current millage rate for the fiscal year ending September 30, 2020 is 6.1200, which is comprised of an operating millage of 5.6736 and a debt service millage of 0.4464. For the fiscal year ended September 30, 2019, the City's millage rate was 6.1419, which was comprised of an operating millage of 5.6736 and a debt service millage of 0.4683. The fiscal year 2019-20

operating millage rate, approved by the City Commission, represented a \$4.6 million or 6.7% increase in the budgeted revenues as compared to fiscal year 2018-19 adopted budget, as a result of an increase in property values.

The development of the City's capital improvement plans, as well as the annual budget, has led the City to pursue a balance between covering increasing operating costs and strengthening service levels while keeping taxes and fees affordable for residents. In this regard, the recovery of the economy as a whole and the related boost in the real estate market has been the major source of revenue increase for the 2019-20 adopted budget.

Long-term planning will become even more critical, but also more difficult during periods of economic uncertainty. It will be difficult to foresee how long this economic downturn will last and the extent to which it will impact the future planning and execution for major projects within the City.

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. It is important that debt issues be undertaken in a prudent manner, in accordance with the City's "Debt Management Policy" as adopted by the City Commission. Understanding and managing the risks associated with these transactions is critical to the City's financial health. The Debt Management Policy stipulates that debt refunding undertaken by the City must ensure that the net present value savings, as a percentage of the par amount of the refunding bonds, equal or exceed 3% and equal or exceed \$100,000.

On November 7, 2019, the City issued Capital Improvement Revenue Bonds, Series 2019A and Taxable Capital Improvement Revenue Bonds, Series 2019B in the amount of \$58,985,000 and \$3,635,000 respectively. The Series 2019A Bonds was issued to (i) current refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2008 currently held by PNC Bank, National Association, (ii) finance and/or reimburse the cost of certain capital improvements to the City's Enterprise Resource Planning System (ERP), and (iii) pay costs associated with the issuance of the Series 2019A Bonds. The Series 2019B Bonds are being issued to (i) finance a portion of the payments required to terminate the interest rate swap agreements related to the Refunded Bonds and (ii) pay costs associated with the issuance of the Series 2019B Bonds. S&P Global Ratings assigned it 'AA' rating to the city of Pembroke Pines, Fla.'s Series 2019A and 2019B Capital Improvement Revenue Bonds, with a stable outlook.

The importance of monitoring the City's fund balance levels has become an integral part of its overall financial planning. Over the past years, the City has developed the budget in such a way as to preserve unassigned fund balance in the General Fund at not less than 10% of the total annual General Fund expenditures. This also provides a contingency for unexpected future events, such as hurricanes and other disasters. The City's adopted Fund Balance Policy covers the General Fund and specifies the course of action in the event that the unassigned fund balance falls below the minimum level of 10%. The City's General Fund unassigned fund balance for fiscal year 2018-19 is \$45.7 million which is 24.0% of FY2019-20 budgeted expenditures and falls within the established policy guidelines. This reflects an increase of 1.1 million over last year.

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

Major Initiatives

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

Public Safety

Throughout the years, one of the main focuses of the City is to always improve and increase public safety for our residents.

- The Police Department has continued to add support personnel in the areas of the Police Support Center, which provides specific assistance to our field units as we operate within the Broward County Regional Communications System; adding an I.T. Supervisor to improve management of the Computer Services Unit; adding a Staff Inspector to perform audits, accreditation tasks, and efficiency studies; adding a Communications Coordinator to ensure the Department's voice in regional communications workgroups and voting items, acquisition and distribution of public safety radios and programming, and items impacting the computer-aided dispatch (CAD) and FirstNet; added two (2) additional Command Staff members – Captains to improve oversight within the Patrol and Professional Standards Divisions.
- The Police Department has continued to expand its use of License Plate Recognition (LPR) for crime prevention and investigation through the acquisition of mobile LPR trailer and vehicle mounted LPRs. Additionally we have begun establishing LPR partnerships with CB Smith Park and Pembroke Lakes Mall. In addition Police Department is exploring partnerships with homeowner associations for LPR camera installations as well as preparing a fixed position LPR program throughout the city.
- The Police Department has received fifteen (15) new portable traffic signal trailers to join the seven (7) currently used by the department. These trailers increase both traffic and officer safety when deployed at intersections when the traffic signals become inoperative for extended time periods (such as during a hurricane or major component failure).
- The Police Department has utilized two Urban Area Strategic Initiative (UASI) grants to provide partial funding for the acquisition of two portable camera system trailers. These telescopic surveillance camera towers increase public safety at special events and crime trend indicated areas. They provide both live and recorded benefits.
- The Police Department has initiated a Drone Unit and the policies/procedures/certifications to operate unmanned aerial units in tactical, investigative, and search and rescue missions.
- The Fire Department added a second Community Risk Reduction Specialist and another Fire Inspector. The Community Risk Reduction Specialist is responsible for identifying the types of hazards occurring in our City and developing educational programs to reduce or eliminate them while the additional Fire Inspector will help conduct the required number of Annual and Final Inspections for all businesses located in our City.
- The Fire Department is also finalizing the finishing touches on a new Fire Training Facility classroom structure that will help to train new recruits, Fire Explorers and residents in Community Emergency Response Team (CERT) program. This facility is slated to open by the end of April, 2020.

Technology Improvements

The City has undertaken many technology improvements that will facilitate better functioning of the City's departments in an effort to improve service levels to the community. This includes:

- Cameras, intercom, paging, emergency alerting, and synchronized digital clocks system including the expanding of physical network and data cabling rewiring for the Pembroke Pines Charter Schools.

- Deployment throughout the City of Citrix Virtual Desktop Infrastructure (VDI), which was instrumental in allowing City employees to telecommunicate during the coronavirus pandemic.
- Received a \$500,000 grant for physical door access controls at all Charter School campuses, in an effort to increase security protocols.
- The City has embarked on an Enterprise Resource Planning (ERP) to replace legacy software City-wide. This will bring efficiencies, and will allow departments to function more cohesively in order better serve the residents of the City. The estimated cost of this projects is approximately \$7.3 million and will take two years to complete implementation.

Utilities

The City will continue to increase investment in infrastructure spending for water and sewer improvements to ensure residents receive the best quality and service levels. This includes:

- Water main replacements to improve water pressure in homes and enhanced fire protection in neighborhoods such as Pines Village.
- Sewer collection improvements throughout the City to reduce rain water and ground water impacts to sewage treatment plant enhancement and equipment replacements to continue to produce high quality potable water with treatment (Infiltration and Inflow or I&I).
- Continue efforts to ensure 100% compliance with local, state and federal regulations.
- Wastewater treatment plant maintenance and equipment replacement to continue to provide environmentally sound treatment and disposal of wastewater.
- Water meter replacements throughout the City bringing new water meter technologies to water customers.
- Improvement of water treatment and distribution, wastewater treatment, collection and disposal for the 169,000 residents while maintaining one of the lowest utility rates within southeast Florida.

Economic Development and Real Estate

The City has also been involved in real estate transactions in order to encourage economic development as well as provide additional services to both the residents and business community of the City.

On September 11, 2014, City purchased the Broward Correctional Institution Property from the State of Florida for \$13.5 million. On January 26, 2017, the City sold the property to South Florida Distribution Center, LLC for \$14.3 million. The property will be developed into two buildings totaling 750,000 square feet distribution warehouses. The first building is approximately 225,000 square feet and was completed in 2018. The second building has been submitted for permit and is expected to be completed by late 2021.

On October 22, 2015, the City purchased the 27.4 acres real property from the United States Postal Service for \$17.9 million. On January 6, 2016, Commission approved the sale to Terra World Investments, LLC for \$23.5 million. Terra World Investments, LLC proposes to develop approximately 130,000 square feet of lifestyle commercial development (including restaurant, retail and second story office uses), approximately 120 single family homes as well as associated parking and site improvements. Phase 1 closed in October 2017. The expected completion date for Phase 2 is late 2020.

On January 16, 2018, the City approved the sale of 3.15 acres of unimproved real property located south of Pines Boulevard and west of Palm Avenue to Providence One Investment, LLC. Providence One is proposing to build an assisted living facility with approximately 150 units. Currently, this project is in the due diligence phase.

Awards and Acknowledgements

The City of Pembroke Pines continues to receive many awards and accolades, some of these are listed below, and some are listed in the Statistical Section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018.

This was the seventeenth 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 GFOA to determine its eligibility for another Certificate.

The City also received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2018. The City of Pembroke Pines has received this award consecutively for twenty-two years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operational guide, and as a communications device.

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

The City's Charter Schools' budget also received the GFOA Distinguished Budget Presentation Award for their fiscal year beginning July 1, 2016. This was the fourteenth consecutive year that the Charter Schools received this award since the fiscal year beginning July 1, 2004. The Charter Schools also received special recognition for their budgets for fiscal year beginning July 1, 2017 and July 1, 2018.

The City of Pembroke Pines is a vibrant, and diverse community, with excellent educational and cultural offerings. In 2020, we were ranked by WalletHub as one of the happiest City in South Florida; As we continue to provide exceptional services to our residents and business community, we are committed to doing so in the most cost-effective and efficient way possible in order to minimize negative impacts on our residents. We understand the importance of achieving the balance of fiscal responsibility and superb service delivery. With the vision and leadership of our City Commission, and help of our dedicated staff, the City will continue to take a proactive approach to meeting the needs of our residents and business community partners, in order to solidify a successful future.

No one could have predicted the enormous, far-reaching effect that the coronavirus (COVID-19) pandemic would have on the City, and even the world. But the City of Pembroke Pines will remain resilient and positive. We have taken numerous steps, and will continue our efforts to ensure the safety and protection of our residents in every way possible, especially those who are the most vulnerable members of our population. We are all in this together as a City, a State, a Nation and even the World. We will make it through this pandemic, as we have done through all the other challenges we have faced; and we will emerge from this storm stronger and better than ever, not just for our generation, but future generations to come.

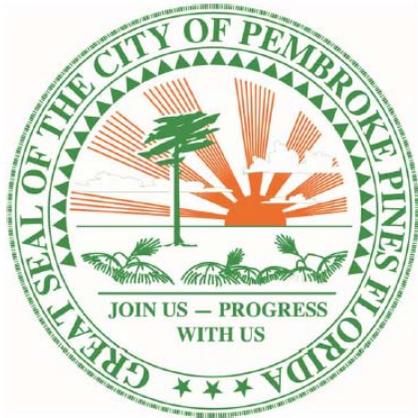
Sincerely,



Charles F. Dodge
City Manager



Lisa Chong
Finance Director



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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

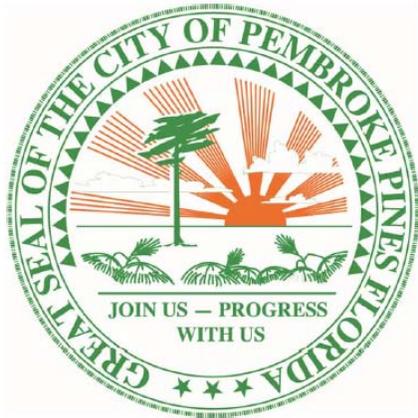
**City of Pembroke Pines
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO



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LISTING OF CITY OFFICIALS

At September 30, 2019



Frank C. Ortis

Mayor

Term: 2020 - 2024



Iris A. Siple

Vice Mayor - District 3

Term 2020 - 2024



Jay Schwartz

Commissioner – District 2

Term 2020 - 2024



Thomas Good

Commissioner- District 1

Term: 2018 - 2022



Angelo Castillo

Commissioner - District 4

Term: 2018 – 2020

City Manager:

Charles F. Dodge

City Attorney:

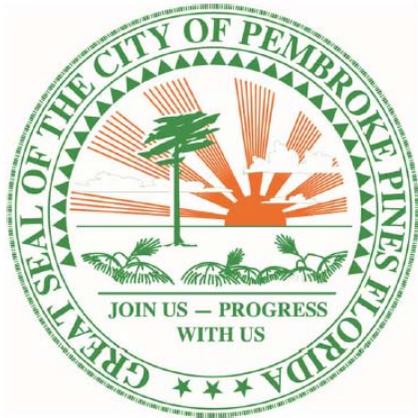
Goren, Cherof, Doody & Ezrol, P.A.

City Clerk:

Marlene Graham

Finance Director:

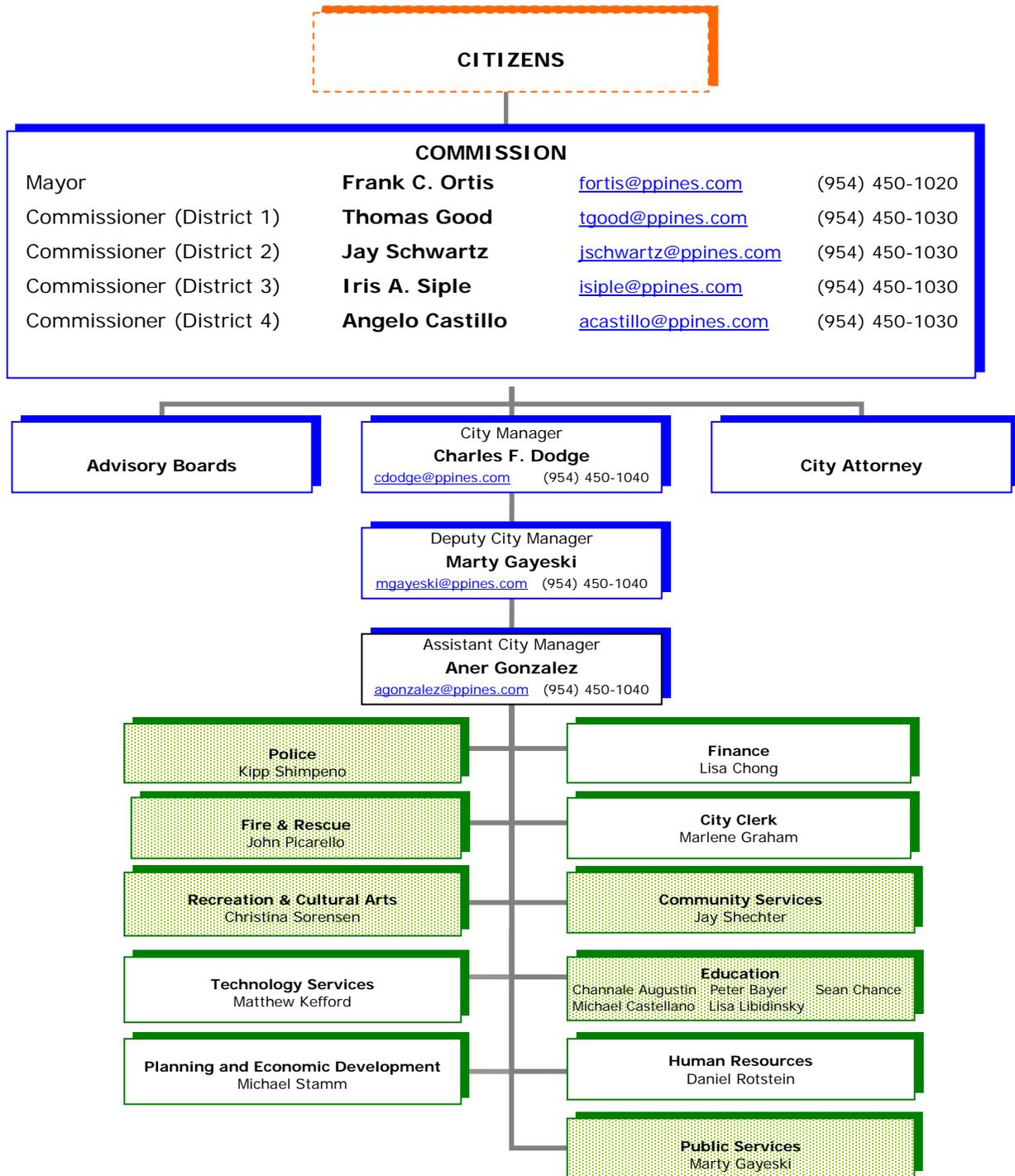
Lisa Chong



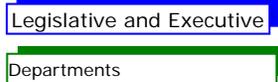
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CITY OF PEMBROKE PINES

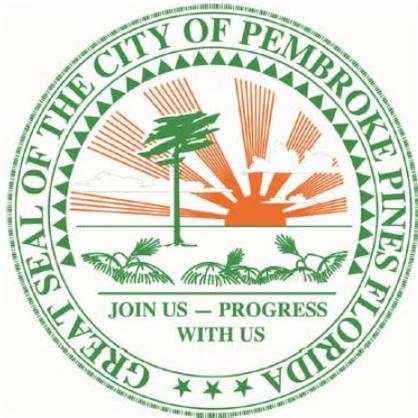
Organizational Chart



Legend



Shading indicates direct public service provider



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II. FINANCIAL SECTION

- **Independent Auditor's 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 Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, as of and for the year ended September 30, 2019, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for Firefighters and Police Officers, which represent 70 percent of the net position, 60 percent of the additions to, and 61 percent of the deductions from the fiduciary fund totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of Pembroke Pines, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and other post-employment benefits and pension schedules as listed in the table of contents and included on pages 4 through 22 and pages 151 through 167 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pembroke Pines, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenue, expenditures, and changes in fund balances – budget and actual and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, state projects and local awards is presented for purpose of additional analysis as required Title 2. U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balances – budget and actual and the schedule of expenditures of federal awards, state projects, and local awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is found on pages 168 through 183 and pages 224 through 228, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, schedules of revenues and expenditures, and changes in fund balances – budget and actual and the schedule of expenditures of federal awards, state projects, and local awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2020, on our consideration of the City of Pembroke Pines, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Pembroke Pines, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pembroke Pines, Florida's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
April 16, 2020



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, 2019. 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 viii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Pembroke Pines exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$219.2 million (*net position*), as compared with \$175.7 million for the previous fiscal year, as restated.
- The City's total net position increased by \$43.5 million (24.8%) during the current fiscal year. Included in the total net position is the governmental net position which increased by \$28.3 million (52.3%), and the business-type net position, which increased by \$15.2 million (6.6%).
- At the end of the current fiscal year, unrestricted net position of the City's governmental activities had a deficit of \$197.7 million, or 76.2% of total governmental activities expenses. The unrestricted net position of the business-type activities was \$87.7 million, or 33.9% of total business-type expenses for the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$111.8 million, an increase of \$5.4 million (5.1%) in comparison with the prior year. Approximately \$45.7 million (40.9%) of this total amount is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 23-24 of this report.

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements on pages 168-171 of this report.

The City adopts an annual budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with the budget, on pages 151-154. The basic governmental fund financial statements can be found on pages 25-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. An *enterprise fund* is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. An *internal service fund* is used to account for the City's insurance coverage provided to all departments on a cost reimbursement basis. The City of Pembroke Pines is self-insured.

The basic proprietary fund financial statements can be found on pages 29-32 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.

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

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

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 35-150 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 and other post-employment benefits to its employees and the budgetary comparison schedule of the General Fund.

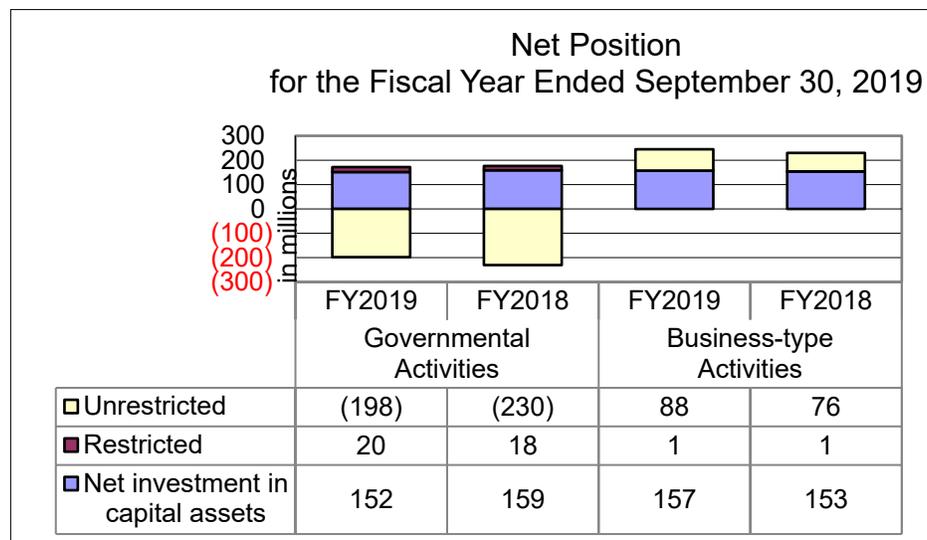
Required supplementary information can be found on pages 151-167 of this report.

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 168-171 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$219.2 million at the close of the most recent fiscal year, which represents a 24.8% increase compared to last year's net position of \$175.7 million, as restated. By far the largest portion of the City's net position, \$308.2 million (140.6%), represents net investment in capital assets, which is net of



related debt. This includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangibles, net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$21.0 million (9.6%), represents resources that are subject to external restrictions on how they may be used. This balance increased by \$2.7 million (14.8%), which was mainly attributable to an increase in the governmental activities restricted net position related to the debt service and a \$2.2 million increase related to Road and Bridge.

The unrestricted net position of (\$110.0) million is mainly attributed to the deferred inflows of resources related to pension and OPEB. This balances increased by \$26.1 million (60.5%) compared to last year.

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

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

In both fiscal year 2019 and 2018, the City continued to report increase in net positions. For its separate business-type activities, the balances in all three categories of net position have been positive for both years.

	Net Position (in millions) **					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018 (1)	2019	2018 (1)
Current and other assets	\$ 137.5	\$ 131.1	\$ 94.6	\$ 77.5	\$ 232.1	\$ 208.6
Restricted assets	21.0	20.6	8.2	10.4	29.2	31.0
Net pension asset	-	-	0.2	-	0.2	0.0
Unamortized bond issue costs	0.7	0.8	-	-	0.7	0.8
Capital assets, not being depreciated	64.6	63.3	11.9	9.8	76.5	73.1
Capital assets, being depreciated, net	318.0	323.3	148.3	145.4	466.3	468.7
Total assets	<u>541.8</u>	<u>539.1</u>	<u>263.2</u>	<u>243.1</u>	<u>805.0</u>	<u>782.2</u>
Total Deferred outflows of resources	<u>121.8</u>	<u>96.7</u>	<u>5.7</u>	<u>3.1</u>	<u>127.5</u>	<u>99.8</u>
Long-term liabilities	295.1	310.6	5.7	6.6	300.8	317.2
Other liabilities	340.8	354.9	16.1	9.6	356.9	364.5
Total liabilities	<u>635.9</u>	<u>665.5</u>	<u>21.8</u>	<u>16.2</u>	<u>657.7</u>	<u>681.7</u>
Total Deferred inflows of resources	<u>53.5</u>	<u>24.4</u>	<u>2.1</u>	<u>0.2</u>	<u>55.6</u>	<u>24.6</u>
Net investment in capital assets	151.7	158.8	156.5	153.0	308.2	311.8
Restricted	20.2	17.5	0.8	0.8	21.0	18.3
Unrestricted	(197.7)	(230.4)	87.7	76.0	(110.0)	(154.4)
Total net position	<u>\$ (25.8)</u>	<u>\$ (54.1)</u>	<u>\$ 245.0</u>	<u>\$ 229.8</u>	<u>\$ 219.2</u>	<u>\$ 175.7</u>

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

(1) For fiscal year 2018, capital assets, being depreciated, net and net investment in capital assets of the Business-type Activities have been restated. See Note 6.

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

Governmental activities. Net position of the City's governmental activities increased by \$28.3 million (52.3%) from (\$54.1) million, in the last fiscal year to (\$25.8) million in the current fiscal year.

Changes in Net Position (in millions) **

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018 (1)	2019	2018 (1)
Revenues:						
Program Revenues:						
Charges for services	\$ 137.3	\$ 133.6	\$ 60.9	\$ 56.6	\$ 198.2	\$ 190.2
Operating grants & contributions	6.4	5.6	0.1	0.1	6.5	5.7
Capital grants & contributions	0.4	1.3	5.6	3.7	6.0	5.0
General Revenues:						
Property taxes	74.5	70.5	-	-	74.5	70.5
Utility taxes	14.4	14.2	-	-	14.4	14.2
Communications services tax	4.6	5.1	-	-	4.6	5.1
Insurance premium taxes	3.0	2.5	-	-	3.0	2.5
Local option gas tax	3.0	3.0	-	-	3.0	3.0
Franchise fees	19.1	18.5	-	-	19.1	18.5
Local business tax	3.6	3.6	-	-	3.6	3.6
Intergovernmental - unrestricted	17.3	17.1	-	-	17.3	17.1
Investment earnings not restricted	3.5	1.9	1.6	1.1	5.1	3.0
Other miscellaneous	0.7	0.5	-	-	0.7	0.5
Total revenues	<u>287.8</u>	<u>277.4</u>	<u>68.2</u>	<u>61.5</u>	<u>356.0</u>	<u>338.9</u>
Expenses:						
General government services	29.2	31.5	-	-	29.2	31.5
Public safety	109.0	109.2	-	-	109.0	109.2
Physical environment	2.9	2.9	-	-	2.9	2.9
Transportation	9.4	9.0	-	-	9.4	9.0
Economic environment	10.9	9.9	-	-	10.9	9.9
Human services	64.5	63.4	-	-	64.5	63.4
Culture/recreation	22.6	21.1	-	-	22.6	21.1
Interest on long-term debt	11.0	12.0	-	-	11.0	12.0
Water utility services	-	-	7.9	8.2	7.9	8.2
Sewer/wastewater services	-	-	14.7	15.3	14.7	15.3
Water-sewer combined service	-	-	30.4	30.5	30.4	30.5
Total expenses	<u>259.5</u>	<u>259.0</u>	<u>53.0</u>	<u>54.0</u>	<u>312.5</u>	<u>313.0</u>
Changes in net position	28.3	18.4	15.2	7.5	43.5	25.9
Net position, beginning (1)	(54.1)	(72.5)	229.8	217.2	175.7	144.7
Prior period adjustment	-	-	-	5.1	-	5.1
Net position, ending	<u>\$ (25.8)</u>	<u>\$ (54.1)</u>	<u>\$ 245.0</u>	<u>\$ 229.8</u>	<u>\$ 219.2</u>	<u>\$ 175.7</u>

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

(1) For fiscal year 2018, the City made a prior period adjustment which requires the restatement of the September 30, 2018, net position of the Business-type Activities. See Note 6.

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

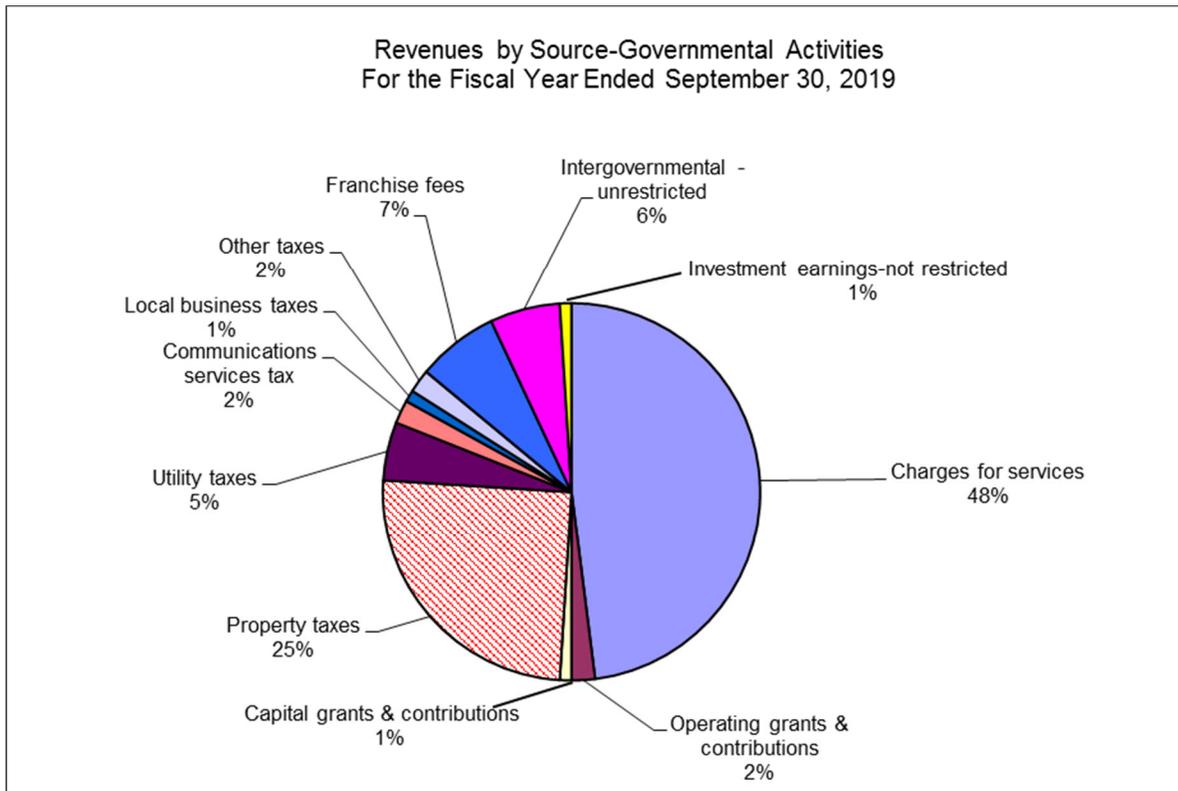
Revenues:

Revenues from Governmental activities increased by approximately \$10.4 million (3.8%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, increased overall by \$3.6 million (2.6%), and general revenues increased by \$6.8 million (5.0%).

Program revenues showed a \$3.7 million increase in charges for services, a \$0.8 million increase in operating grants and contributions, and a \$0.9 million decrease in capital grants and contributions.

The \$3.7 million increase in charges for services was mainly as a result of a \$2.1 million increase in human services, a \$0.9 million increase in general government services and a \$0.6 million increase in public safety. The \$2.1 million increase in human services is mainly due to a \$1.9 million increase public education capital outlay funding. The \$0.9 million increase in general government services was mainly due to a \$1.3 million increase in administrative fees which was offset by a \$0.3 million decrease in paving and drainage permits. The \$0.6 million increase in public safety was mainly due a \$0.4 million increase in the red light camera program and a \$0.2 million increase in the school resource officer program. The \$0.8 million increase in operating grants and contributions was mainly due to an increase \$0.7 in transportation related to the county incentive grant program.

The \$6.8 million increase in general revenues is mainly due to a \$4.0 million increase in property taxes and \$1.6 increase in investment earnings-not restricted and an overall increase in the other revenues, except the communication service tax. Property taxes increased by \$4.0 million as a result an increase in property tax values of 5.5%. The \$1.6 increase in investment earnings –not restricted was due to an increase in interest rates on fixed income investments.



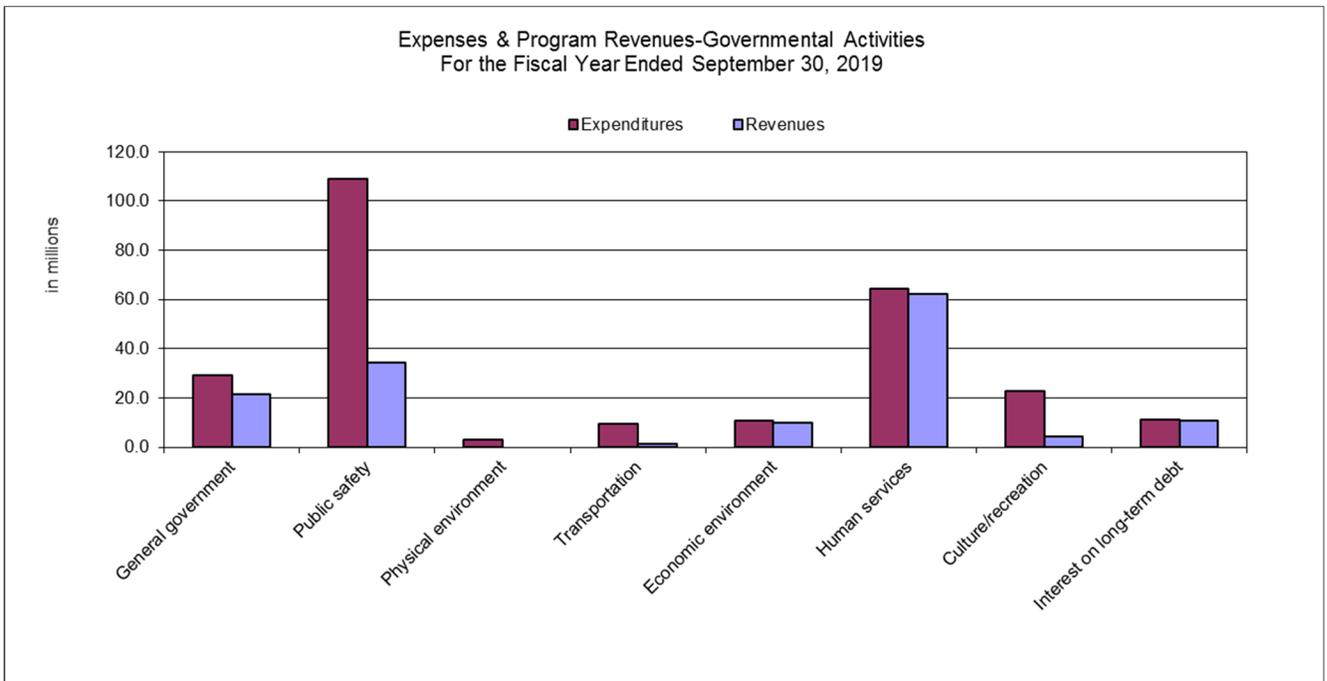
City of Pembroke Pines, Florida **Management's Discussion and Analysis**

Expenses:

Governmental activity expenditures increased by \$0.5 million (0.2%) over last year. This increase took place in all governmental functions/programs except general government services, public safety and interest on long-term debt.

The overall \$0.5 million increase was mainly due to a \$1.5 million increase in culture and recreation and a \$1.1 million increase in human services which was mainly offset by a \$2.4 million decrease in general government. The \$1.5 million increase in culture and recreation was mainly due to equipment purchases aggregating to approximately \$0.7 million and repairs and maintenance on buildings and improvements aggregating to approximately \$0.8 million that are non-capitalizable per the City's policy.

The \$1.1 million increase in human services was mainly due to an increase in personnel and benefits costs. General government services decrease of \$2.4 million was mainly due to a decrease in pension expense.

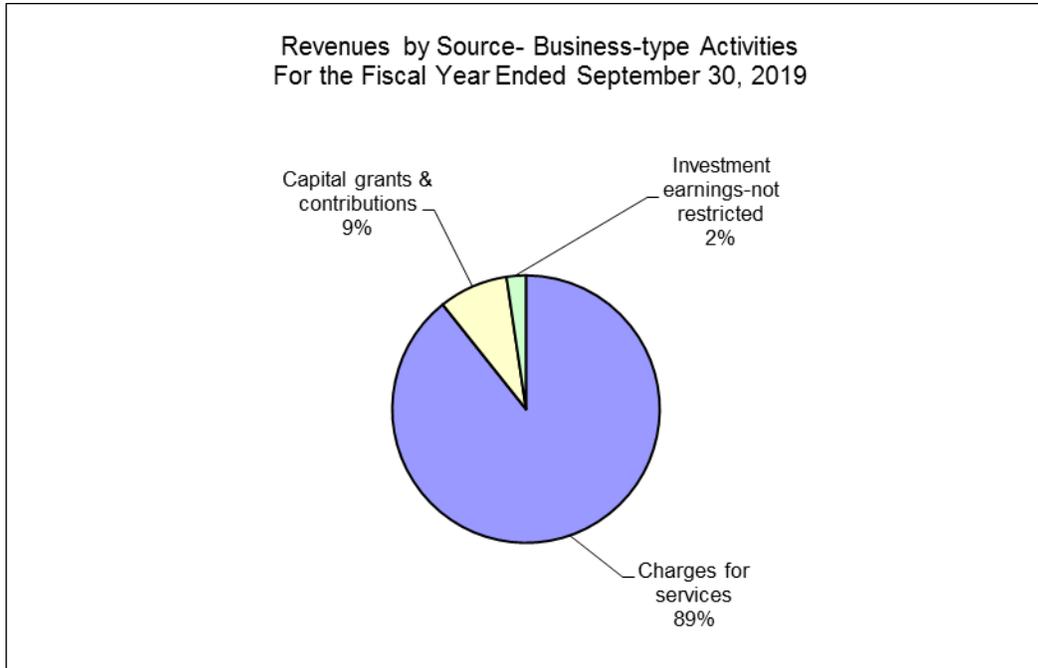


City of Pembroke Pines, Florida **Management's Discussion and Analysis**

Business-type activities. The net position of the City's business-type activities increased by \$15.2 million (6.6%) from \$229.8 million, as restated, in the last fiscal year to \$245.0 million in the current fiscal year.

Revenues:

Revenues from business-type activities increased over last year by \$6.7 million (10.9%). The main factor contributing to this was an increase of \$4.3 million (7.6%) in charges for services, a \$2.0 million (54.1%) increase in capital grants and contributions.

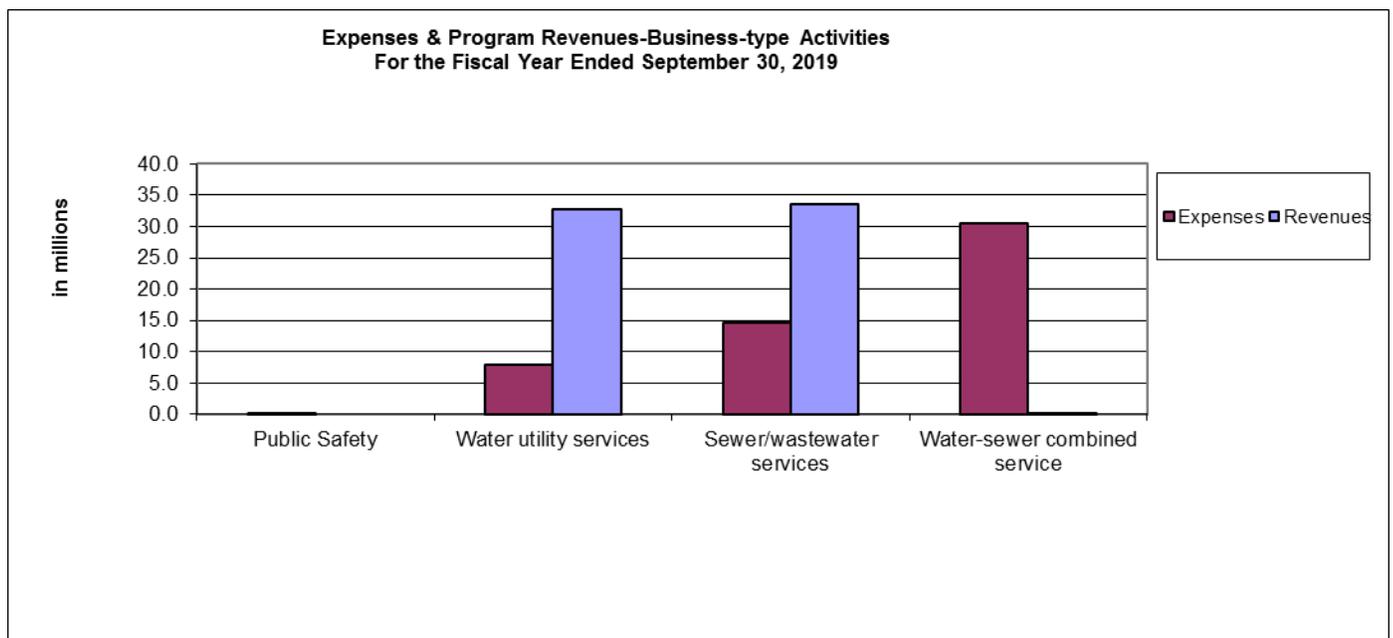


City of Pembroke Pines, Florida **Management's Discussion and Analysis**

Expenses:

Expenses of the business-type activities decreased by \$1.0 million (1.9%) from \$54.0 in prior year to \$53.0 million in current year. This was attributable to a \$0.6 million (3.9%) decrease in sewer/wastewater services, a \$0.2 million (2.5%) decrease in water utility services, and \$0.2 decrease in water-sewer combined services.

The \$0.6 million decrease in sewer/wastewater services was mainly attributed to a decrease of \$0.5 million in wastewater treatment charges due to a higher true-up credit in current year as compared to prior year. The overall decrease in water utility services and in water-sewer combined services was mainly due to a \$0.2 decrease in professional services and \$0.1 million decrease in meter purchases.



City of Pembroke Pines, Florida

Management's Discussion and Analysis

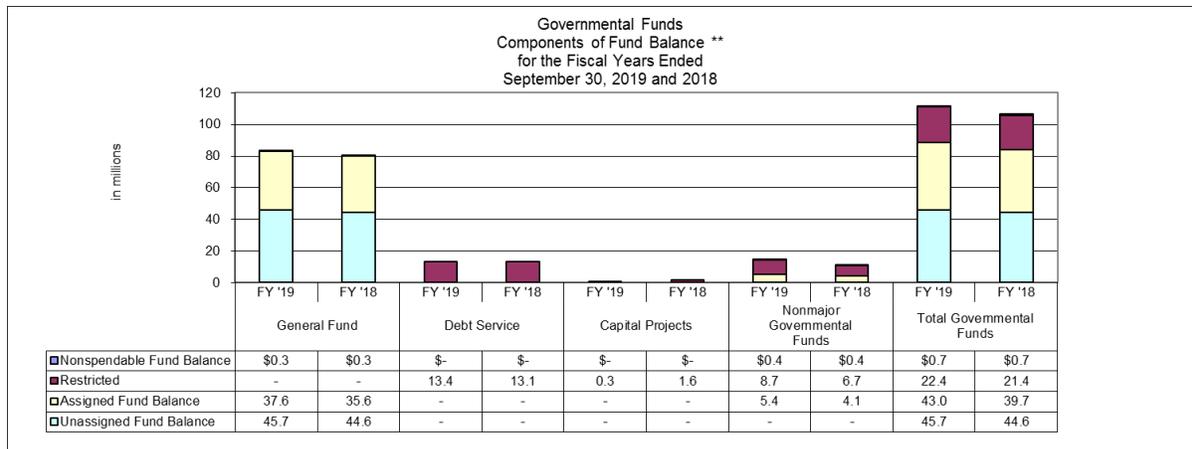
Financial Analysis of the City's Governmental Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$111.8 million, an increase of \$5.4 million in comparison with the \$106.4 million in prior year. Overall, governmental funds' assets increased by \$13.1 million and liabilities increased by \$7.7 million compared to last year.

Approximately \$45.7 million (40.9%) of total governmental fund balance represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted or assigned to indicate it is not available for new spending because it has already been set aside for a variety of purposes, such as construction projects, debt service, and grant expenditures, or has been assigned by the City administration for disaster assistance, rent payments and subsequent year's budget.



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

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

General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$45.7 million, as compared with \$44.6 million in the prior year. For fiscal year 2019, unassigned fund balance represents 24.0% of total general fund expenditures, excluding transfers. Assigned fund balance increased to \$37.6 million from \$35.6 million, the majority of which is assigned for the subsequent year's budget and disaster assistance.

General Fund Revenues:

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

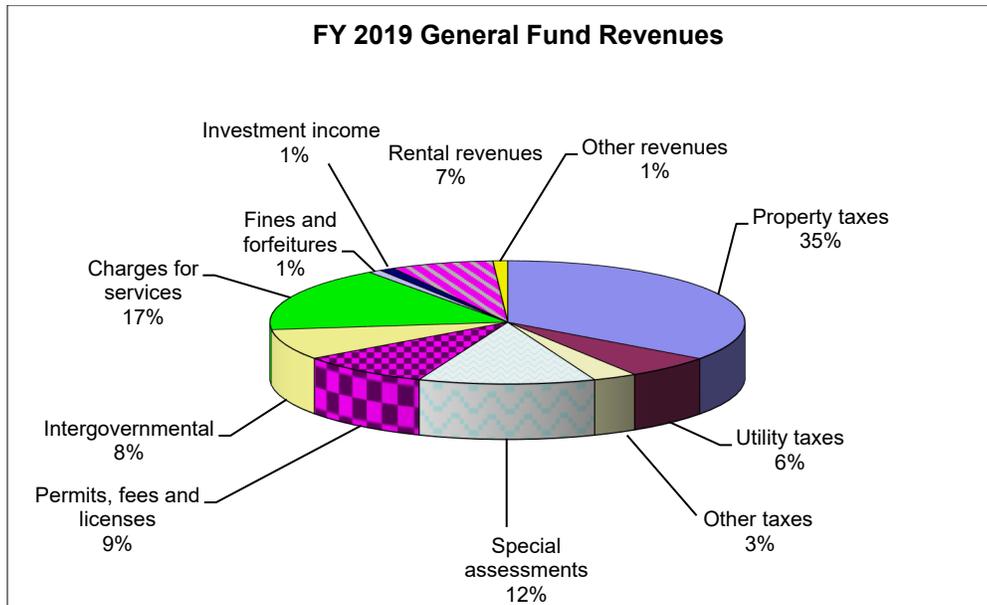
<u>Revenue Sources:</u>	General Fund Revenues (in millions) **					
	<u>2019</u>	Percent	<u>2018</u>	Percent	Increase	% Increase
	<u>Amount</u>	of	<u>Amount</u>	of	(Decrease)	(Decrease)
		<u>Total</u>		<u>Total</u>	<u>From 2018</u>	<u>From 2018</u>
Property taxes	\$68.8	35%	\$64.6	35%	\$4.2	7%
Utility taxes	11.5	6%	11.8	6%	(0.3)	-3%
Other taxes	6.6	3%	6.1	2%	0.5	8%
Special assessments	24.7	12%	24.9	13%	(0.2)	-1%
Permits, fees and licenses	17.4	9%	17.5	9%	(0.1)	-1%
Intergovernmental	16.7	8%	16.5	9%	0.2	1%
Charges for services	32.9	17%	31.1	16%	1.8	6%
Fines and forfeitures	1.7	1%	1.3	1%	0.4	31%
Investment income	2.9	1%	1.3	1%	1.6	123%
Rental revenues	14.0	7%	13.6	7%	0.4	3%
Other revenues	0.1	1%	0.3	1%	(0.2)	-70%
Total revenues	\$197.3	100%	\$189.0	100%	\$8.3	4%

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

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

Compared to the prior fiscal year, total General Fund revenues increased by \$8.3 million or 4% in fiscal year 2019. This was mainly attributed to a \$4.2 million increase in property taxes, \$1.8 million increase in charges for services, and \$1.6 million increase in investment income.

The \$4.2 million increase in property tax revenues is mainly due to a 5.5% increase in property taxable values from the previous year. The \$1.8 million increase in charges for services was mainly attributed to a \$1.3 million increase in administrative fees. The \$1.6 million increase in investment income was attributed to the increase in interest rates.



General Fund Expenditures:

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

General Fund Expenditures (in millions) **

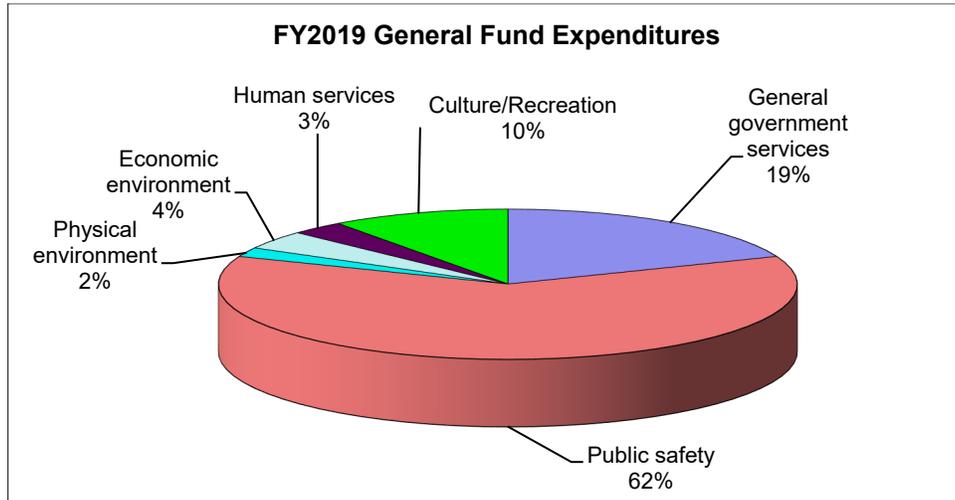
<u>Expenditures:</u>	<u>2019</u>	Percent	<u>2018</u>	Percent	Increase	% Increase
	Amount	of	Amount	of	(Decrease)	(Decrease)
		Total		Total	From 2018	From 2018
General government services	\$ 37.1	19%	\$ 30.8	18%	\$ 6.3	20%
Public safety	117.5	62%	115.9	64%	1.6	1%
Physical environment	3.0	2%	3.0	2%	0.0	0%
Economic environment	8.1	4%	7.3	4%	0.8	11%
Human services	5.7	3%	5.8	3%	(0.1)	-2%
Culture/Recreation	19.0	10%	18.2	10%	0.8	4%
Total expenditures	\$ 190.4	100%	\$ 181.0	101%	\$ 9.4	5%

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

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

In fiscal year 2019, total General Fund expenditures increased by \$9.4 million (5%) compared to prior fiscal year.

Overall, salaries and benefits have increased by \$9.4 million mainly due to a \$6.5 million additional contribution to the City's general pension fund and an increase in salaries mainly due to additional positions for the police department.



Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund increased by \$0.3 million (2.3%) as compared with fiscal year 2018. Additional information can be found in the Capital Assets and Debt Administration section on pages 19-20.

Capital Projects Fund

The fund balance for the Capital Projects Fund decreased by \$1.3 million, which is restricted.

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

Unrestricted net position at the end of the year for the Utility Fund amounted to \$87.1 million compared to \$75.5 million in the prior year. This increase is mainly due to increase in revenues.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

General Fund Budgetary Highlights

Revenues

Actual revenues were \$1.1 million or 0.6% greater than the final budget due mostly to offsetting variances in the following categories:

- **Miscellaneous** - \$1.9 million favorable variance was due mainly to strong market conditions allowing for budget surpluses in the interest and investment accounts. This was slightly offset by a \$0.2 million shortfall in rents and royalties.
- **Charges for services** - \$0.5 million unfavorable variance resulted mostly from the Early Development Centers (EDCs) being below plan.

Expenditures

Actual expenditures excluding transfers to other funds were \$16.3 million or 7.9% below the final budget due largely to unspent appropriations/budget savings in the following functions:

- **General government services** - \$8.1 million of unspent appropriations throughout various divisions. The administrative services variance of \$5.6 million consisted of \$5.4 million and \$0.2 million in the Technology Services and Planning Departments, respectively. The Technology Services Department carried over \$1.7 million of unspent appropriations, predominantly capital, to fiscal year 2020. The \$1.7 million in unspent appropriations for public services pertains to \$0.6 million for operating; mainly repair and maintenance, and \$1.1 million for capital. Almost the entire unspent public services budget was carried forward to fiscal year 2020.
- **Culture and recreation** - \$4.4 million budget savings consisted mainly of \$0.9 million in operating and \$3.5 million in capital line items, respectively. Savings in the operating category included \$0.2 million for personnel line items, attributable primarily to vacant positions, and \$0.7 million for non-personnel lines, due principally to repairs and maintenance as well as professional services. Savings in the capital category were associated mainly with \$1.5 million for the Dream Park/Spring Valley new community center and \$1.6 million for renovation of the Academic Village pool as well as the Chapel Trail Soccer Park. The majority, or 92.9%, of unspent appropriations were carried forward to fiscal year 2020.
- **Public Safety** – variance of \$2.2 million included positive variances of \$1.8 million and \$0.8 million in the police and fire sub-functions, respectively, which was slightly offset by the unfavorable \$0.4 million variance in emergency and disaster relief services. The positive variances in the police and fire sub-functions composed of \$0.5 million and \$2.1 million in the operating and capital categories, respectively. The operating amount included \$0.2 million for employee compensation and \$0.3 million for numerous non-personnel items, chiefly operating supplies and contractual services. The savings in the personnel lines were mainly the result of vacant positions. The \$2.1 million unspent capital budget consisted mainly of \$0.8 million for improvements at the shooting range, \$0.7 million for completion of the fire training facility, and \$0.5 million for equipment, primarily vehicles. All of the unspent capital budget was carried over to fiscal year 2020.
- **Physical environment** - \$0.9 million budget savings included principally \$0.2 million and \$0.7 million in operating and capital line items, respectively. Unspent capital appropriations were attributable mainly to vehicles that were not purchased and re-landscaping of Flamingo Road from Pembroke Road to Sheridan Street. Approximately 97.9% of the unspent capital budget was carried forward to fiscal year 2020.
- **Human services** - \$0.5 million budget savings occurred between the community service and the education sub-functions. Community Service savings of \$0.3 million included primarily \$0.1 million for repairs and maintenance as well as \$0.2 million for security cameras. Approximately 81.1% of the unspent budget was carried forward to fiscal year 2020. The savings in education primarily reflects \$0.1 million for employee compensation and the remainder for non-personnel operating lines.

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

Fund balance was originally projected to decrease by \$4.8 million; subsequent budget amendments reflected an anticipated unfavorable change of \$14.4 million due mainly to appropriations brought forward from prior year. However, the actual change in fund balance was a favorable \$3.1 million, which translated to a \$17.6 million favorable variance from the final budget. This variance was attributable to budget savings/unspent appropriations as detailed in the preceding paragraphs.

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

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2019, amounted to \$542.9 million (net of accumulated depreciation), compared with \$541.8 million last fiscal year, as restated. 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 \$1.1 million (0.2%).

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

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2019	2018	2019	2018 (1)	2019	2018 (1)
Capital assets, not being depreciated:						
Land	\$53.5	\$53.5	\$3.0	\$3.1	\$56.5	\$56.6
Construction in progress	11.1	9.8	8.9	6.7	20.0	16.5
Total capital assets, not being depreciated	<u>64.6</u>	<u>63.3</u>	<u>11.9</u>	<u>9.8</u>	<u>76.5</u>	<u>73.1</u>
Capital assets, being depreciated, net						
Buildings	220.7	227.6	28.7	28.7	249.4	256.3
Improvements other than buildings (1)	65.7	69.9	110.1	111.2	175.8	181.1
Machinery and equipment	23.4	17.7	9.6	5.5	33.0	23.2
Infrastructure	8.2	8.1	-	-	8.2	8.1
Total capital assets, being depreciated, net	<u>318.0</u>	<u>323.3</u>	<u>148.4</u>	<u>145.4</u>	<u>466.4</u>	<u>468.7</u>
Total capital assets	<u>\$382.6</u>	<u>\$386.6</u>	<u>\$160.3</u>	<u>\$155.2</u>	<u>\$542.9</u>	<u>\$541.8</u>

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

(1) For fiscal year 2018, improvements other than buildings, net for Business-type Activities have been restated. See Note 6.

Additions to capital assets for governmental activities included, but are not limited to the following:

- \$1.2 million was spent to purchase ladder trucks.
- \$1.0 million was spent to purchase police trucks.
- \$2.1 million was spent to purchase equipment.
- \$2.9 million was spent in improvements other than building.
- \$1.3 million was spent in the ERP

Additions to capital assets for business-type activities included but are not limited to the following:

- \$1.2 million was spent in the sewer treatment rehabilitation.
- \$3.5 million was spent in the water main improvements.
- \$2.5 million was spent to purchase equipment.

Additional information on the City's capital assets can be found in Note 6 starting on page 69 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 \$289.8 million. The majority of the City's outstanding debt is secured by specified revenue sources.

Outstanding Debt (in millions)
Revenue and General Obligation Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenue Bonds	\$ 215.6	\$ 225.9	\$ 6.5	\$ 7.4	\$ 222.1	\$ 233.3
General Obligation Bonds	67.7	70.3	-	-	67.7	70.3
Total	<u>\$ 283.3</u>	<u>\$ 296.2</u>	<u>\$ 6.5</u>	<u>\$ 7.4</u>	<u>\$ 289.8</u>	<u>\$ 303.6</u>

The reduction in total debt outstanding was a result of normal debt service expenditures for principal and interest.

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

On February 11, 2019 S&P Global Rating lowered its long-term rating and underlying rating to A- from A for the communication services tax revenue bonds. At the same time, S&P Global Ratings affirmed its A+ long-term and underlying rating on the public improvement revenue bonds. Additional information on the City's long-term debt can be found in Note 9.

City of Pembroke Pines, Florida

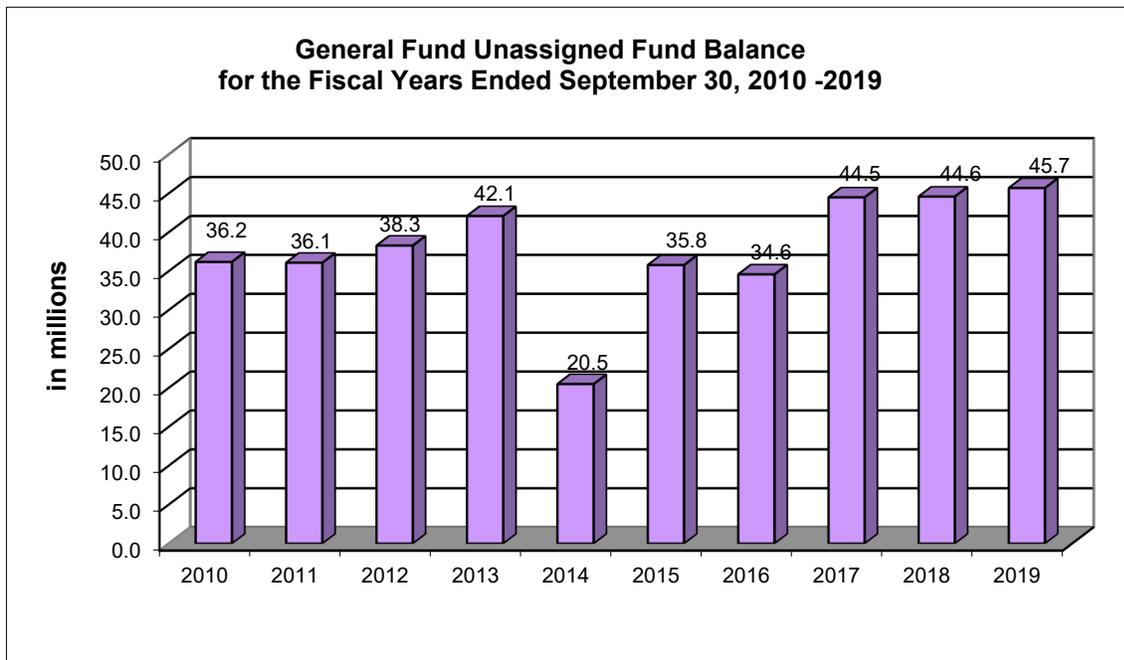
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The City's local economy is primarily based upon retail and service activities. The occupancy rate of the City's retail establishments and office structures remains at approximately 96%. Only 4% of the City remains undeveloped. As the City nears build-out, its focus will be on redevelopment.

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2019 was 3.0%, as compared to 3.2% a year ago. This compares favorably to unemployment rates for Broward County, which was 3.2%, and 3.3% for the State of Florida for the same period.

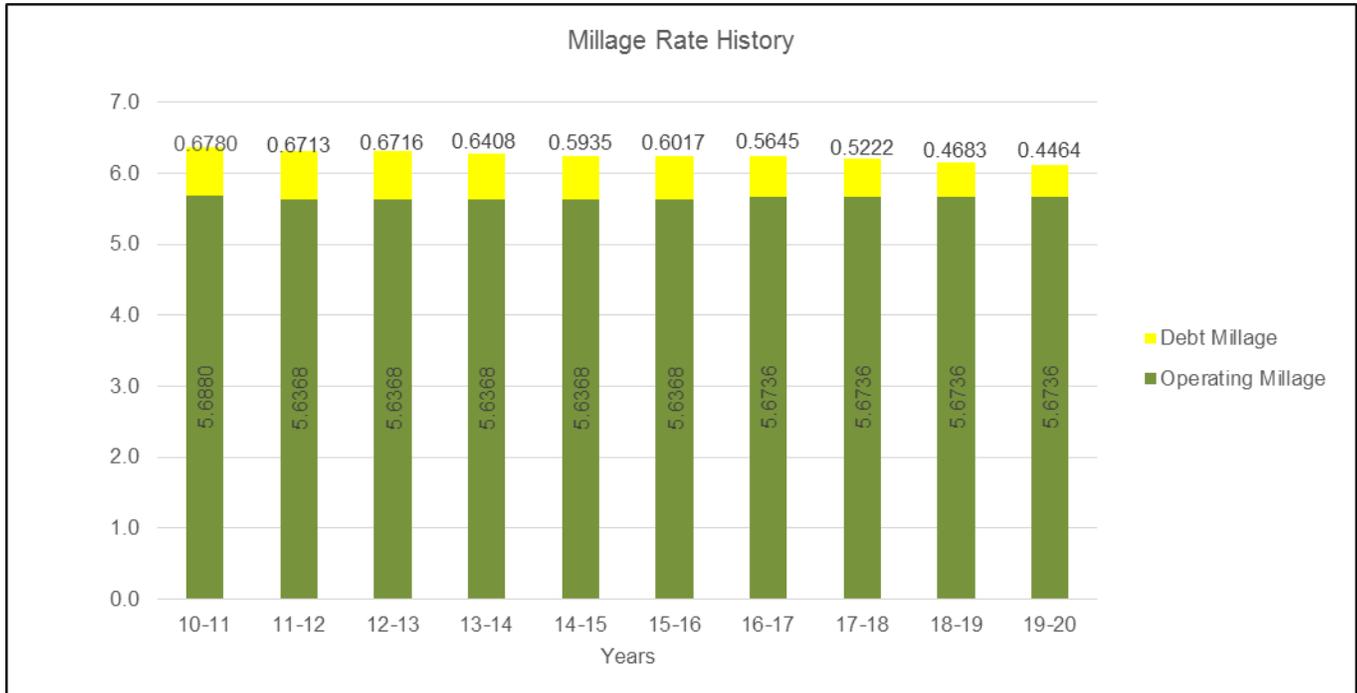
During fiscal year 2019, unassigned fund balance in the General Fund increased by \$1.1 million to \$45.7 million, compared to \$44.6 million from last year. The City has assigned \$37.6 million for next year's budget which includes, police improvements, and disaster assistance.



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

General Fund

For fiscal year 2020, the largest revenue source, Ad Valorem (property) Tax, which is 35.5% of the total general fund revenue budget, is budgeted at 5.6736 for the operating millage rate, generating \$68.8 million, which is \$4.6 million higher than fiscal year 2019 adopted budget. This increase is attributable to a 5.5% increase in taxable values. The debt service millage reflects a decrease of 0.0219 mills, moving from 0.4683 to 0.4464 mills. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.



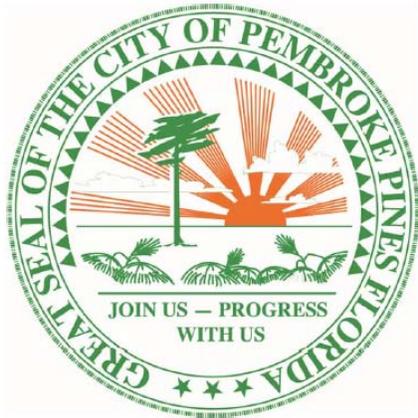
The 2020 expenditure budget of \$209.1 million is \$9.2 million greater than the fiscal year 2019 adopted budget of \$199.8 million. The major attributes to the increase are public safety and public services. Compared to fiscal year 2019, there is an increase of \$7.1 million in public safety. This includes a \$4.7 million in salary and benefits and a \$2.2 increase in capital expenses. The increase in public services is attributed to an increase in operating expenses.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world. The COVID-19 coronavirus outbreak in the United States has resulted in a disruption of the City's operations. Economic uncertainties have arisen which may negatively impact the net position of the City during the year ending September 30, 2020. While the disruption is expected to be temporary, there is uncertainty around the duration and spread of the outbreak. Therefore, we are unable to estimate the extent of the impact of COVID-19 on our operational and financial performance at this time.

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 Lisa Chong, Finance Director, Finance Department, City of Pembroke Pines, 601 City Center Way, Pembroke Pines, Florida 33025.



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Basic Financial Statements



Government-wide Financial Statements

City of Pembroke Pines, Florida
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 53,649,361	\$ 58,822,789	\$ 112,472,150
Investments:			
Marketable securities	66,038,147	-	66,038,147
Real estate	1,477,611	28,126,762	29,604,373
Receivables, net	15,879,400	7,464,608	23,344,008
Inventories	223,591	-	223,591
Restricted assets:			
Pooled cash and cash equivalents	21,015,428	8,224,290	29,239,718
Prepaid costs	124,669	39,977	164,646
Net Pension Asset	-	241,515	241,515
Unamortized prepaid bond insurance	709,438	-	709,438
Capital assets, not being depreciated	64,629,055	11,913,933	76,542,988
Capital assets, being depreciated, net	318,020,376	148,345,830	466,366,206
Total assets	541,767,076	263,179,704	804,946,780
Deferred outflows of resources			
Interest rate swaps	11,274,871	-	11,274,871
Deferred charge on refundings	8,904,308	-	8,904,308
Pension related	58,037,819	2,371,239	60,409,058
OPEB related	43,610,624	3,286,330	46,896,954
Total deferred outflows of resources	121,827,622	5,657,569	127,485,191
Liabilities			
Accounts payable and accrued liabilities	21,875,648	3,891,047	25,766,695
Deposits	2,686,207	-	2,686,207
Internal balances	488,740	(488,740)	-
Unearned revenue	4,937,693	-	4,937,693
Payable from restricted assets:			
Deposits	880,518	4,590,897	5,471,415
Noncurrent liabilities:			
Due within one year	26,118,640	886,891	27,005,531
Due in more than one year	295,102,491	5,723,762	300,826,253
Net pension liability	201,940,794	-	201,940,794
Net OPEB liability	81,860,801	7,173,674	89,034,475
Total liabilities	635,891,532	21,777,531	657,669,063
Deferred inflows of resources			
Interest rate swaps	11,274,871	-	11,274,871
Pension related	29,180,033	1,193,332	30,373,365
OPEB related	11,924,658	897,421	12,822,079
Grant	1,096,139	-	1,096,139
Total deferred inflows of resources	53,475,701	2,090,753	55,566,454
Net position			
Net investment in capital assets	151,680,283	156,517,943	308,198,226
Restricted for:			
\$2 Police Education	81,054	-	81,054
Debt Service	10,963,360	827,105	11,790,465
FDLE - Confiscated	1,121,565	-	1,121,565
Justice - Confiscated	430,695	-	430,695
Road & Bridge Fund	6,627,136	-	6,627,136
Treasury - Confiscated	505,655	-	505,655
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	40,978	-	40,978
Unrestricted	(197,669,376)	87,623,941	(110,045,435)
Total net position	\$ (25,772,535)	\$ 244,968,989	\$ 219,196,454

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Activities
Fiscal Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$ 29,121,715	\$ 21,294,797	\$ -	\$ -	\$ (7,826,918)	\$ -	\$ (7,826,918)
Public safety	108,975,222	33,428,144	627,187	154,077	(74,765,814)	-	(74,765,814)
Physical environment	2,904,812	-	-	-	(2,904,812)	-	(2,904,812)
Transportation	9,436,738	-	1,262,172	-	(8,174,566)	-	(8,174,566)
Economic environment	10,855,610	8,334,363	1,704,711	-	(816,536)	-	(816,536)
Human services	64,510,440	59,208,977	2,704,882	286,962	(2,309,619)	-	(2,309,619)
Culture/recreation	22,632,986	4,352,545	109,043	-	(18,171,398)	-	(18,171,398)
Interest on long-term debt	11,037,040	10,676,537	-	-	(360,503)	-	(360,503)
Total governmental activities	<u>259,474,563</u>	<u>137,295,363</u>	<u>6,407,995</u>	<u>441,039</u>	<u>(115,330,166)</u>	<u>-</u>	<u>(115,330,166)</u>
Business-type activities:							
Public safety	19,657	-	-	-	-	(19,657)	(19,657)
Water utility services	7,916,075	29,731,449	-	3,008,398	-	24,823,772	24,823,772
Sewer/wastewater services	14,703,028	30,890,068	47,900	2,686,746	-	18,921,686	18,921,686
Water-sewer combined service	30,407,704	241,103	-	-	-	(30,166,601)	(30,166,601)
Total business-type activities	<u>53,046,464</u>	<u>60,862,620</u>	<u>47,900</u>	<u>5,695,144</u>	<u>-</u>	<u>13,559,200</u>	<u>13,559,200</u>
Total	<u>\$ 312,521,027</u>	<u>\$ 198,157,983</u>	<u>\$ 6,455,895</u>	<u>\$ 6,136,183</u>	<u>(115,330,166)</u>	<u>13,559,200</u>	<u>(101,770,966)</u>
General revenues:							
Property taxes, levied for debt service					5,679,525	-	5,679,525
Property taxes, levied for general purposes					68,805,103	-	68,805,103
Utility taxes					14,379,623	-	14,379,623
Communications services tax					4,583,688	-	4,583,688
Insurance premium taxes					2,978,593	-	2,978,593
Local option gas taxes					2,984,213	-	2,984,213
Franchise fees					19,079,063	-	19,079,063
Local business tax					3,588,457	-	3,588,457
Intergovernmental revenue - unrestricted					17,347,646	-	17,347,646
Miscellaneous revenues					601,684	6,534	608,218
Investment earnings not restricted					3,541,444	1,625,658	5,167,102
Gain on sale of capital assets					115,002	-	115,002
Total general revenues					<u>143,684,041</u>	<u>1,632,192</u>	<u>145,316,233</u>
Change in net position					<u>28,353,875</u>	<u>15,191,392</u>	<u>43,545,267</u>
Net position, beginning, as restated (see Note 13)					<u>(54,126,410)</u>	<u>229,777,597</u>	<u>175,651,187</u>
Net position, ending					<u>\$ (25,772,535)</u>	<u>\$ 244,968,989</u>	<u>\$ 219,196,454</u>

See notes to basic financial statements.



Fund Financial Statements

City of Pembroke Pines, Florida

Balance Sheet Governmental Funds September 30, 2019

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and cash equivalents	\$ 37,211,338	\$ -	\$ -	\$ 14,321,592	\$ 51,532,930
Investment in marketable securities	48,722,401	-	-	988,626	49,711,027
Investment in real estate	800	-	1,476,811	-	1,477,611
Franchise fees and taxes receivable	5,292,736	-	-	486,393	5,779,129
Other receivables	4,351,749	-	-	6,606	4,358,355
Inventory	223,591	-	-	-	223,591
Prepaid costs	69,424	-	-	55,245	124,669
Due from other funds	7,361,386	-	-	-	7,361,386
Due from other governments	3,005,229	-	-	2,304,687	5,309,916
Restricted pooled cash and cash equivalents	880,518	13,428,375	6,219,442	487,093	21,015,428
Total assets	\$ 107,119,172	\$ 13,428,375	\$ 7,696,253	\$ 18,650,242	\$ 146,894,042
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 17,827,673	\$ 121	\$ 358,850	\$ 105,423	\$ 18,292,067
Retainage payable	187,983	-	-	-	187,983
Due to other funds	-	-	7,000,000	361,386	7,361,386
Due to other governments	67,324	-	-	-	67,324
Deposits	1,786,977	-	-	899,228	2,686,205
Unearned revenue	2,822,968	-	-	1,682,724	4,505,692
Deposits payable from restricted assets	880,518	-	-	-	880,518
Total liabilities	23,573,443	121	7,358,850	3,048,761	33,981,175
Deferred inflows of resources	-	-	-	1,096,139	1,096,139
Fund balances:					
Nonspendable:					
Inventory and prepaid costs	293,815	-	-	-	293,815
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	13,428,254	-	-	13,428,254
Capital projects	-	-	337,403	-	337,403
Road and sidewalks	-	-	-	6,460,603	6,460,603
Law enforcement	-	-	-	2,138,969	2,138,969
Wetland Mitigation	-	-	-	40,978	40,978
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	5,418,677	5,418,677
Subsequent year's budget	35,432,637	-	-	-	35,432,637
Unassigned	45,694,277	-	-	-	45,694,277
Total fund balances	83,545,729	13,428,254	337,403	14,505,342	111,816,728
Total liabilities, deferred inflows and fund balances	\$ 107,119,172	\$ 13,428,375	\$ 7,696,253	\$ 18,650,242	\$ 146,894,042

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2019

Fund Balances - Total governmental funds (page 25)	\$ 111,816,728
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	382,649,430
Deferred charge on refundings, included in deferred outflow of resources, relates to future periods and, therefore, is not reported in the funds.	8,904,308
Unamortized prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds.	709,438
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, is not reported in the funds.	(3,174,331)
Bonds payable, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(283,342,700)
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.	(12,722,772)
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(15,525,258)
Net pension asset and net pension liability are not due and payable in the current period, and, therefore, are not reported in the funds.	(201,958,179)
Net OPEB asset and net OPEB liability are not due and payable in the current period, and, therefore, are not reported in the funds.	(81,696,596)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds:	
Pension and OPEB related deferred outflows of resources	101,564,751
Pension and OPEB related deferred inflows of resources	(41,050,843)
Assets and liabilities of the internal service fund are included in the statement of net position adjusted by the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.	8,053,489
Net position of governmental activities (page 23)	\$ (25,772,535)

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, 2019

Revenues	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Taxes:					
Property taxes	\$ 68,805,104	\$ 5,679,525	\$ -	\$ -	\$ 74,484,629
Utility taxes	11,505,606	2,874,018	-	-	14,379,624
Communications services tax	-	4,583,688	-	-	4,583,688
Insurance premium taxes	2,978,593	-	-	-	2,978,593
Local option, use and fuel taxes	-	-	-	2,984,214	2,984,214
Local business tax	3,588,457	-	-	-	3,588,457
Special assessments	24,688,314	-	-	-	24,688,314
Permits, fees and licenses	17,415,939	784,888	-	1,614,987	19,815,814
Intergovernmental	16,708,465	-	-	54,836,641	71,545,106
Charges for services	32,860,244	-	-	1,693,142	34,553,386
Fines and forfeitures	1,729,766	-	-	113,172	1,842,938
Investment income	2,886,767	291,159	4,957	358,560	3,541,443
Contributions	32,765	-	307,000	605,392	945,157
Rental revenue	14,003,420	10,676,537	-	1,155,115	25,835,072
Other	135,479	-	-	1,811,530	1,947,009
Total revenues	<u>197,338,919</u>	<u>24,889,815</u>	<u>311,957</u>	<u>65,172,753</u>	<u>287,713,444</u>
Expenditures					
Current:					
General government	37,128,718	-	1,131,734	-	38,260,452
Public safety	117,545,641	-	-	303,219	117,848,860
Physical environment	2,973,063	-	-	16,460	2,989,523
Transportation	-	-	16,000	6,983,699	6,999,699
Economic environment	8,082,971	-	-	1,704,711	9,787,682
Human services	5,760,719	-	-	54,806,719	60,567,438
Culture and recreation	18,955,894	-	474,971	-	19,430,865
Debt Service:					
Principal	-	12,808,600	-	-	12,808,600
Interest	-	11,766,115	-	-	11,766,115
Total expenditures	<u>190,447,006</u>	<u>24,574,715</u>	<u>1,622,705</u>	<u>63,814,808</u>	<u>280,459,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,891,913</u>	<u>315,100</u>	<u>(1,310,748)</u>	<u>1,357,945</u>	<u>7,254,210</u>
Other financing sources (uses)					
Transfers in	-	-	-	2,709,006	2,709,006
Transfers out	(3,941,172)	-	-	(767,834)	(4,709,006)
Sale of equipment	169,031	-	-	-	169,031
Total other financing sources (uses)	<u>(3,772,141)</u>	<u>-</u>	<u>-</u>	<u>1,941,172</u>	<u>(1,830,969)</u>
Net change in fund balances	3,119,772	315,100	(1,310,748)	3,299,117	5,423,241
Fund balances, beginning	80,425,957	13,113,154	1,648,151	11,206,225	106,393,487
Fund balances, ending	<u>\$ 83,545,729</u>	<u>\$ 13,428,254</u>	<u>\$ 337,403</u>	<u>\$ 14,505,342</u>	<u>\$ 111,816,728</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, 2019

Amounts reported for governmental activities in the statement of activities (page 24)
are different because:

Net change in fund balances - total governmental funds (page 27) \$ 5,423,241

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 is as follows:

Capital outlay	\$ 15,117,726	
Depreciation expense	<u>(18,471,784)</u>	
Net adjustment		(3,354,058)

The net effect of various miscellaneous transactions involving capital assets		(680,065)
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net position.

The details of the difference are as follows:

Principal payments:		
General Obligation Bonds	2,540,000	
Capital Improvement Revenue Bonds	100,000	
Refunded Capital Improvement Revenue Bonds	3,173,500	
Refunded Public Improvement Revenue Bonds	3,905,100	
Refunded Taxable Revenue Bonds	<u>3,090,000</u>	
Total principal payments	12,808,600	
Prepaid Bond Insurance, Bond Discount/Premium and Loss on Refunded Bonds	<u>593,487</u>	
Net adjustment		13,402,087

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

The details of the difference are as follows:

Compensated absences		958,941
Accrued interest		135,590
Pension contributions		11,792,092
OPEB contributions		(1,323,953)
Transfers		2,000,000

Change in net position of governmental activities (page 24)		<u><u>\$ 28,353,875</u></u>
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City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2019

	Business-Type Activities <u>Enterprise Fund</u> <u>Utility Fund</u>	Nonmajor Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u>
Assets		
Current assets		
Pooled cash and cash equivalents	\$ 58,822,789	\$ 2,116,431
Investment in marketable securities	-	16,327,120
Investment in real estate	28,126,762	-
Accounts receivable, net	7,464,608	-
Prepaid costs	39,977	-
Total current assets	94,454,136	18,443,551
Noncurrent assets		
Net Pension Asset	241,515	17,385
Restricted pooled cash and cash equivalents	8,224,290	-
Capital assets, not being depreciated	11,913,933	-
Capital assets, being depreciated, net	148,345,830	-
Total noncurrent assets	168,725,568	17,385
Total assets	263,179,704	18,460,936
 Deferred outflows of resources		
Pension related	2,371,239	16,478
OPEB related	3,286,330	53,969
Total deferred outflows of resources	5,657,569	70,447
 Liabilities		
Current liabilities		
Accounts payable	3,386,807	153,945
Retainage payable	427,843	-
Compensated absences	45,147	33,250
Claims payable	-	9,585,073
Accrued interest payable	76,397	-
Current portion of bonds payable	841,744	-
Total current liabilities	4,777,938	9,772,268
Noncurrent liabilities		
Customer deposits payable from restricted assets	4,590,897	-
Compensated absences	17,238	12,078
Long-term portion of bonds payable	5,706,524	-
Net OPEB liability	7,173,674	164,205
Total noncurrent liabilities	17,488,333	176,283
Total liabilities	22,266,271	9,948,551
 Deferred inflows of resources		
Pension related	1,193,332	23,694
OPEB related	897,421	16,909
Total deferred inflows of resources	2,090,753	40,603
 Net position		
Net investment in capital assets	156,517,943	-
Restricted for debt service	827,105	-
Unrestricted	87,135,201	8,542,229
Total net position	244,480,249	\$ 8,542,229
 Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and enterprise fund over time		
	488,740	
Net position of business type activities (page 23)	\$ 244,968,989	

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2019

	Business-Type Activities <u>Enterprise Fund</u> <u>Utility Fund</u>	Nonmajor Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 60,862,620	\$ 16,370,275
Other	54,434	5,381,055
Total operating revenues	<u>60,917,054</u>	<u>21,751,330</u>
Operating expenses:		
Operating, administrative and maintenance	45,476,103	22,645,671
Depreciation	7,060,598	-
Total operating expenses	<u>52,536,701</u>	<u>22,645,671</u>
Operating income (loss)	<u>8,380,353</u>	<u>(894,341)</u>
Nonoperating revenues and (expenses):		
Investment income	1,625,658	894,341
Interest expense	(233,935)	-
Loss on disposal of capital assets	(275,828)	-
Total nonoperating revenues	<u>1,115,895</u>	<u>894,341</u>
Income before contributions and transfers	9,496,248	-
Capital contributions	5,695,144	-
Transfers in	-	2,000,000
Total contributions and transfers	<u>5,695,144</u>	<u>2,000,000</u>
Change in net position	15,191,392	2,000,000
Net position, beginning as restated (see Note 6)	<u>229,288,857</u>	<u>6,542,229</u>
Net position, ending	<u>\$ 244,480,249</u>	<u>\$ 8,542,229</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2019

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 59,548,394	\$ 16,370,275
Cash received from customers for deposits	202,899	-
Cash payments to suppliers for goods and services	(25,220,690)	(23,535,597)
Cash payments to employees for services	(2,568,194)	(70,391)
Interfund services used	(18,108,573)	(3,112)
Other operating revenues	54,434	5,381,055
Net cash provided by (used for) operating activities	<u>13,908,270</u>	<u>(1,857,770)</u>
Cash flows from noncapital financing activities:		
Due from the Municipal Construction Fund	5,800,000	2,000,000
Net cash provided by noncapital financing activities	<u>5,800,000</u>	<u>2,000,000</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(813,279)	-
Acquisition and construction of capital assets	(10,054,920)	-
Interest paid on revenue bonds	(243,422)	-
Proceeds from sale of equipment	31,460	-
Capital contributions	3,274,112	-
Net cash (used for) capital and related financing activities	<u>(7,806,049)</u>	<u>-</u>
Cash flows from investing activities:		
Purchase of marketable securities	-	(750,000)
Proceeds from sale of real estate investments	750,000	2,400,000
Purchase of real estate investments	(1,197)	-
Income on cash and cash equivalents	1,625,658	96,727
Net cash provided by investing activities	<u>2,374,461</u>	<u>1,746,727</u>
Net increase in equity in pooled cash and cash equivalents	14,276,682	1,888,957
Pooled cash and cash equivalents at beginning of year	52,770,397	227,474
Pooled cash and cash equivalents at end of year	<u>\$ 67,047,079</u>	<u>\$ 2,116,431</u>
Displayed as:		
Unrestricted	\$ 58,822,789	\$ 2,116,431
Restricted	8,224,290	-
Total pooled cash and cash equivalents	<u>\$ 67,047,079</u>	<u>\$ 2,116,431</u>

(continued)

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2019
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 8,380,349	\$ (894,341)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	7,060,597	-
Pension expense	(77,320)	(49,499)
OPEB expense	1,433,356	39,794
Change in assets and liabilities:		
Decrease (increase) in customer accounts, net	(1,314,226)	-
Decrease (increase) in prepaid costs	(1,950)	-
Decrease (increase) in pension related outflow of recourses	(750,246)	(32,257)
Decrease (increase) in OPEB related outflow of recourses	140,313	22,633
Increase (decrease) in accounts payable	1,609,464	(542,945)
Increase (decrease) in compensated absences	(53,460)	8,749
Increase (decrease) in customer deposits	202,899	-
Increase (decrease) in insurance claims payable	-	(388,642)
Increase (decrease) in net pension liability	(1,620,993)	15,779
Increase (decrease) in net OPEB liability	(1,100,513)	(37,041)
Net cash provided by (used for) operating activities	\$ 13,908,270	\$ (1,857,770)
Noncash Capital and Financing Activities		
Contributed capital improvements	\$ 2,421,033	\$ -

See notes to the basic financial statements.

CITY OF PEMBROKE PINES, FLORIDA
Statement of Net Position
Fiduciary Funds
September 30, 2019

	<u>Pension and OPEB Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and short term investments	\$ 15,997,956	\$ 1,891,614
Accrued interest and dividend receivables	834,883	-
Other receivables	10,927,980	2,915,817
Prepaid expenses	2,468,385	-
Investments, at fair value		
U.S. Government securities	6,811,531	-
Corporate bonds	89,913,988	-
Common stocks	245,083,868	-
Domestic equity fund	127,348,282	-
International equity fund	44,498,529	-
Real estate fund	60,887,962	-
Timber fund	8,034,489	-
Farmland fund	17,535,129	-
Mutual funds	351,133,892	-
Total investments	<u>951,247,670</u>	<u>-</u>
Capital assets, being depreciated, net	324,138	-
Total assets	<u>981,801,012</u>	<u>4,807,431</u>
Liabilities		
Accounts payable	731,224	2,947,458
Accrued liabilities	-	1,859,973
Reserve for health insurance claims	1,104,707	-
Total liabilities	<u>1,835,931</u>	<u>4,807,431</u>
Net Position		
Net position restricted for pension benefits	884,454,205	-
Net position restricted for OPEB benefits	95,510,876	-
Total net position restricted for benefits	<u>\$ 979,965,081</u>	<u>\$ -</u>

See notes to basic financial statements.

CITY OF PEMBROKE PINES, FLORIDA
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2019

	<u>Pension and OPEB Trust Funds</u>
Additions	
Contributions:	
Plan members	\$ 3,438,087
Employer	50,971,414
State	2,978,593
Total contributions	57,388,094
Investment income	44,440,465
Less investment expenses	4,048,559
Net investment income	40,391,906
Other additions:	
Specific stop loss and medical claims recovery	531,716
Total other additions	531,716
Total additions	98,311,716
Deductions	
Benefit payments and insurance premiums	56,476,560
Refunds of contributions	65,557
Administrative expenses	994,442
Total deductions	57,536,559
Change in net position	40,775,157
Net position, beginning	939,189,924
Net position, ending	\$ 979,965,081

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, 2019

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 educational facilities to its residents 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 City's significant 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 (amended by GASB No. 61) and No.39 relating to "The Financial Reporting Entity." The criterion used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself.

Blended Component Units

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

Discretely Presented Component Units

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

b. Government-wide and Fund Financial Statements

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the City recognizes revenue at the time the expenditure is incurred. The City considers the availability period of grant revenues susceptible to accrual to be a year.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The *Pension and Other Post-Employment Benefit (OPEB) trust funds* account for the activities of the General Employees' Pension Plan (GEPP) and the City's Pension Fund for the Firefighters and Police Officers (CPFFPO), which accumulate resources for pension benefits. The OPEB Trust Fund accounts for activities related to the City's retiree health and life insurance benefits.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance

1. Deposits and Investments

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

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

2. Interfund Receivables and Payables

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance (continued)

3. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Financial 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.

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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost.

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.

The City's capitalization threshold for intangible assets is \$1,000. Intangible assets that are considered to have an indefinite useful life because there is no legal, contractual, regulatory, technological, or other factor that limits the useful life are not amortized. As used in these statements, accumulated depreciation includes amortization of intangibles assets.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance (continued)

5. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expenses when consumed rather than when purchased (consumption method).

6. Restricted Assets

Restricted assets include cash and investments of the governmental and enterprise funds that are legally restricted as to their use. The primary restricted assets of the governmental funds are related to amounts that the City is required to segregate in connection with the issuance of bonds, including sinking fund and reserve requirements, as well as amounts segregated for construction projects. The primary restricted assets of the enterprise fund are related to the Consolidated Utility System Revenue Bonds, Series 2010, and the customer utility deposits. See Note 5 for more details on the restricted assets.

7. Deferred Outflows/ (Inflows) of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. There are four items that qualify for reporting in this category: interest rate swaps, deferred charge on refundings, pension related activities and other post-employment benefit related activities, all of which are reported in the government-wide statement of net position.

The interest rate swaps represents the termination value balance of the outstanding derivative instruments and the deferred charge on refundings represents the difference in the carrying value of refunded debt and the reacquisition price, which is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City's deferred outflows of resources related to pensions are discussed in Note 14. The City's deferred outflows of resources related to other post-employment benefits are discussed in Note 13.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance (continued)

7. Deferred Outflows/ (Inflows) of Resources (continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenues) until that time. There are four items that qualify for reporting in this category: interest rate swaps, pension related activities, other post-employment benefit related activities and grant receivables. The interest rate swaps represent the fair value balance of the outstanding derivative instruments. The City's deferred inflows of resources related to pensions are discussed in Note 14. The City's deferred inflows of resources related to other post-employment benefits are discussed in Note 13. Grant receivables are reported in both the fund statement and the government-wide statement. The grant receivables represent the reimbursements for incurred expenditures that are routinely not filed within the government's availability period for certain eligible expenditures for a different expenditure-driven grant.

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 position. Bond premiums and discounts, as well as prepaid bond insurance 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. Prepaid bond insurance issuance costs are reported as unamortized bond issue costs and amortized over the term of the related debt. Effective October 1, 2013, only bond premiums, discounts and prepaid insurance costs are deferred and amortized over the life of the bonds, all other bond issue costs are expensed in the reporting period in which they are incurred.

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

9. Net Position/Fund Balance

Net Position. Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance (continued)

9. Net Position/Fund Balance (continued)

Fund Balance. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.

Assignments are made by the City Manager based on Commission direction. Commitments and assignments of fund balance have been established by the City Commission pursuant to a fund balance reserve policy adopted per Ordinance 1699 on September 7, 2011. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Unassigned fund balance is the residual classification for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amounts assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as unassigned fund balance. A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, Deferred Outflows/ (Inflows) of Resources, and Net Position/Fund Balance (continued)

10. Fund Balance Reserve Policy

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

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

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

e. Revenues and Expenditures/Expenses

1. Property Taxes

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues and Expenditures/Expenses (continued)

2. Compensated Absences

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

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

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension liability, fair value, compensated absences, 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, 2019

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, bridges, sidewalks, and streetlights
School Board of Broward County	Charter School Expenditures
Florida State University	Charter School Expenditures
Older Americans Act Grant	Grant Program Expenditures
Community Development Block Grant (CDBG)	Grant Program Expenditures
State Housing Initiative Program Grant (SHIP)	Grant Program Expenditures
Confiscated Law Enforcement Trust Funds – (Treasury Confiscated, Justice Confiscated, \$2 Police Education, and FDLE Confiscated)	Law Enforcement Expenditures

For the year ended September 30, 2019, 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, 2019

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

c. New Pronouncements

Pronouncements implemented in the current year:

GASB Statement 83, *Certain Asset Retirement Obligations* (GASB 83), addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of GASB 83 are effective for fiscal year 2019. The implementation of GASB 83 did not have a material impact on the City's financial statements.

GASB Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (GASB 88), improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of GASB 88 are effective for fiscal year 2019. The implementation of GASB 88 did not have a material impact on the City's financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented :

GASB Statement 84, *Fiduciary Activities* (GASB 84), improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of GASB 84 are effective for fiscal year 2020. The City is currently evaluating the impact, if any, that GASB 84 may have on its financial statements.

GASB Statement 87, *Leases* (GASB 87), increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for fiscal year 2021. The City is currently evaluating the impact, if any, that GASB 87 may have on its financial statements.

GASB Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* (GASB 89), establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for fiscal year 2021. The City is currently evaluating the impact, if any, that GASB 89 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented (continued):

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No 41 & 61* (GASB 90), improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization as well as the relevance of financial statement information for certain component units. The Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for fiscal year 2020. The City is currently evaluating the impact, if any, that GASB 90 may have on its financial statements.

GASB Statement 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement achieves these objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for fiscal year 2021. The City is currently evaluating the impact, if any, that GASB 91 may have on its financial statements.

GASB Statement 92, *Omnibus 2020*, enhances the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics and includes specific provisions regarding GASB Statement 87, Leases, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and Terminology used to refer to derivative instruments. The requirements of GASB 92 are effective at various dates in fiscal year 2020 and 2021. The City is currently evaluating the impact, if any, that GASB 92 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS

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

Deposits and investments as of September 30, 2019 are classified in the accompanying financial statements as follows:

Statement of net position:	<u>Balance</u>	
Cash and cash equivalents	\$ 112,472,150	
Investments:		
Marketable securities	66,038,147	
Real estate	29,604,373	
Restricted assets:		
Pooled cash and cash equivalents	29,239,718	\$ 237,354,388
Statement of net position - Fiduciary Funds:		
Cash and short-term investments	15,997,956	
Investments	951,247,670	967,245,626
Total cash and investments	<u>\$ 1,204,600,014</u>	<u>\$ 1,204,600,014</u>

Cash on hand, deposits and investments as of September 30, 2019 consist of the following:

Governmental and Business-type investments:	<u>Balance</u>	
Cash on hand	\$ 19,184	
Deposits with financial institutions	30,347,670	
Florida PRIME	111,345,015	
Florida Municipal Investment Trust (FMIvT)	28,796,949	
Certificate of deposit	2,588,704	
Investments held with external Investment manager	34,652,494	
Investment in real estate	29,604,373	\$ 237,354,388
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	15,403,602	
Investments	665,516,217	
General Employees Pension Fund:		
Investments in mutual funds	191,450,983	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	594,354	
Investments	94,280,470	967,245,626
Total cash and investments	<u>\$ 1,204,600,014</u>	<u>\$ 1,204,600,014</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

General Investment Policy Guidelines

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

List of Authorized Investments:

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

List of Authorized Investments (continued)

(g) State or local government taxable and tax-exempt debt, general obligation and/or revenue bonds rated at least "A3" by Moody's or "A-" by Standard & Poor's for long-term debt or rated at least MIG-2 by Moody's or SP-2 Standard & Poor's for short-term debt.

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

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

(j) U.S dollar denominated debt obligations of domestic or foreign corporations, or foreign sovereignties issued in the U.S. or in foreign markets having two of the following three minimum ratings: BBB, Baa2, or BBB, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investors Service rating services. However, if such obligations are rated by only one rating service, then such rating shall be at least A-, A3, or A- by Standard & Poor's, or Moody's or Fitch.

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Public Deposits

At September 30, 2019, the book balance of the City's public deposits was \$30,347,670 and the bank balance was \$33,462,225. The institutions in which the City's monies are deposited are certified as Qualified Public Depositories pursuant to Florida Statutes, Chapter 280 - *Florida Security for Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository. The Investment Policy allows for a maximum of 50% of the portfolio may be deposited with any one financial institution.

Investments in External Investments Pools

State Board of Administration (SBA)

The State Board of Administration (SBA) was created by the Florida Constitution and is governed by a three-member Board of Trustees (Trustees), comprised of the Governor as Chair, the Chief Financial Officer and the Attorney General. The SBA's Local Government Surplus Funds Trust Fund currently known as the Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the Office of the Florida Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

As of September 30, 2019, the City had \$111,345,015 invested in the Florida PRIME. The investments of the Florida PRIME are not restricted as to deposits or withdrawals. Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures, and the account balance should also be considered the fair value of the investment.

Florida Municipal Investment Trust (FMIVT)

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

Florida Municipal Investment Trust (FMIvT) (continued)

The State Board of Administration's Local Government Surplus Funds Trust Fund and the Florida Municipal Investment Trust (FMIvT) are not registrants with the Securities and Exchange Commission (SEC) and is not subject to other regulatory oversight; however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. Oversight is provided by a Board of Trustees consisting of the President (or appointee) and Second Vice President of the Florida League of Cities (FLOC), two appointed representatives from the Florida Municipal Insurance Trust, and three additional appointed members who are elected officials of municipalities (city, town or village) who actively participate in the Trust. In addition, an Investment Advisory Committee comprised of Finance Directors from throughout the state, assists the Administrator with developing and maintaining the investment guidelines and policies of the Trust. The City invests operating funds in the following funds:

<u>FMIvT Bond Funds:</u>	<u>Balance</u>
0-2 Year High Quality Bond Fund	\$ 25,299,069
1-3 Year High Quality Bond Fund	3,341,683
Intermediate High Quality Bond Fund	156,197
Total FMIvT Bond Funds	<u>\$ 28,796,949</u>

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. Part of the investments are measured at the net asset value (NAV), which is exempt from GASB 72 disclosure. As of September 30, 2019, \$258,304,391 out of \$665,516,217 of the Firefighters and Police Officers pension fund are measured at the NAV.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

General Employees' Pension Investments

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.

The General Employees' Pension Investments are measured using the net assets value (NAV) per share practical expedient. Therefore, they are exempt from the GASB 72 fair value hierarchy disclosures.

Other Post-Employment Benefits (OPEB) Investments

The Other Post Employment Benefit (OPEB) Trust Fund is invested with various investment managers in both the fixed income, equity funds, and real estate. Refer to investment managers as shown in the table below:

	<u>Balance</u>
TD Bank Money Market	\$ 399,373
State Board of Administration	194,981
Investment Accounts:	
Fiduciary Trust	7,066
Lee Munder Capital Group - Mid Cap Core	5,916,585
Atlanta Capital Management - Small Cap Core	8,306,936
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income	27,152,178
State Street Global Advisors	20,431,585
Intercontinental Real Estate Corporation	4,311,670
Black Rock US Core Property Fund	4,246,395
Loomis Sayles & Company - Loomis Large Cap Growth Trust	12,557,294
Aristotle	11,350,761
Total cash and investments	<u><u>\$ 94,874,824</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate

City Center Property

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

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

Prior to fiscal year 2018, the City sold portions of land for \$38,327,167 and recognized a net gain on sale of \$4,258,740.

In fiscal year 2018, the City sold 2 portions of land for \$21,795,404 and recognized a gain of \$8,362,344.

At the fiscal year ended September 30, 2019, the investment in real estate for City Center is valued at \$9,377,447, which approximates fair value of the remaining unsold parcels of land.

United States Postal Service

On October 28, 2015, the City bought the United States Postal Service located at 16000 Pines Boulevard for \$17,940,783. In fiscal year 2018, the City sold a portion of it for \$11,491,428 and recognized a gain of \$2,829,056. At the fiscal year ended September 30, 2019, the fair value of the remaining investment in real estate is estimated at \$11,963,910.

Weekley

On December 29, 2016, the City bought the property at 20710 SW 54th Place for \$385,000. At the fiscal year ended September 30, 2019, the fair value of this investment in real estate is estimated at \$410,287.

Vardaman

On February 15, 2017, the City bought the Vardaman Property at 20700 SW 54th Place for \$775,000. At the fiscal year ended September 30, 2019, the fair value of this investment in real estate is estimated at \$800,444.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate (continued)

Pando

On June 5, 2017, the City bought the Pando Property located at 5400 SW 208th Lane for \$5,500,000. At the fiscal year ended September 30, 2019, the fair value of this investment in real estate is estimated at \$5,574,117.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table below as of September 30, 2019.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Years to Maturity</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments	\$ 281,150	-	-	0.2%
Treasuries	14,366,858	1.75	1.70	8.1%
Mortgage pass-through	13,377	15.59	0.40	0.0%
Collateralized mortgage obligations (Agency & Private)	2,503,490	7.25	2.22	1.4%
Asset-backed securities	4,252,640	3.38	1.55	2.4%
Corporate bonds	13,223,360	2.13	2.03	7.5%
CD's	2,588,704	1.00	1.00	1.5%
<u>Investment in External Investment Pools:</u>				
FMLvT -0-2 Year high quality bond fund	25,299,069	0.70	0.67	14.3%
FMLvT -1-3 Year high quality bond fund	3,341,683	1.50	1.44	1.9%
FMLvT -Intermediate high quality bond fund	156,197	4.30	3.75	0.1%
Florida PRIME	111,345,015	0.09	0.20	62.8%
Total Governmental & Business-type Fixed Income	\$ 177,371,543			100.0%
Weighted average effective duration of the Governmental & Business-type activities			0.67	
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. agencies	\$ 6,811,531	4.72	4.25	4.2%
Fixed income mutual funds	65,402,439	1.62	1.56	40.3%
Corporate bonds	89,913,988	5.05	4.53	55.5%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 162,127,958			100.0%
Weighted average effective duration of Police & Fire Pension Fund			3.32	
General Employees Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal global investors core plus bond separate account	\$ 73,136,444		-	82.7%
Mellon capital management bond market index	3,827,518		5.48	4.3%
Principal US property separate account	11,508,441		-	13.0%
Total Fixed Income General Employees Pension Fund	\$ 88,472,403			100.0%
Weighted average effective duration of the General Employees Pension Fund			1.45	
Other Post-Employment Benefit (OPEB) Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds	\$ 16,303,500	4.48	0.25	60.0%
Government bonds	9,588,628	12.40	8.09	35.3%
Mortgage-backed securities	1,147,686	9.10	2.37	4.2%
US Treasury	112,365	0.45	0.45	0.4%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	\$ 27,152,179			100.0%
Weighted average effective duration of the Other Post-Employment Benefits Trust Fund			4.42	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Governmental and Business-type Investments

The City limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio. The Operating Investment Policy of the City states that the average effective duration of the portfolio as a whole may not exceed five (5) years, and that no more than 30% of the total investment in debt securities shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes the maturities of the underlying securities of a repurchase agreement. The Operating Investment Policy of the City limits the investment in collateralized mortgage obligations to a maximum of 30% of the portfolio. The maximum effective duration for an investment in any mortgage-backed security issued by a Federal Instrumentality is ten (10) years, and for a private corporation is five (5) years. A maximum of 50% of the City's operating investments may be directly invested in the combined categories of commercial paper and corporate obligations. The maximum duration for corporate obligations is five (5) years for both fixed and variable rate securities. The weighted average days to maturity and the weighted average life of the Florida PRIME as of September 30, 2019 are 37 days and 85 days, respectively.

Firefighters and Police Officers Pension Investments

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 General Employees' Pension Investment Policy allows for various authorized investments including all the separate accounts offered by the Principal Financial Group. In the event that the Principal Financial Group deems it necessary to offer or discontinue any separate account(s), the City Administration is authorized to execute the necessary documents to implement the change. Currently, all the investments of the General Employees' Pension Fund are invested in the separate accounts of the Principal Financial Group which operate like a mutual fund, since the investments are not evidenced by securities that exist in physical or book entry form. The General Employees' Pension Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of U.S. 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, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy allows for various authorized investments including all the investment accounts offered by the Fiduciary Trust International of the South and State Street Global Advisors. Currently, the investments of the OPEB Trust Fund are invested in fixed income, equities, and mutual funds. The OPEB Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of U.S. government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Investment Type	Credit Quality Rating			Fair Value
	Fitch	S&P	Moody's	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments		AAAm	Aaa	\$ 281,150
Treasuries		AA+	Aaa	14,366,858
Mortgage pass-through		AA+	Aaa	13,377
Collateralized mortgage obligations (Agency & Private)		AA+	Aaa	2,503,490
Asset-backed securities		AAA	Aaa	4,252,640
Corporate		A	A2	13,233,360
CD's				2,588,704
<u>Investment in External Investment Pools:</u>				
FMIVT -0-2 Year high quality bond fund	AAAf/S1			25,299,069
FMIVT -1-3 Year high quality bond fund	AAAf/S2			3,341,683
FMIVT -Intermediate high quality bond fund	AAAf/S3			156,197
Florida PRIME		AAAm		111,345,015
Total Governmental & Business-type Fixed Income				\$ 177,381,543
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
Corporate/foreign bonds		A1		\$ 9,837,946
Corporate/foreign bonds		A2		21,080,886
Corporate/foreign bonds		A3		29,374,480
Corporate/foreign bonds		Aa1		2,646,549
Corporate/foreign bonds		Aa2		4,702,800
Corporate/foreign bonds		Aa3		4,176,030
Corporate/foreign bonds		Aaa		37,637,312
Corporate/foreign bonds		Aa		2,535,833
Corporate/foreign bonds		A		8,441,949
Corporate/foreign bonds		Baa		11,531,597
Corporate/foreign bonds		Ba		1,364,302
Corporate/foreign bonds		B		12,220,668
Corporate/foreign bonds		Baa1		8,726,845
Corporate/foreign bonds		Bbb		2,248,372
Corporate/foreign bonds		Bb		1,433,529
Corporate/foreign bonds		Caa		32,483
Corporate/foreign bonds		Ccc		269,936
Corporate/foreign bonds		Not rated		3,866,441
Total Fixed Income Firefighters and Police Officers Pension Fund				\$ 162,127,958
General Employees' Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal global investors core plus bond separate account		Not rated		\$ 73,136,444
Mellon capital management bond market index		Not rated		3,827,518
Principal US property separate account		Not rated		11,508,441
Total Fixed Income General Employees' Pension Fund				\$ 88,472,403
Other Post-Employment Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds	A	AA	A2	\$ 16,303,500
Government bonds	AAA	AA+	Aaa	9,588,628
Mortgage-backed securities	AAA	AA+	Aaa	1,147,686
US Treasury	Not rated	Not rated	Not rated	112,365
Total Fixed Income -Other Post-Employment Benefits Trust Fund				\$ 27,152,179

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Governmental and Business-type Investments

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

The Operating Investment Policy of the City does not specify a credit quality rating for its mortgage-backed securities. However, the City currently uses the rating established for corporate bonds. Currently, the mortgage pass-throughs, Federal Agencies (AGY), and the commercial mortgage-backed securities (CMBS) are rated "AAA" by Standard and Poor's. The Operating Investment Policy limits the exposure of mortgage-backed securities to a maximum of 30% of the portfolio.

The Operating Investment Policy stipulates that corporate bonds must have two (2) of the following three minimum ratings: BBB, Baa2, or BBB, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investor Service rating services, respectively. However, if such obligations are rated by one rating service, then such rating shall be at least A-, A3, or A- by Standard and Poor's, Moody's or Fitch, respectively. The City's operating investments in corporate bonds were rated A by Standard and Poor's and A2 by Moody's, respectively, and investments in corporate bonds – Non-U.S. were rated AA- by Standard and Poor's and Aa3 by Moody's, respectively.

The Florida PRIME is currently rated AAAm by Standard and Poor'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 Firefighters and Police Officers Pension Investment Policy stipulates that fixed investments must have a minimum credit quality of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below "BAA" shall be liquidated within a reasonable time as determined by the Investment Manager, but not to the detriment of the Firefighters and Police Officers Pension Plan. If the Investment Manager determines it is prudent to hold an investment that has been downgraded below BAA, they will be required to report to the Board on the status of the bonds and the reason for holding the downgraded bond.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

General Employees' Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy sets no minimum credit quality rating for the investment accounts of the Fiduciary Trust International of the South and State Street Global Advisors. The investment accounts comprise of fixed income, equity, commingled pools, and mutual funds. The fixed income portfolio's ratings from Fitch, Standard and Poor's, and Moody's range from A to AAA, AA to AA+, and Aaa to A2, respectively.

Concentration of Credit Risk

Concentration risk exists when investments are concentrated in one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investment are excluded from the concentration of credit risk disclosure requirements.

The City of Pembroke Pines' Operating Investment Policy does not allow for an investment in any one issuer that is in excess of five percent (5%) of the City's total investments. This limitation also applies to the Firefighters and Police Officers Pension Plan. The General Employees' Pension Plan is not subject to concentration of credit risk, custodial credit risk or foreign currency risk, as the investments of Plan operate like mutual funds, and are not evidenced by securities that exist in physical or book entry form.

Custodial Credit Risk - Deposits

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and they are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

All deposits of the City are either covered by depository insurance or are collateralized by the pledging financial institution's trust department or agent in the City's name.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterparty or by the counterparty's trust department or agent but not in the government's name. It is the City's policy that all investments purchased by the City be designated as an asset of the City in the City's name, despite being held in safekeeping by the City's custodial bank or a third-party custodial institution, chartered by the United States Government or the State of Florida. Therefore, consistent with policy, all identifiable investment securities of the City are either insured or are registered in the Custodian's Street name for the benefit of the City and are held by the counterparty's trust department or agent. Investments in mutual funds and external investment pools are not subject to custodial credit risk.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Security prices are obtained from a pricing service, Interactive Data Corporation. Therefore, the prices are based on market-corroborated data rather than publicly quoted prices. Level 3 inputs are significant unobservable inputs. Level 3 inputs are developed using a government's own data and cannot be corroborated by observable market data.

The overall valuation process and information sources by major investment classification are as follows:

1. Equity securities: These include common stocks and international equity funds. They are valued at the last reported sales price on the last business day of the fiscal year. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.
2. Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies and corporate bonds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.
3. Alternative investments: These investments include real estate equity and venture capital investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2019. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

4. Commercial real estate: A level 3 input would be a financial forecast (for example, of cash flows or earnings) developed using a government's own data if there is no reasonably available information that indicates that market participants would use different assumptions.
5. Interest rate swaps: A level 3 input would be an adjustment to a midmarket consensus (nonbinding) price for a swap developed using data that are not directly observable and cannot otherwise be corroborated by observable market data.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

The City has the following recurring fair value measurements as of September 30, 2019:

Investment Type	Balance	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments	\$ 281,150	\$ -	\$ 281,150	\$ -
Treasuries	14,366,858	14,366,858	-	-
Mortgage pass-through	13,377	-	13,377	-
Collateralized mortgage obligations (Agency & Private)	2,503,490	-	2,503,490	-
Asset-backed securities	4,252,640	-	4,252,640	-
Corporate	13,233,360	-	13,233,360	-
CD's	2,588,704	-	2,588,704	-
<u>Investment in External Investment Pools:</u>				
FMIvT -0-2 Year high quality bond fund	25,299,069	-	25,299,069	-
FMIvT -1-3 Year high quality bond fund	3,341,683	-	3,341,683	-
FMIvT -Intermediate high quality bond fund	156,197	-	156,197	-
Real estate	29,604,373	-	-	29,604,373
Total Governmental & Business-type Fixed Income	\$ 95,640,901	\$ 14,366,858	\$ 51,669,670	\$ 29,604,373
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed	\$ 6,811,531	\$ -	\$ 6,811,531	\$ -
Corporate/foreign bonds	89,913,988	-	89,913,988	-
Fixed Income Mutual Funds	65,402,439	-	65,402,439	-
Domestic equities	245,083,868	245,083,868	-	-
Total Firefighters and Police Officers Pension Fund	\$ 407,211,826	\$ 245,083,868	\$ 162,127,958	\$ -
Other Post-Employment Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds	\$ 16,303,499	\$ 16,303,499	\$ -	\$ -
Government bonds	9,588,628	9,588,628	-	-
Mortgage-backed securities	1,147,686	1,147,686	-	-
US Treasury	112,365	112,365	-	-
Fiduciary Trust	7,066	7,066	-	-
Lee Munder Capital Group - Mid Cap Core	5,916,585	5,916,585	-	-
Atlanta Capital Management - Small Cap Core	8,306,936	8,306,936	-	-
State Street Global Advisors	20,431,585	-	20,431,585	-
Intercontinental Real Estate Corporation	4,311,670	-	-	4,311,670
Black Rock US Core Property Fund	4,246,395	-	-	4,246,395
Loomis Sayles & Company - Loomis Large Cap Growth Trust	12,557,294	12,557,294	-	-
Aristotle	11,350,761	11,350,761	-	-
Total Other Post-Employment Benefits Trust Fund	\$ 94,280,470	\$ 65,290,820	\$ 20,431,585	\$ 8,558,065

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

<u>Investment Type</u>	<u>Balance</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments Measured at the Net Asset Value (NAV)				
<u>Managed by External Investment Manager:</u>				
Florida PRIME	\$ 111,345,015			
Firefighters and Police Officers Pension Fund:				
Real estate funds	60,887,962			
Farmland funds	17,535,129			
Timber funds	8,034,489			
Commingled equity funds	171,846,811			
General Employees' Pension Fund	191,450,983			
Total Investments Measured at the NAV	\$ 561,100,389			
Total Investments Measured at Fair Value	\$ 1,158,233,586			
Investment Derivative Instruments				
Interest rate swaps (liability)	\$ (11,274,871)	\$ -	\$ -	\$ (11,274,871)
Total Investment Derivative Instruments	\$ (11,274,871)	\$ -	\$ -	\$ (11,274,871)

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the City's alternative investments measured at NAV as of September 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Investment in External Investment Pools:</u>				
Florida PRIME	\$ 111,345,015	\$ -	Daily	1 day
Total Governmental & Business-type Fixed Income	\$ 111,345,015	\$ -		
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
Real estate funds	60,887,962	-	Quarterly	10-90 Days
Farmland funds	17,535,129	-	Annual	90 Days
Timber funds	8,034,489	-	N/A	N/A
Commingled equity funds	171,846,811	-	Daily	Same Day
Total Firefighters and Police Officers Pension Fund	\$ 258,304,391	\$ -		
General Employees' Pension Fund:	\$ 191,450,983	\$ -	Daily	1 day
Total General Employees' Pension Fund	\$ 191,450,983	\$ -		

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2019 are as follows:

<u>Receivables</u>	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ 8,773,941	\$ 8,773,941
Franchise fees and taxes	5,292,736	486,393	-	5,779,129
Due from other governments	3,005,229	2,304,687	-	5,309,916
Other receivables	4,351,749	6,606	-	4,358,355
Gross receivables	12,649,714	2,797,686	8,773,941	24,221,341
Less: allowance for uncollectible accounts	-	-	(1,309,333)	(1,309,333)
Net total receivables (fund statements)	\$ 12,649,714	\$ 2,797,686	\$ 7,464,608	\$ 22,912,008
Municipal dedication fees	-	432,000	-	432,000
Net total receivables (gov't-wide)	\$ 12,649,714	\$ 3,229,686	\$ 7,464,608	\$ 23,344,008

NOTE 5. RESTRICTED ASSETS

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest at September 30, 2019 are as follows:

<u>Restricted assets</u>	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>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	\$ -	\$ 13,242,625	\$ -	\$ -	\$ -	\$ 13,242,625
General Obligation Bonds sinking fund	-	185,750	-	-	-	185,750
Restricted for construction projects	-	-	6,219,442	-	-	6,219,442
Restricted for Utility System Bonds	-	-	-	-	8,224,290	8,224,290
Restricted for wetland mitigation	-	-	-	487,093	-	487,093
Customer deposits	880,518	-	-	-	-	880,518
Total restricted assets	\$ 880,518	\$ 13,428,375	\$ 6,219,442	\$ 487,093	\$ 8,224,290	\$ 29,239,718

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 53,534,768	\$ -	\$ -	\$ 53,534,768
Construction-in-progress	9,813,620	6,753,741	(5,473,074)	11,094,287
Total capital assets, not being depreciated	<u>63,348,388</u>	<u>6,753,741</u>	<u>(5,473,074)</u>	<u>64,629,055</u>
Capital assets, being depreciated:				
Buildings	311,728,178	420,860	(84,313)	312,064,725
Improvements other than buildings	159,109,606	1,066,064	-	160,175,670
Machinery and equipment	64,537,753	11,638,671	(1,497,627)	74,678,797
Infrastructure	41,263,019	711,464	-	41,974,483
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	<u>576,699,863</u>	<u>13,837,059</u>	<u>(1,581,940)</u>	<u>588,954,982</u>
Less accumulated depreciation for:				
Buildings	(84,054,714)	(7,335,179)	36,255	(91,353,639)
Improvements other than buildings	(89,153,618)	(5,305,254)	-	(94,458,872)
Machinery and equipment	(46,941,683)	(5,209,522)	865,620	(51,285,585)
Infrastructure	(33,165,126)	(615,697)	-	(33,780,823)
Intangibles	(49,556)	(6,131)	-	(55,687)
Total accumulated depreciation	<u>(253,364,697)</u>	<u>(18,471,784)</u>	<u>901,875</u>	<u>(270,934,606)</u>
Total capital assets, being depreciated, net	<u>323,335,166</u>	<u>(4,634,725)</u>	<u>(680,065)</u>	<u>318,020,376</u>
Governmental activities capital assets, net	<u>\$ 386,683,554</u>	<u>\$ 2,119,016</u>	<u>\$ (6,153,139)</u>	<u>\$ 382,649,431</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,056,488	\$ -	\$ -	\$ 3,056,488
Construction-in-progress	6,737,903	8,399,055	(6,279,513)	8,857,445
Total capital assets, not being depreciated	<u>9,794,391</u>	<u>8,399,055</u>	<u>(6,279,513)</u>	<u>11,913,933</u>
Capital assets, being depreciated:				
Buildings	40,684,635	813,828	-	41,498,463
Improvements other than buildings*	214,085,035	4,047,519	(853,478)	217,279,076
Machinery and equipment	12,091,001	5,495,064	(182,241)	17,403,824
Total capital assets, being depreciated	<u>266,860,671</u>	<u>10,356,411</u>	<u>(1,035,719)</u>	<u>276,181,363</u>
Less accumulated depreciation for:				
Buildings	(12,002,008)	(844,598)	-	(12,846,606)
Improvements other than buildings*	(102,902,170)	(4,811,736)	566,211	(107,147,695)
Machinery and equipment	(6,599,191)	(1,404,263)	162,222	(7,841,232)
Total accumulated depreciation	<u>(121,503,369)</u>	<u>(7,060,597)</u>	<u>728,433</u>	<u>(127,835,533)</u>
Total capital assets, being depreciated, net	<u>145,357,302</u>	<u>3,295,814</u>	<u>(307,286)</u>	<u>148,345,830</u>
Business-type activities capital assets, net	<u>\$ 155,151,693</u>	<u>\$ 11,694,869</u>	<u>\$ (6,586,799)</u>	<u>\$ 160,259,763</u>

*For fiscal year 2018, business-type activities capital assets, being depreciated, net have been restated resulting in an increase in Improvements other than buildings of \$5,779,237 and an increase in related accumulated depreciation of \$707,771.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 6. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 1,000,366
Public safety	4,495,403
Physical environment	400,624
Transportation	3,091,152
Economic environment	1,217,466
Human services	3,314,162
Culture/recreation	4,952,611
Total depreciation expense - governmental activities	<u>\$ 18,471,784</u>
Business-type activities:	
Water-sewer combined service	\$ 7,060,597
Total depreciation expense - business-type activities	<u>\$ 7,060,597</u>

Prior Period Adjustment

In fiscal year 2019, the City identified capital improvements in water and sewer infrastructures donated to the City by certain developers during the fiscal years 2014 through 2018 aggregating to \$5,071,466 that were not recorded as capital contributions at the time of donation. As a result, the City restated its net position opening balance for the fiscal year ended September 30, 2019, to reflect unrecorded capital contributions, net of accumulated depreciation as of September 30, 2018.

	<u>Business -Type Activities</u>
Net Position, September 30, 2018, as previously reported	\$ 224,706,131
Prior period adjustment contributed capital improvements	5,071,466
Net Position, September 30, 2018, as restated	<u>\$ 229,777,597</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2019 is follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 361,386	Provide temporary resources
General Fund	Capital Projects	7,000,000	Capital projects expenditures
Total		<u>\$ 7,361,386</u>	

Interfund Transfers:

Transfer in:				
	Nonmajor Governmental Funds	Internal Service Funds	Total	Purpose
Transfer out:				
General Fund	\$ 1,941,172	\$ 2,000,000	\$ 3,941,172	Supplement other funds
Nonmajor Governmental Funds	767,834		\$ 767,834	Supplement other funds
Total	<u>\$ 2,709,006</u>	<u>\$ 2,000,000</u>	<u>\$ 4,709,006</u>	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 8. LEASES

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, 2019 amounted to \$1,912,900. Cost and carrying amounts of these leased assets as of September 30, 2019 were as follows:

Land	\$ 1,068,835
Buildings	<u>95,772,696</u>
Total Cost	96,841,531
Less: Accumulated Depreciation	<u>(29,475,989)</u>
Book Value as of 9/30/19	<u>\$ 67,365,541</u>

Calvin, Giordano and Associates leases 4,768 square feet in the new City Hall. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 3,176 square feet to the Pines Care Medical Center. The City also leases an office to a podiatrist and the dining/gift shop area to a restaurant at the Multipurpose Center. These leases vary from 1 to 5 years and are included in the table below. 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, 2019, Club 19 leased facilities consisted of \$72,700 in land and \$212,077 in buildings for a total cost of \$284,777. The accumulated depreciation and the net book value of the property as of September 30, 2019 are \$145,884 and \$138,893, respectively. Depreciation expense for the year was \$4,242.

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 \$5,268 and \$66,863 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$1,844,921 from the tower rentals in the year ended September 30, 2019.

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 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 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, 2019

NOTE 8. LEASES (continued)

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 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at \$500,000, and buildings costing \$1,780,834 with a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2019 amounted to \$986,144 and \$1,294,690 respectively. Depreciation expense for the year was \$28,382.

On June 23, 1999, the City leased a site at the Pembroke Pines Academic Village to Broward College for the construction of the 26,000 square foot Southwest Broward County Center of Broward College. The terms call for a rental of \$1 per year for 40 years plus two additional 25-year options to renew. At the termination of the lease, all improvements made on the site by the Broward College will become the property of the City.

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children & Families for a 50-year period beginning July 1, 2001 (See Note 12. Commitments). As of September 30, 2019, the City had sub-leased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to, Citrus Health Network, Dept. of Children & Families, Dept. of Juvenile Justice, WestCare, Homes for Veteran, 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 Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City-operated Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of \$1,203,444 from the rental of buildings on the Campus for the year ended September 30, 2019.

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. Due to operational issues, the managing entities of SBA, the Broward Behavioral Health Coalition (BBHC) and the Florida Department of Children and Families (FDCF) terminated their agreement with SBA and facilitated a transition of SBA Services to another provider, WestCare. The City signed a new Sub-Sublease Agreement with WestCare effective April 8, 2019. 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, 2038. (See Note 9. "Long-Term Debt"). WestCare 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. Rent payable as of September 30, 2019 is \$308,563. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2019 amounted to \$1,923,006 and \$5,112,381 respectively. Depreciation expense for the year was \$140,708.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 8. LEASES (continued)

Operating Leases (continued)

The City receives various short-term rentals from religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2019, the City received rental income of \$1,851,990 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$6,325,104 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". Pines Point land cost is \$496,135 and its building costs are \$17,366,392. The accumulated depreciation and net book value of Pines Point as of September 30, 2019 amounted to \$7,584,407 and \$10,278,120, respectively, and depreciation expense for the year was \$340,369. Pines Place cost is \$55,778,161 and its accumulated depreciation and net book value as of September 30, 2019 amounted to \$14,586,597 and \$41,191,564, respectively, and depreciation expense for the year was \$1,115,869.

The City also maintains a storage lot for recreational vehicles and boats and trailers and received storage rentals amounting to \$398,851 for the year ended September 30, 2019. None of these short-term rentals are included in the following table.

The approximate minimum future rentals to be received, excluding expected lease renewals on non-cancelable operating leases as of September 30, 2019 are:

Fiscal year ending September 30:	
2020	\$ 2,400,000
2021	1,800,000
2022	1,600,000
2023	1,000,000
2024	700,000
2025-2029	3,400,000
2030-2034	2,700,000
2035-2038	2,500,000
Total minimum future rentals	<u>\$ 16,100,000</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2019 include the following (All capitalized terms are as defined in each bond issue's official documents):

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014) - On March 25, 2008, the City issued \$64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of \$29,405,000 and \$17,715,000, respectively. The 2008 Bonds have an outstanding balance of \$62,195,000 due in varying installments through July 1, 2038. They initially bear interest at the Weekly Rate but may be converted at the option of the City, to a Fixed Rate. The interest rate during each Weekly Rate Period will be determined by the Remarketing Agent. The 2008 Bonds shall not bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on parity with any Additional Parity Bonds. They are subject to optional and mandatory tender for purchase and to optional and mandatory redemption prior to maturity. Holders of the 2008 Bonds may elect to have their 2008 Bonds purchased on any Business Day, upon delivery of a Tender Notice to the Tender Agent seven days prior to the applicable Purchase Date. They are subject to redemption on any Business Day at the option of the City at a redemption price equal to 100% of the principal amount of such 2008 Bonds plus accrued interest to the date of redemption.

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

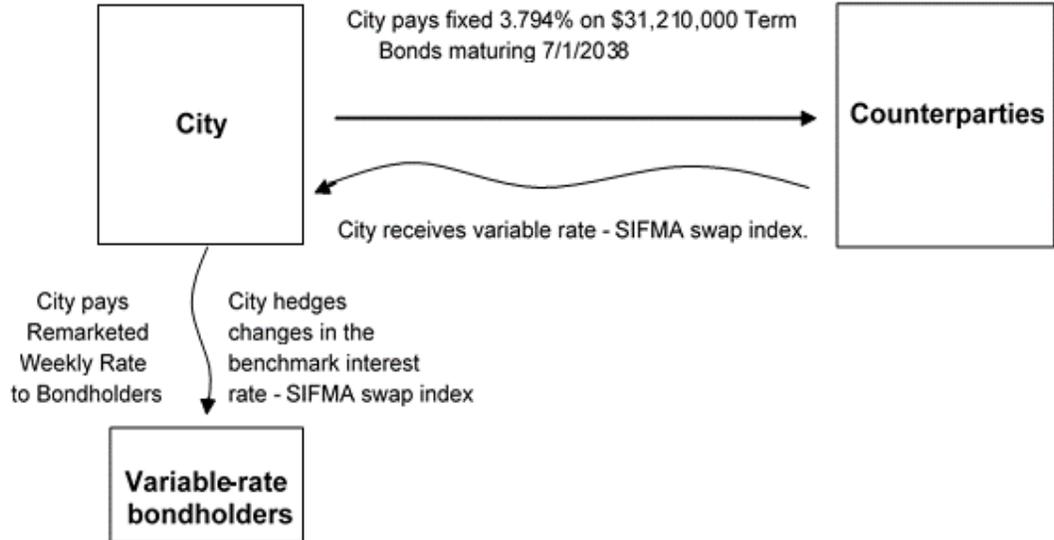
City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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



The Series 2008 Swap Transaction has an initial notional amount equal to the initial aggregate principal amount of the 2008 Bonds and will terminate at various times with the final termination date on the final maturity date of the 2008 Bonds, unless earlier terminated pursuant to the terms of the applicable 2008 Swap Transaction. The notional amount of the Series 2008 Swap Transaction will amortize at the same times and in the same amounts as the amortization of the 2008 Bonds. The City will pay a fixed rate of interest to each of the Swap Counterparties on their respective notional amounts equal to 3.794% and will receive in return from each of the Swap Counterparties a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Series 2008 Swap Transaction. It is anticipated by the City that the floating rate payable by each of the Swap Counterparties will approximate the interest rate on the 2008 Bonds while the 2008 Bonds bear interest in the Weekly Rate Mode. There is no guarantee, however, that such rates will match at all times or at any time.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

The City is exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds. The City's payment obligations under the Series 2008 Swap Transaction (except for Swap Termination Payments) will be payable from Pledged Revenues, on a parity with the payment of interest on the 2008 Bonds and are paid on a priority to principal payments on the 2008 Bonds.

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

On May 17, 2011, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of \$63,495,000. This transaction was necessitated by the expiration of the Stand-by Bond Purchase Agreement on March 25, 2011 which was extended to May 24, 2011. The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to Wells Fargo Bank, National Association ("Wells Fargo") and obtain a variable rate of SIFMA rate plus 0.89% for a three year term. The Series 2008 Bonds had four interest rate SWAPs for which the City paid fixed rates to the Counterparties and the Counterparties paid the City the SIFMA rate. During the three year period with Wells Fargo, the effective interest cost to the City was the fixed rates that the City paid to the Counterparties plus the 0.89% interest spread to Wells Fargo.

On May 29, 2014, the City reissued the Charter School Revenue Bonds, Series 2008 (the Series 2008 Bonds) in the principal amount of \$62,795,000. The City, with the advice of the Financial Advisor, was able to remarket the Series 2008 Bonds to PNC Bank, National Association (Bank) and obtain a variable rate of SIFMA rate plus 0.59% for a four year term with an expiration date of July 1, 2018. The City extended this agreement to July 1, 2019. The Series 2008 Bonds had four interest rate SWAPs for which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA rate. Two of the four SWAPs matured during fiscal year 2018. During the four year period with the Bank, the effective interest cost to the City is the fixed rates that the City pays to the Counterparties plus the 0.59% interest spread to the Bank. The City extended this agreement to November 7, 2019 at which time the bonds were refunded and replaced with \$58,985,000 Capital Improvement Revenue Bonds, Series 2019A (the "2019A" Bonds) and \$3,635,000 Taxable Capital Improvement Revenue Bonds, Series 2019B (the "2019B" Bonds), collectively the 2019 Bonds. The 2019 Bonds have staggered maturities through July 2038 and with fixed interest rates ranging between 2.4% and 5.0%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2019" is based on the 2.17% interest rate which was the SIFMA Rate (1.58%) in effect at the financial statement date of September 30, 2019 (per GASB Statement No. 38, paragraph 10) plus 0.59% interest spread to the Bank.

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2014)

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 100,000	\$ 1,329,405	\$ 1,429,405
2021	100,000	1,334,684	1,434,684
2022	100,000	1,332,534	1,432,534
2023	1,235,000	1,326,465	2,561,465
2024	1,520,000	1,305,807	2,825,807
2025-2029	14,310,000	5,874,982	20,184,982
2030-2034	23,170,000	3,750,391	26,920,391
2035-2038	21,660,000	1,110,886	22,770,886
Total	\$ 62,195,000	\$ 17,365,155	\$ 79,560,155

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (Reissued in September 2016) - On July 25, 2008, the City issued \$8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The Series 2008 Bonds initially will bear interest at the Weekly Rate, determined by the Remarketing Agent each Wednesday and payable on the first Wednesday of each month. Interest on the Series 2008 Bonds will be paid at the lesser of 12% per annum. The Issuer may change the interest rate determination method from time to time. A change in the method, other than a change between the Daily Rate and the Weekly Rate, will result in the Series 2008 Bonds becoming subject to mandatory tender for purchase on the effective date of such change.

These 2008 Bonds have an outstanding balance of \$7,221,000. They will mature on October 1, 2038, subject to optional redemption, purchase and tender. During any Daily Period or Weekly Period, the Series 2008 Bonds are subject to redemption by the Issuer, at the option of the Issuer, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2008 Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest. The Series 2008 Bonds shall be subject to mandatory tender by the Registered Owners for purchase. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2016, the Capital Improvement Revenue Refunding Bonds (Phase II of Forman Senior Housing Project), Series 2017, and any Additional Parity Franchise Revenue Bonds.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

On September 7, 2011, the City reissued the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, in the principal amount of \$8,040,000 based on a 2.0079% five year term Direct Purchase fixed rate with TD Bank as the Letter of Credit for these bonds expired on July 15, 2011 and was extended to September 15, 2011.

On September 30, 2016, the City remarketed the Series 2008 Bonds in the principal amount of \$7,636,000 to TD Bank based on a 1.66% seven year term Direct Purchase fixed rate, which resulted in a net present value savings of \$244,634. The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2019" is based on the 1.66% seven year term Direct Purchase fixed rate in effect at the financial statement date of September 30, 2019 (per GASB Statement No. 38, paragraph 10).

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 221,000	\$ 118,034	\$ 339,034
2021	231,000	114,283	345,283
2022	241,000	110,365	351,365
2023	253,000	106,265	359,265
2024	265,000	101,966	366,966
2025-2029	1,536,000	437,576	1,973,576
2030-2034	1,965,000	293,032	2,258,032
2035-2039	2,509,000	108,157	2,617,157
Total	\$7,221,000	\$1,389,677	\$8,610,677

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2010 - On June 22, 2010, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2010 in the amount of \$8,545,700 for the purpose of refunding the outstanding \$8,690,000 Capital Improvement Revenue Bonds, Series 1999 in order to realize a net interest cost savings. These Series 2010 Bonds have an outstanding balance of \$5,091,600 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2017, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2016, and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 505,100	\$201,184	\$ 706,284
2021	526,400	179,741	706,141
2022	551,000	157,345	708,345
2023	575,000	133,938	708,938
2024	598,400	109,546	707,946
2025-2027	2,335,700	148,401	2,484,101
Total	\$5,091,600	\$930,155	\$6,021,755

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 - On December 21, 2010, the City issued the Consolidated Utility System Revenue Bonds, Series 2010 in the amount of \$12,300,000 for the purpose of financing certain improvements and expansions to the City's consolidated utility system. These Bonds have an outstanding balance of \$6,548,267 due in varying installments through December 1, 2025. The outstanding bonds bear interest at the rate of 3.50%, with interest payable semi-annually on June 1st and December 1st. The Bonds are not subject to optional redemption prior to December 1, 2015. After December 1, 2015, they may be subject to optional redemption, at the direction of the Issuer, in whole or in part, on any day for which proper notice of redemption may be given in accordance with the Resolution at a redemption price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, plus a premium as set forth below:

	<u>Redemption Date</u>	<u>Premium</u>			
	December 2, 2015 through December 1, 2020	1%			
	December 2, 2020 and thereafter	0%			
			<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:					
2020	\$ 841,744	\$214,459	\$1,056,203		
2021	871,205	184,482	1,055,687		
2022	901,696	153,456	1,055,152		
2023	933,256	121,344	1,054,600		
2024	965,920	88,109	1,054,029		
2025-2026	2,034,446	71,819	2,106,265		
Total	<u>\$6,548,267</u>	<u>\$833,669</u>	<u>\$7,381,936</u>		

The principal and interest on these bonds are payable solely from and secured by a pledge of the Net Revenues of the System levied and collected by the Issuer, and the moneys in certain funds and accounts created pursuant to the Resolution.

Per Section 20.(E) of Resolution 3287 (Master Resolution), Net Revenues in each Fiscal Year are to be sufficient to pay 120% of the Bond Service Requirement on all Outstanding Bonds. In addition to this requirement, Net Revenues should be sufficient to provide any amounts required to be deposited into the Reserve Fund or with any Credit Facility Issuer as a result of a withdrawal from the Reserve Fund, the Renewal, Replacement and Improvement Fund, debt service on other obligations payable from the Revenues of the System, and other payments, and all allocations and applications of revenues.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 (continued)

The Master Resolution defines the following terms as follows:

- **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance.
- **Gross Revenues** are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.
- **Cost of Operations and Maintenance** means current expenses for the operation, maintenance and repair of the system, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.
- **Renewal, Replacement and Improvement Fund** is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

The Utility Fund Net Revenue rate covenant for the fiscal year ended September 30, 2019 of 493.46% was computed as follows:

Operating revenues	\$ 60,917,054
Plus: Investment income	1,625,658
Plus: Capital contributions	5,695,144
Less: Contributions in Aid of Construction	<u>(2,421,033)</u>
Gross Revenues	65,816,823
Less operating, administrative, and maintenance expenses	<u>(45,476,103)</u>
Net Revenues of the System	<u>\$ 20,340,720</u>
Principal payment & interest expense	1,047,213
Reserve for renewals & replacements (RR&I)	<u>3,074,873</u>
Total bond service requirement & RR&I	<u>\$ 4,122,086</u>
 Bond service requirement & RR&I coverage (requirement is 120%)	 493.46%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013 – On October 15, 2013, the City issued \$35,300,000 bonds for the purpose of refunding \$34,660,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2003A. This refunding was undertaken to reduce total debt service payments over the next 19 years by \$268,481 and resulted in an economic gain of \$1,867,401. The Series 2013 Bonds have an outstanding balance of \$28,910,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.762%, 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 2014 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds may be subject to redemption prior to maturity, at the option of the City, on any business day, in whole or in part at a redemption price equal to the Make-Whole Redemption Price.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 1,375,000	\$ 1,465,187	\$ 2,840,187
2021	1,425,000	1,412,531	2,837,531
2022	1,480,000	1,352,555	2,832,555
2023	1,545,000	1,285,701	2,830,701
2024	1,610,000	1,213,222	2,823,222
2025-2029	9,330,000	4,758,397	14,088,397
2030-2034	12,145,000	1,827,851	13,972,851
Total	\$ 28,910,000	\$ 13,315,444	\$ 42,225,444

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014 – On September 10, 2014, the City issued \$41,540,000 bonds for the purpose of refunding \$41,075,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2004. This refunding was undertaken to reduce total debt service payments over the next 20 years by \$741,366 and resulted in an economic gain of \$3,585,134. The Series 2014 Bonds have an outstanding balance of \$34,705,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate from 0.55% to 4.706%, 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 2013 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 1,800,000	\$ 1,360,213	\$ 3,160,213
2021	1,845,000	1,311,675	3,156,675
2022	1,895,000	1,255,650	3,150,650
2023	1,955,000	1,193,094	3,148,094
2024	2,025,000	1,124,364	3,149,364
2025-2029	11,285,000	4,386,193	15,671,193
2030-2034	13,900,000	1,688,395	15,588,395
Total	\$ 34,705,000	\$ 12,319,584	\$ 47,024,584

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2014 – On September 10, 2014, the City issued \$29,040,000 bonds for the purpose of refunding (1) \$17,620,000 outstanding Public Improvement Revenue Bonds, Series 2004A, and (2) \$14,020,000 outstanding Public Improvement Revenue Bonds, Series 2004B. This refunding was undertaken to reduce total debt service payments over the next 21 years by \$402,963 and resulted in an economic gain of \$4,719,785. The Series 2014 Bonds have an outstanding balance of \$25,095,000 due in varying installments through October 1, 2034. The outstanding bonds bear an interest rate from 2.0% to 5.0%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2016. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 1,120,000	\$ 1,062,106	\$ 2,182,106
2021	1,170,000	1,010,706	2,180,706
2022	1,215,000	956,931	2,171,931
2023	1,275,000	907,431	2,182,431
2024	1,320,000	855,306	2,175,306
2025-2029	7,620,000	3,256,102	10,876,102
2030-2034	9,270,000	1,552,725	10,822,725
2035	2,105,000	49,850	2,154,850
Total	\$ 25,095,000	\$ 9,651,157	\$ 34,746,157

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds - The source of repayment of the General Obligation bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue. The outstanding General Obligation Bonds as of September 30, 2019 are as follows:

General Obligation Bonds, Series 2015 – On June 4, 2015, the City issued \$76,045,000 bonds for the purpose of (1) refunding \$36,690,000 outstanding General Obligations Bonds, Series 2005, (2) partial refunding \$34,410,000 outstanding General Obligations Bonds, Series 2007, and (3) the issuance of an additional \$10 million General Obligations Bonds, which were used towards the construction of the new Civic Hall/City Center project. This refunding resulted in an economic gain of \$3,956,536; however, the total debt service payments did not reduce due to the additional \$10 million issuance. The Series 2015 Bonds have an outstanding balance of \$67,735,000 due in varying installments through September 1, 2036. The outstanding bonds bear an interest rate from 3.75% to 4.75%, payable semi-annually on March 1st and September 1st of each year. The Series 2015 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2015 Bonds. The bonds maturing on or after September 1, 2025 are subject to redemption at the option of the City, on or after September 1, 2025, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 2,665,000	\$ 3,230,938	\$ 5,895,938
2021	2,800,000	3,097,688	5,897,688
2022	2,940,000	2,957,688	5,897,688
2023	3,085,000	2,810,688	5,895,688
2024	3,240,000	2,656,438	5,896,438
2025-2029	18,665,000	10,808,838	29,473,838
2030-2034	23,320,000	6,154,138	29,474,138
2035-2036	11,020,000	767,122	11,787,122
Total	\$ 67,735,000	\$ 32,483,538	\$ 100,218,538

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Public Improvement Revenue Refunding Bonds, Series 2016 – On October 11, 2016, the City issued \$17,386,400 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 2006, maturing on and after October 1, 2016 totaling \$17,310,000. This refunding was undertaken to reduce total debt service payments over the next six years by \$308,090 and resulted in an economic gain of \$1,770,793. The Series 2016 Bonds have an outstanding balance of \$11,775,100 due in varying installments through October 1, 2022. The outstanding bonds bear an interest at rate of 1.340% with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2014, and any Additional Parity Bonds.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 2,888,900	\$ 138,431	\$ 3,027,331
2021	2,922,400	99,495	3,021,895
2022	2,963,900	60,056	3,023,956
2023	2,999,900	20,099	3,019,999
Total	\$ 11,775,100	\$ 318,081	\$ 12,093,181

Capital Improvement Revenue Refunding Bonds, Series 2017 - On May 24, 2017, the City issued \$45,960,000 bonds for the purpose of refunding \$30,505,000 outstanding Capital Improvement Revenue Refunding Bonds, Series 2006, and \$22,050,000 outstanding Capital Improvement Revenue Refunding Bonds, Series 2007. This refunding was undertaken to reduce total debt service payments over the next 20 years by \$526,287 and resulted in an economic gain of \$6,459,368. The Series 2017 Bonds have an outstanding balance of \$40,615,000 due in varying installments through December 1, 2036. They bear interest at rates which range from 2.00 % 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 on a parity with the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2010, and any Additional Parity Bonds and Additional Parity Franchise Revenue Bonds. The bonds maturing on or after June 1, 2027 are subject to redemption at the option of the City, on or after June 1, 2027, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2020	\$ 2,770,000	\$ 1,784,288	\$ 4,554,288
2021	2,895,000	1,670,988	4,565,988
2022	3,005,000	1,537,963	4,542,963
2023	3,145,000	1,384,213	4,529,213
2024	3,310,000	1,222,838	4,532,838
2025-2029	14,215,000	3,682,815	17,897,815
2030-2034	7,965,000	1,441,257	9,406,257
2035-2037	3,310,000	253,750	3,563,750
Total	\$ 40,615,000	\$ 12,978,112	\$ 53,593,112

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments

On March 25, 2008, the City issued \$64,095,000 Charter School Revenue Bonds, Series 2008. In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. Based on the consistency of the terms of the swaps and the variable-rate bonds, the City determines that the swaps are hedging derivative instruments using the consistent critical terms method. Two of the swaps matured in 2018. The fair value and notional amount of the derivative instruments outstanding at September 30, 2019 and the changes in fair value of such derivatives instruments for the year then ended as reported in the Fiscal Year 2019 financial statements are as follows:

Governmental Activities	<u>Changes in Fair Values</u>		<u>Fair Value</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>at September 30, 2019*</u>	<u>Amount</u>	
Cash flow hedges					
Pay-fixed interest rate swap	Deferred outflow	(\$5,559,950)	Deferred outflow	(\$11,274,871)	\$31,210,000

*The fair value is expressed from the point of view of the City.

The fair value balance and notional amount of the derivative instrument outstanding at September 30, 2019 are (\$11,274,871) in favor of the Counterparties and \$31,210,000 respectively.

The fair values of the interest rate swaps were provided by the Counterparties at mid-market. They were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

On November 7, 2019, the City terminated the swap agreements in connection with the refinance of the Charter School Revenue Bonds and made a payment of \$10,879,000.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at September 30, 2019, along with the credit rating of the associated counterparty:

<u>Type</u>	<u>Objective</u>	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u> S&P/Moody's/Fitch
Pay-fixed interest rate swap	Hedge of changes in cash flows on the City of Pembroke Pines' \$31,210,000 Charter School Revenue Bonds, Series 2008	Royal Bank of Canada	\$21,847,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aa3/AA
		The Bank of New York Mellon	\$ 9,363,000	3/25/2008	7/1/2038	Pay 3.794% receive SIFMA ⁽¹⁾ swap index	AA-/Aa1/AA-

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

Risks

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

Basis risk. The City is not exposed to basis risk on its pay-fixed interest rate swaps during the three year term beginning May 17, 2011 and four year term beginning May 29, 2014 plus an additional one-year extension because the variable-rate payments received by the City on these hedging derivative instruments and the interest rates that the City pays on its hedged variable-rate debt are based on the same SIFMA Municipal Index. The difference between these two rates are the constant 0.59% interest spread to the Bank. This interest spread eliminates all the costs and expenses associated with the Liquidity Facility and the Remarketing Agent.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

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

Hedging derivative instrument payments and hedged debt - As of September 30, 2019, the aggregate debt service requirements of the City's Charter School Revenue Bonds, Series 2008 and the net receipts/payments on the associated hedging derivative instruments are as follows. These amounts assume that current interest rate of 2.15% (SIFMA + 0.59% Direct Purchase fixed spread when there is no cost of Liquidity Facility Fees and Remarketing Fees) on the variable- rate bonds and the current SIFMA Municipal Swap Index rate of 1.56% of the hedging derivative instruments will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts payments on the hedging derivative instruments will change.

<u>Fiscal Year Ending</u> <u>Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging</u> <u>Derivatives,</u> <u>Net</u>	<u>Total</u>
2020	\$ 100,000	\$ 1,329,405	\$ 1,168,502	\$ 2,597,908
2021	100,000	1,334,684	1,168,502	2,603,187
2022	100,000	1,332,534	1,168,502	2,601,037
2023	1,235,000	1,326,465	1,168,502	3,729,967
2024	1,520,000	1,305,807	1,168,502	3,994,310
2025-2029	14,310,000	5,874,982	5,842,512	26,027,494
2030-2034	23,170,000	3,750,391	5,577,905	32,498,296
2035-2038	21,660,000	1,110,886	1,866,384	24,637,270
Total	<u>\$62,195,000</u>	<u>\$17,365,155</u>	<u>\$ 19,129,313</u>	<u>\$ 98,689,467</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Derivative Instruments (continued)

Contingencies

In the event the insurer's and the City's ratings are both downgraded below a rating of "A-" by Standard & Poor's Ratings Services (S&P) or "A3" by Moody's Investors Service (Moody's), the City will have the option, but not the obligation, of posting collateral in order to prevent swap termination. This option will not be available if the City's ratings are below "BBB" by S&P and "Baa2" by Moody's. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the City does not post collateral, the hedging derivative instrument may be terminated by the Counterparties. At September 30, 2019, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative (\$11,274,871). If the collateral posting requirements were necessary at September 30, 2019, the City would be required to post \$11,274,871 in collateral to its counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. The City's underlying General Obligation Bond rating is "AA" by Fitch Ratings (Fitch) on February 7, 2017 and "Aa2" by Moody's on January 4, 2019. The GO Bond is not rated by S&P. The insurer's ratings are "Aa3" by Moody's and "not rated" by Fitch and S&P; therefore, no collateral was posted.

Outstanding Advanced Refunded Bonds

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2019, there is no bonds outstanding that are considered defeased.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Conduit Debt Obligations

On April 15, 2015, the City authorized the issuance of Capital Improvement Fee Revenue Note, Series 2015, in the amount of \$15,000,000 on behalf of the District Board of Trustees of Broward College to fund construction of a science building on the South Campus of Broward College. The note will be payable solely from payments made by Broward College. The City has no obligation for the debt beyond the resources provided by related leases or loans.

Changes in Noncurrent Liabilities

Compensated absences and the net pension/OPEB liabilities of the governmental activities are generally liquidated by the General Fund, except for the compensated absences of the Charter Schools which are liquidated by the respective Special Revenue Funds.

A summary of the long-term obligations for the year ended September 30, 2019, are as follows:

Governmental activities:	
General obligation bonds	\$ 67,735,000
Revenue Bonds - direct placements	215,607,700
Total Governmental activities	\$ 283,342,700
Business-type activities:	
Revenue Bonds - direct placements	\$ 6,548,268
Total Business-type activities	\$ 6,548,268
Total	\$ 289,890,968

The City's outstanding obligations from direct placements related to governmental activities and business-type activities as of September 30, 2019 aggregated to \$215,607,700 and \$6,548,268, respectively. The bond indentures contain events of default provisions such as payment defaults, cross defaults with certain other agreements, breaches of covenants or representation and warranties, the occurrence of a material adverse effect and certain bankruptcy events providing the lender the authority to pursue action in any court to enforce collection, however it is not construed as granting the lender to any lien on any real property of the City. The City has no assets pledged as collateral for any of the bonds other than the reserve accounts as required by the bond documents which are restricted solely for debt service payments. Of the approximately \$290 million long-term debt obligations, only the Variable Rate Capital Improvement Revenue Refund Bonds, Series 2008 (Susan B. Anthony Center) (reissued in September 2016) (the "VRCIRRB Series 2016 ") are subject to acceleration upon events of default allowing lenders to accelerate payment of the entire principal amount outstanding if the lender determines that a material adverse change occurs. The VRCIRRB Series 2016 has an outstanding balance of \$7,221,000 at September 30, 2019.

The City has no unused line of credit as of September 30, 2019.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Changes in Non-Current Liabilities (continued)

Noncurrent liability activity for the year ended September 30, 2019 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds payable:					
Charter School Revenue Bonds, Series 2008	\$ 62,295,000	\$ -	\$ (100,000)	\$ 62,195,000	\$ 100,000
Capital Improvement Refunding Revenue Bonds, Series 2010	5,575,100	-	(483,500)	5,091,600	505,100
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013	30,240,000	-	(1,330,000)	28,910,000	1,375,000
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014	36,465,000	-	(1,760,000)	34,705,000	1,800,000
Public Improvement Refunding Revenue Bonds, Series 2014	26,155,000	-	(1,060,000)	25,095,000	1,120,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016	7,221,000	-	-	7,221,000	221,000
Public Improvement Refunding Revenue Bonds, Series 2016	14,620,200	-	(2,845,100)	11,775,100	2,888,900
Capital Improvement Refunding Revenue Bonds, Series 2017	43,305,000	-	(2,690,000)	40,615,000	2,770,000
Total revenue bonds	<u>225,876,300</u>	<u>-</u>	<u>(10,268,600)</u>	<u>215,607,700</u>	<u>10,780,000</u>
General obligation bonds:					
General Obligation Bonds, Series 2015	70,275,000	-	(2,540,000)	67,735,000	2,665,000
Total general obligation bonds	<u>70,275,000</u>	<u>-</u>	<u>(2,540,000)</u>	<u>67,735,000</u>	<u>2,665,000</u>
Total revenue and general obligation bonds	296,151,300	-	(12,808,600)	283,342,700	13,445,000
Less deferred amounts:					
For issuance discounts/premiums	14,193,171	-	(1,470,399)	12,722,772	-
Total bonds payable	310,344,471	-	(14,278,999)	296,065,472	13,445,000
Estimated self-insurance claims	9,973,713	17,623,707	(18,012,347)	9,585,073	1,716,487
Compensated absences	16,529,527	9,628,480	(10,587,421)	15,570,586	10,957,153
Governmental activities noncurrent liabilities	<u>\$ 336,847,711</u>	<u>\$ 27,252,187</u>	<u>\$ (42,878,767)</u>	<u>\$ 321,221,131</u>	<u>\$ 26,118,640</u>
Business-type activities:					
Compensated absences	\$ 115,845	\$ 17,495	\$ (70,955)	\$ 62,385	\$ 45,147
Consolidated Utility System Revenue Bonds, Series 2010	7,361,546	-	(813,278)	6,548,268	841,744
Business-type activities noncurrent liabilities	<u>\$ 7,477,391</u>	<u>\$ 17,495</u>	<u>\$ (884,233)</u>	<u>\$ 6,610,653</u>	<u>\$ 886,891</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues

The City has pledged the following revenues, net of specified operating expenses, if applicable, to repay the following revenue bonds:

Electric Franchise Fees (Franchise Revenue) are pledged to repay the outstanding \$52.9 million (including the \$7,636,000 for the Susan B. Anthony Center (SBA) Bonds) in revenue bonds issued in 2010, 2016 and 2017. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Tower 3) and the Susan B. Anthony Center. While the Franchise Revenue is pledged for the SBA Bonds, the debt service is being repaid by the rent received from the SBA. Except for the SBA Bonds, the bonds are payable solely from the Franchise Revenue and are payable through 2038. Based on the FY 2018 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 67% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is \$59,614,867. For FY 2019, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were \$5,275,272 and \$8,431,652, respectively.

Electric Public Service Taxes (Public Service Revenue) are pledged to repay the outstanding \$32.9 million in revenue bonds issued in 2014 and 2016. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Towers 1 and 2). The bonds are payable solely from the Public Service Revenue and are payable through 2034. Based on the FY 2019 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 45% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$46,839,338. For FY 2019, the principal and interest paid and the total Public Service Revenue were \$5,198,555 and \$11,574,231, respectively.

Charter School total revenues and Early Development Center lease payments (School Revenue) are pledged to repay the outstanding \$62.2 million in revenue bonds issued in 2008. Proceeds from the bonds provided financing for refunding debt and construction of additional classrooms. The bonds are payable solely from the School Revenue and are payable through 2038. Based on the FY 2019 School Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 11% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$79,560,155. For FY 2019, the principal and interest paid and the total School Revenue were \$2,183,735 and \$55,281,206, respectively.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues (continued)

Communications Services Taxes and Water Public Service Taxes (Communications and Water Tax Revenue) are pledged to repay the outstanding \$63.6 million in revenue bonds issued in 2013 and 2014. Proceeds from the bonds provided financing for the Firefighters Pension and the Police Officers and General Employees' Pension. The bonds are payable solely from the Communications and Water Tax Revenue and are payable through 2034. Based on the FY 2019 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 84% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$89,250,028. For FY 2019, the principal and interest paid and the total Communications and Water Tax Revenue were \$6,001,974 and \$7,160,909, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding \$6.5 million in revenue bonds issued in 2010. Proceeds from the bonds provided financing for the Consolidated Utility System Project. The bonds are payable solely from the Utility Revenue and are payable through 2026. Based on the FY 2019 Utility Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 5% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$7,381,936. For FY 2019, the principal and interest paid and the total net revenues of the Utility system were \$1,047,214 and \$20,340,720, respectively.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 10. RISK MANAGEMENT

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

The City’s exposure on health insurance is limited to \$1,795 per month per covered employee and their covered dependents. This is for claims only and does not include administrative expenses or stop loss. Total maximum loss exposure to the City for health insurance on covered employees and dependents was \$32,191,809 for the fiscal year ended September 30, 2019. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$9,585,073 reported in the fund at September 30, 2019 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</u> <u>Year Liability</u>	<u>Claims and</u> <u>Changes</u> <u>in Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>End of Year</u> <u>Liability</u>
2018-2019	\$ 9,973,713	\$17,623,707	\$ (18,012,347)	\$9,585,073
2017-2018	\$10,717,153	\$16,727,912	\$ (17,471,352)	\$9,973,713

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 11. CONTINGENT LIABILITIES

Litigation

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

Federal and State Assisted Programs

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

NOTE 12. COMMITMENTS

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charge to operations of the water and sewer fund under this Agreement is \$7,419,238 for the year ended September 30, 2019.

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 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 January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns 15 sites totaling approximately 620 acres of Wetlands. The City became the Grantor of the Mitigation Bank Irrevocable Trust Fund on April 5, 1995 in order to hold the funds to maintain the Wetlands in perpetuity. The current Trustee is the Bank of New York Mellon, Inc., and the beneficiaries of the Trust Fund are the City, the South Florida Water Management District, the U. S. Army Corps of Engineers, and Broward County. Payments are made quarterly from the investment earnings of the Trust Fund to cover the expenses in maintaining the Wetlands. In the event that investment earnings are insufficient to cover expenses, payments from the principal of the Trust can be utilized with the written consent of the Trust's beneficiaries.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 12. COMMITMENTS (continued)

At September 30, 2019, the balance in the Trust Fund account was \$487,093. For the fiscal year ended September 30, 2019, the Trust earned \$12,394 in investment income, and incurred expenses of \$16,460.

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 8. Operating Leases). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 9. Long-Term Debt). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. In fiscal year 2010, the City completed the renovation of an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines."

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

Energy Savings Agreements

On October 21, 2015, the City has entered an energy savings agreement with BGA, Inc. (a ConEdison Solutions Company) to design, procure, install, and implement certain energy conservation and energy efficiency improvements at Charter Schools.

On February 17, 2016, the City has entered another energy savings agreement with Venergy Group, LLC to design, procure, install, and implement certain energy conservation and energy efficiency improvements at the Senior Center, Pines Place, and Pines Point.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 12. COMMITMENTS (continued)

The City has the following construction commitments as of September 30, 2019:

Project Name	Vendor	Original Amount	Balance
VOIP/VDI Modernization (Camera system for the Charter Schools)	Presidio Networked Solutions	\$ 1,186,492	\$ 242,616
Sodium Hypochlorite & CO2	RF Environmental Services	2,061,225	360,538
Booster Station System	Florida Design Drilling Corporation	1,568,000	232,028
Pipeline Rehab Services	Instituform Technologies, Inc.	243,794	243,794
Acquisition/Installation Pines Village Water Main Improvement	Man-Con, Inc.	3,671,195	201,774
Public Services Parking Lot and Road Resurfacing	Triple Nickel Paving, Inc.	459,738	206,027
Design Build Services for WWTP Rehab Phase 1	Cardinal Contractors, Inc.	5,391,255	4,354,411
New Lime Slaking System for the WTP	RF Environmental Services	209,728	62,560
Utility Electrical Projects - Generator and Electrical Upgrades	AGC Electric, Inc	1,120,203	1,120,203
Roof Replacement -City Buildings	Therma Seal Roof Systems, LLC	1,111,225	369,605
Exterior Painting of the Senior Center	Jag Painting Contractors, Inc.	143,494	45,368
Replace 15 Lift Stations	Smith & Loveless	762,267	662,992
Security Offices/Secondary Holding	Bejar Construction, Inc.	325,000	325,000
Security Fencing work at all Charter Schools	Gomez & Son Fence Corp.	654,698	330,806
Rehabilitation of Lift Stations	Intercounty Engineering, Inc.	580,000	537,120
Milling and Resurfacing Pines Village	Weekley Asphalt Paving, Inc.	405,809	405,809
WTP Accelerator "D" Rehabilitation	MKI Services, Inc.	319,000	26,615
Asbestos Remediation @ Health Park	Demcon Group, LLC	451,166	451,166
Resurfacing Plan 2019	Weekley Asphalt Paving, Inc.	699,444	699,444
Senior Center Parking Lot Improvements	Miguel Lopez Jr, Inc.	250,257	250,257
Metal Overhang for Wastewater Treatment Plant	Trevid Group, LLC	161,228	161,228
Control Panels for Lift Stations	Sanders Company	910,437	412,262
Fire Training Facility Construction	Bejar Construction, Inc.	2,401,024	1,675,780
		\$ 25,086,680	\$ 13,377,404

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

The City provides postemployment benefits for eligible participants enrolled in City of Pembroke Pines, Florida Post-Employment Benefit Trust Fund. The benefits are provided in the form of:

- An implicit rate subsidy where retirees pay combined active/retiree rates for health coverage.
- An explicit subsidy where the City contributes towards the retiree health premium equivalents.

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Securities that have no quoted market price will be presented at estimated fair value as provided by the custodial bank and investment counsel. The Plan considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents. As of September 30, 2019, the Plan held \$94,280,470 in investments and \$594,354 in cash and short-term investments.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements. Therefore, included below is the Statement of Net Position – Fiduciary Fund as of September 30, 2019 and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year then ended.

Other Post-Employment Benefits (OPEB) Statement of Net Position Fiduciary Fund September 30, 2019

Assets

Cash and short-term investments	\$	594,354
Miscellaneous Accounts Receivable		2,000,000
Investments		
Fiduciary Trust		7,066
Lee Munder Capital Group - Mid Cap Core		5,916,585
Atlanta Capital Management - Small Cap Core		8,306,936
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income		27,152,178
State Street Global Advisors		20,431,585
Intercontinental Real Estate Corporation		4,311,670
Black Rock US Core Property Fund		4,246,395
Loomis Sayles & Company - Loomis Large Cap Growth Trust		12,557,294
Aristotle		11,350,761
Total assets		<u>96,874,824</u>

Liabilities

Accounts payable		259,241
Reserve for health insurance claims		1,104,707
Total liabilities		<u>1,363,948</u>

Net Position

Net position restricted for OPEB	\$	<u>95,510,876</u>
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City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Other Post-Employment Benefits (OPEB) Statement of Changes in Net Position Fiduciary Fund For the Year Ended September 30, 2019

Additions:

Contributions	
Plan members	\$ 546,754
Employer	13,722,749
Total contributions	<u>14,269,503</u>
Investment income:	
Investment income	4,661,627
Less investment expenses	<u>(457,211)</u>
Net investment income	<u>4,204,416</u>
Other additions:	
Part D subsidy	<u>531,716</u>
Total other additions	<u>531,716</u>
Total additions	19,005,635
Deductions	
Benefit payments and insurance premiums	10,919,602
Administrative expenses	<u>233,991</u>
Total deductions	<u>11,153,593</u>
Change in net position	7,852,042
Net position, beginning	<u>87,658,834</u>
Net position, ending	<u>\$ 95,510,876</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Plan Description

The retiree health and life insurance program is a single-employer defined benefit plan administered by the City which provides medical and life insurance benefits to eligible retirees and their beneficiaries. The health plan is self-insured and administered by United Medical Resources (UMR) on behalf of the City. The life insurance plan is fully insured through Sun Life Financial. The City Commission has authority to establish and amend benefits related to the City's retiree health and life insurance program. On December 7, 2007, the City adopted Ordinance 1598 creating the Other Post-Employment Benefits Trust Fund in accordance with Florida Statutes Chapter 115.

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

OPEB			
Ordinance Number	Dated	Ordinance Number	Dated
990	April 15, 1992	1480	March 17, 2004
1015	November 4, 1992	1554	August 16, 2006
1024	February 17, 1993	1598	December 3, 2007
1144	December 6, 1995	1670	August 4, 2010
1371	April 4, 2001	1702	September 20, 2011
1443	June 18, 2003	1779	November 5, 2014

Benefits Provided

Medical/Prescription Drug Plan Benefits

Coverage of health insurance is provided to all regular full-time permanent general employees, certified firefighters and police officers employees and their spouses, if hired before October 1, 1991, who have reached normal retirement age and completed service as prescribed by the City Pension Plan which covers the employee.

Coverage for employees hired after October 1, 1991 is limited to employee (single) coverage only. Effective July 1, 2010, general employees, who are members of the collective bargaining unit, that retire after July 1, 2010 may continue to participate in the City's health insurance plan but will be required to pay the active/blended rate. Additionally, effective July 1, 2010, members hired prior to May 1, 2005 will receive a health insurance subsidy of five dollars per month for each year of service, as long as they have completed at least 10 years of eligible service and retire from the City at age 55 or above.

Firefighter members hired on or after October 1, 1991 but prior to April 1, 2006 may elect to participate in the City's retiree health insurance plan, and the City will pay for the coverage of the employee only. Firefighters hired after April 1, 2006 are required to pay 100% of the active/blended rate for their retirement coverage.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Benefits Provided (continued)

Police officer members hired on or after October 1, 1991 but prior to October 1, 2006, may elect to participate in the City's retiree health insurance plan, and the City will pay for the coverage of the employee only. Police Officers hired after October 1, 2006 are required to pay 100% of the active/blended rate for their retirement coverage.

Primary insurance coverage is extended until the employee qualifies for Medicare benefits (at 65 years of age). At that time, Medicare becomes the primary coverage.

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

Eligible retirees receive health care coverage through one of two medical plans, an EPO and a PPO plan. Effective July 1, 2010, general employees are required to contribute \$100 per month for their health insurance coverage in addition to the amounts contributed for dependent, spousal or family coverage. Police officers hired after May 1, 2010 eligible for single coverage are required to contribute an additional \$80 per month for their health insurance coverage for EPO and \$100 for PPO. Effective October 1, 2014, the City is extending its health care coverage to all eligible retirees' domestic partners.

Life Insurance Benefits

A life insurance benefit is provided to police officers, firefighters, general and utility employees. Employees from the Charter Schools are excluded from this benefit. The life insurance benefit available to retirees is equal to 100% of final salary at retirement, up to a maximum of \$100,000. The benefit amount is reduced by 50% at age 65. General and utility employees hired after February 1, 2010 and police officers hired after May 1, 2010 shall no longer be eligible to participate in the retiree life insurance program and their life insurance policy will terminate when they separate from the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Employees covered by benefit terms. At September 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	559
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,037</u>
	<u>1,596</u>

Contributions and Reserves

Funding Policy

Contributions are required for both retiree and dependent health insurance coverage. Currently, retirees are not required to pay contributions for the life insurance benefits.

Contribution rates are determined based on the following factors: hire date, retirement date, and employee group. Based on these factors, retirees pay either the full rates, reduced rates or nothing for the medical and prescription drug benefit. The contribution requirements of the plan members are established and may be amended by the City Commission. The percentage contributed is expected to equal the Actuarial Determined Contribution (ADC) as determined by the annual actuarial valuation. Administrative costs are financed through investment earnings where available.

For the fiscal year ended September 30, 2019, the Plan members contributed \$546,754 and the City contributed \$13,722,749. The ADC for the fiscal year ended September 30, 2019 is \$10,067,044.

Reserves

The balance in the Plan's legally required reserves as of September 30, 2019 was \$1,104,107.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Net OPEB Liabilities

The City's net OPEB liability was measured as of September 30, 2018. The components of the net OPEB liability are as follows:

	2018
Total OPEB Liability	\$ 176,693,309
Plan Fiduciary Net Position	(87,658,834)
Net OPEB Liability	<u>\$ 89,034,475</u>
Plan fiduciary net position as a percentage of total OPEB liability	49.61%
Net OPEB liability as a percentage of covered payroll	93.89%

Actuarial Assumptions

The total OPEB liability as of the reporting date, September 30, 2019 was based on an actuarial valuation with a measurement date of September 30, 2018. The actuarial valuation used the following actuarial assumptions:

Inflation	3.0% per annum
Salary Increases	3.0% per annum
Investment Rate of Return	4.6% per annum
	Discount rate is based on expected long-term rate of return on plan investments where assets are projected to cover all future benefit payments plus inflation
Healthcare Cost Trend Rates	7.00% initial, decreasing 0.5% per year until an ultimate rate of 4.5% is reached
Health CPI	2.0% per annum
Marriage Rate	The assumed number of eligible spouses is based on the current information in the census provided.
Spouse Age	Male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age of 65
Actuarial Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	Experience gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (those without future service remaining count as 0 years in the averaging)
	Investment gain and losses are amortized over a closed period of 5 years starting on September 30, 2018
Mortality Rates	RP-2014 trended back to 2006 and projected generationally using Scale MP-16, applied on a gender-specific basis

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of the actuarial experience study for the period of January 2014 through December 2016.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

Actuarial Assumptions (Continued)

Investments

Authorized investments are subject to limitations prescribed in the OPEB Investment Policy. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the OPEB Trust fund are currently invested in money markets, mutual funds, and various investment accounts. Fiduciary Trust International of the South acts as the custodian, and the investment portfolio is managed by an Investment Consultant. The Plan's net investment income for the year ended September 30, 2019 was \$4,204,416. As of September 30, 2019, the Plan held no single investment that exceeded 5% of net position. Additional information can be found in Note 3. Deposits and Investments.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money weighted rate of return on the Plan's investment for the year ended September 30, 2019 was 4.8%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of returns for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	37%	5.4%
Mid Cap	7%	8.6%
Small Cap	8%	7.0%
International Equity	8%	4.1%
Real Estate	10%	6.8%
Fixed Income	30%	2.9%
Total	100%	5.0%

Discount Rate

The discount rate used to measure the OPEB liability was 7.6%. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Reporting period as of September 30, 2018	\$ 165,190,013	\$ 80,884,628	\$ 84,305,385
Changes for the year:			
Service cost	1,375,830	-	1,375,830
Interest cost	14,591,153	-	14,591,153
Differences between expected and actual experience	20,890,752	-	20,890,752
Changes in assumptions or other inputs	(11,600,799)	-	(11,600,799)
Contributions - Employer	-	11,702,240	(11,702,240)
Contributions - Employees	-	581,044	(581,044)
Other Contributions (Part D subsidy, Rx Rebates)	-	185,724	(185,724)
Net Investment Income	-	8,447,157	(8,447,157)
Benefit payments	(13,753,640)	(13,753,640)	-
Admin Expense	-	(388,319)	388,319
Net changes	11,503,296	6,774,206	4,729,090
Reporting period as of September 30, 2019	\$ 176,693,309	\$ 87,658,834	\$ 89,034,475

The following presents the net OPEB liability of the City using the trend rate and the discount rate, as well as what the City's net OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability (based on Trend Rate)		
1% Decrease	Current Rate	1% Increase
\$ 65,648,000	\$ 89,034,000	\$ 104,834,000
Net OPEB Liability (based on Discount Rate)		
1% Decrease	Current Rate	1% Increase
6.60%	7.60%	8.60%
\$ 64,750,000	\$ 89,034,000	\$ 106,327,000

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

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

OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB

In accordance with GASB 75, paragraph 86, changes in the collective net OPEB liability are recognized in OPEB expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Difference between expected and actual experience with regard to economic and demographic factors – amortized over 5.14 years
2. Changes of assumptions or other inputs – amortized over 5.14 years
3. Differences between expected and actual earnings on OPEB plan investments – amortized over five years

For the year ended September 30, 2019, the City recognized OPEB expense of \$15,516,494.

Per GASB 75, paragraph 68, employer contributions to the OPEB plan made subsequent to the measurement date of the collective net OPEB liability, September 30, 2018, and before the end of the employer’s reporting period, September 30, 2019, should be reported as deferred outflows of resources related to OPEB.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions, subsequent to measurement date	\$ 13,694,000	\$ -
Differences between expected and actual experience	19,722,909	-
Assumptions/inputs	13,480,045	(9,280,639)
Projected and actual earnings on investments	-	(3,541,440)
Net changes	<u>\$ 46,896,954</u>	<u>\$ (12,822,079)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ending September 30:	Amount to be recognized
2020	\$ 6,084,432
2021	6,084,432
2022	6,084,432
2023	2,127,579
Thereafter	-
Total	<u>\$ 20,380,875</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS

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

General Employees' Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting – The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the plan actuarially sound.

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

Plans' Membership Information

At October 1, 2018, the date of the latest actuarial valuation, the Plans' membership consisted of:

Active members	34
Retired members and beneficiaries currently receiving benefits	408
Disabled members receiving benefits	-
Terminated and inactive vested members (including bargaining employees whose benefit was frozen effective 7/1/2010)	<u>233</u>
Total	<u><u>675</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

The General Employees' Pension Trust Fund Board comprises of the City Commission. The General Employees' Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Net Position – Fiduciary Fund and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year ended September 30, 2019.

General Employees Pension Trust Fund Statement of Net Position Fiduciary Fund September 30, 2019

Assets

Investments

Bond Market Index	\$	29,832,243
Income Separate		43,304,200
Diversified Real Asset		3,834,049
Equity Income		28,107,091
High Income		3,827,518
International Emerging Markets		3,409,054
International Small Cap		3,463,651
Diversified International		6,501,794
Large Cap Growth I		27,684,590
Large Cap S&P 500 Index		11,789,990
Mid Cap Growth III		3,995,704
Mid Cap Value I		4,002,982
Overseas		6,465,070
U.S Property		11,508,441
Small Cap Growth I		1,843,479
Small Cap Value II		1,881,129
Total investments		<u>191,450,985</u>

Miscellaneous accounts receivable		6,500,000
Total assets		<u>197,950,985</u>

Liabilities

-

Net Position

Net position held in trust for pension benefits	\$	<u>197,950,985</u>
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City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

General Employees Pension Trust Fund Statement of Changes in Net Position Fiduciary Fund For the Year Ended September 30, 2019

Additions:

Contributions	
Plan members	\$ 202,595
Employer	10,000,000
Total contributions	<u>10,202,595</u>

Investment income:

Investment income	10,371,264
Less investment expenses	<u>(52,607)</u>
Net investment income	<u>10,318,657</u>
Total additions	<u>20,521,252</u>

Deductions

Pension benefits	11,436,533
Administrative expenses	<u>11,240</u>
Total deductions	<u>11,447,773</u>

Change in net position	9,073,479
Net position, beginning	<u>188,877,506</u>
Net position, ending	<u>\$ 197,950,985</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Plan Description

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

General Employees Pension Ordinances			
Ordinance		Ordinance	
Number	Dated	Number	Dated
992	April 15, 1992	1555	August 16, 2006
1058	December 15, 1993	1614	August 3, 2008
1297	March 17, 1999	1668	August 4, 2010
1329	February 2, 2000	1806	January 7, 2015
1413	June 19, 2002	1844	April 16, 2016
1479	March 17, 2004	1865	January 11, 2017
1515	May 18, 2005	1894	February 7, 2018
1520	August 3, 2005		

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

Eligibility

All full time employees, as defined in the Referendum, were required to participate in the Plan as a condition of continued employment. However, effective July 1, 2010, bargaining unit members are no longer allowed to participate in the Plan, and any benefits accrued up to June 30, 2010, are frozen. Bargaining unit members will not accrue any additional benefits. Non-bargaining unit members are still allowed to participate in the Plan and active members are still accruing benefits. However, effective October 1, 2014, non-bargaining employees hired on or after October 1, 2014 will no longer be eligible to enter this plan. The City is also extending its benefits coverage to all eligible retirees' domestic partners effective October 1, 2014.

Service Retirement Benefits

Upon normal retirement, a participant will receive a monthly pension amount equal to 2.85% of average monthly earnings for the highest two years of continuous service multiplied by years of service (not to exceed 28.07 years).

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Service Retirement Benefits (continued)

A participant may retire early after completing 5 years of continuous service and attaining 50 years of age. Early retirement benefits are calculated in a manner similar to those for normal retirement, but at an actuarially reduced amount of 6 2/3% for each year that the early retirement date precedes normal retirement.

Disability Benefits

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

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

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

Cost of Living Adjustments

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

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

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

Funding Policy

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

Effective February 1, 2010, non-bargaining unit participants are required to contribute 7.25% of regular wages down from 8.5%. Effective July 1, 2010, bargaining unit members are no longer required to contribute to the Plan since the Plan was closed, and the benefits were frozen. In fiscal year 2019, employee contributions for active members amounted to \$202,595.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Funding Policy (continued)

The City's Actuarial Determined Contribution (ADC) for fiscal year 2019 amounted to \$2,243,128 as compared to the ADC of \$2,660,082 in fiscal year 2018. In fiscal year 2019, the City contributed \$10,000,000, which is \$7,756,872 in excess of the ADC in order to reduce the unfunded liability.

The City's ADC for fiscal year 2019 is based on the actuarial report using the Entry Age Cost method.

On April 1, 2004 the City deposited \$19,370,924 into the General Employees' Pension Plan as a lump sum contribution. This was part of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, 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 ADC at the "pre-cost of living" level for the existing Plan participants. See also Note 9 for additional information on the bond issue. Series 2004 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2014 (Series 2014 Bonds). (See Note 9. Long-term debt).

Investments

As of September 30, 2019, 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. The Plan's net investment income for the year ended September 30, 2019 was \$10,318,657, a decrease of \$4,070,858 from last year's net investment income of \$14,389,515.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on the Plan's investment for the year ended September 30, 2019 was 8.2%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION 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 was five (5) years. Effective Dec 1, 2017, the maximum period of DROP participation is eight (8) years under ordinance 1894.

Net Pension Liability of the City

The components of the net pension (asset) liability of the City is as follows:

Total pension liability	187,937,128
Plan fiduciary net position	<u>(188,877,506)</u>
City net pension asset	<u><u>(940,378)</u></u>
Plan fiduciary net position as a percentage of total pension liability	100.50%
Net pension asset as a percentage of covered payroll	-30.06%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Actuarial Assumptions

The total pension liability as of September 30, 2019 was determined using an actuarial valuation as of October 1, 2018, with update procedures used to roll forward the total pension liability to September 30, 2019.

The actuarial valuation for October 1, 2018 used the following actuarial assumptions:

Measurement date	September 30, 2018
Actuarial cost method	Entry Age Cost
Long-term rate of return on assets	6.75%
Discount rate	6.75%
Long-term inflation rate	2.25%
Salary increase assumption	Table S-5 from the Actuary's Pension Handbook plus 2.50%.
COLA increase assumption	2.00% and 3.00% increase per year depending on location.
Retirement age assumption	Age 55 and 10 years of service.
Plan changes	none
Mortality rate	Rates: RP-2000 – 50% Blue Collar, 50% White Collar for males and 100% white collar for females - Mortality Mortality Improvement (MI): Scale BB This table is what the State of Florida is using in their valuation.
Disability rate	1987 Commissioner's Group Disability Table, six-month elimination period, male and female.
Withdrawal rate	2003 Society of Actuaries Basic Plan Age Table, multiplied by 0.75.
Marital assumptions	75% married; male is 3 years older than the female.
Future employer contributions	Assumed employer contributions are equal to: <ul style="list-style-type: none">• Employer Contribution is assumed to continue at 75.64% of payroll throughout the projection period.• Expenses are assumed to start at \$53,000 and grow with the inflation assumption throughout the projection period. This is the best estimate available of upcoming years' expenses.

The long-term rate of return was 6.75%. The long-term rate of return is used to calculate the actuarial present value of projected payments for each future period when the projected Fiduciary Net Position is greater than the projected expected benefit payments. Otherwise, a municipal bond rate of 4.04% is used. The municipal bond rate is from Barclays Municipal GO Long Term (17+ Y) Index, which includes 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher securities, as of the September 30, 2018 measurement date. The discount rate is a single rate that incorporates the long-term rate of return and municipal rate as described.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Actuarial Assumptions (continued)

	<u>Expected Return</u>		<u>Risk</u>
	<u>Geometric</u>	<u>Arithmetic</u>	<u>Standard</u> <u>Deviation</u>
Equity			
US Equity - Large Cap	6.35%	7.70%	17.20%
US Equity - Mid Cap	6.35%	7.95%	18.80%
US Equity - Small Cap	6.35%	8.50%	21.90%
Non-US Equity	6.35%	7.95%	18.80%
Real Estate			
REITS	5.95%	7.60%	19.10%
Real Estate (Direct Property)	5.25%	5.55%	8.30%
Fixed Income			
Cash	2.25%	2.25%	0.90%
TIPS	3.35%	3.50%	6.00%
Core Bond	3.90%	4.00%	5.10%
Aggregate Credit	4.40%	4.55%	5.80%
Long Credit	4.90%	5.30%	9.10%
LT Gov't/Credit Bond	4.20%	4.65%	9.60%
LT Gov't (Treasuries)	3.10%	3.70%	11.40%
Ultra Long Gov't (STRIPS)	2.35%	4.55%	21.80%
Aggregate HQ Corporate	4.00%	4.20%	6.10%
Long HQ Corporate	4.30%	4.80%	10.10%
High Yield Bond	6.00%	6.45%	9.80%

The discount rate is a single rate that incorporates the long-term rate of return and municipal bond rate as described. The discount rate used to determine the beginning of period total pension liability was 6.75% for September 30, 2018 measurement dates, respectively.

The following presents the net pension (asset) liability of the City using the discount rate, as well as what the City's net pension(asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

<u>City Net Pension (Asset) Liability</u>		
1% Decrease	Current rate	1% Increase
(5.75%)	(6.75%)	(7.75%)
21,581,948	(940,378)	(19,641,272)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Actuarial Assumptions (continued)

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>(Asset) Liability</u>
Reporting period as of September 30, 2018	\$186,050,187	\$ 179,828,477	\$ 6,221,710
Service cost	328,149	-	328,149
Interest	12,180,084	-	12,180,084
Benefit payments	(11,074,842)	(11,074,842)	-
Differences between expected and actual experience	453,550	-	453,550
Changes in assumptions	-	-	-
Employee contributions	-	234,517	(234,517)
Employer contributions	-	5,500,000	(5,500,000)
Net investment income	-	14,389,554	(14,389,554)
Administration expenses	-	(200)	200
Net Change	1,886,941	9,049,029	(7,162,088)
Reporting period as of September 30, 2019	\$187,937,128	\$ 188,877,506	\$ (940,378)

Each assumption and method chosen by the actuary is reasonable, taking into account the results of the most recent experience analysis and anticipated future experience. Each material economic assumption is consistent with other economic assumptions selected by the actuary for this measurement period. Note that several different assumptions may be reasonable for a given measurement, and different actuaries will apply different professional judgment and may choose different reasonable assumptions. Demographic assumptions are not expected to produce significant cumulative actuarial gains or losses over the measurement period, and the combined effect of the assumptions is reasonable.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources

In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience, over a closed period equal to the average expected remaining service life of all employees (active employees, vested terminated, and retirees).
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees (active employees, vested terminated, and retirees).
3. Differences between expected and actual earnings on pension plan investments – amortized over five years

Contributions to the pension plan from the City are not included in collective pension expense. The pension expense for the fiscal year ended September 30, 2019 is \$775,481.

Employer contributions made subsequent to the September 30, 2018 measurement date of the Net Pension Liabilities and before the end of the September 30, 2019 reporting period. GASB 68 paragraph 34 require these contributions be reported as deferred outflows of resources. The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2019, are presented below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 10,000,000	\$ -	\$ 10,000,000
Projected/Actual Earnings		(5,032,494)	(5,032,494)
	\$ 10,000,000	\$ (5,032,494)	\$ 4,967,506

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources (continued)

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

<u>Reporting Period</u> <u>Ending September 30,</u>	<u>Amount to be</u> <u>Recognized</u>
2020	\$ 315,568
2021	(2,497,684)
2022	(2,341,315)
2023	(509,063)
2024	-
Thereafter	-
Total	<u>\$ (5,032,494)</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers

Summary of Significant Accounting Policies

Basis of Accounting – The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized as revenues in the period in which the contributions are due. Employer (City) contributions to the plan are recognized as revenues when due pursuant to the Actuarial Valuation. State contributions are recognized as revenues in the period which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date.

Cash and Cash Equivalents – The plan considers all highly liquid investments with an original maturity of one year or less when purchased to be cash equivalents.

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

Plans' Membership Information

At October 1, 2018, the date of the latest actuarial valuation, the Plans' membership consisted of:

Retired and beneficiaries currently receiving benefits including DROP and terminated employees entitled to benefits, but not yet receiving them	394
Current employees:	
Vested	200
Non-vested	135
Total	<u>729</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

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

Police & Fire Pension Ordinances			
Ordinance Number	Dated	Ordinance Number	Dated
557	February 19, 1981	1509	February 17, 2005
829	March 4, 1987	1521	August 3, 2005
967	September 19, 1991	1572	February 21, 2007
1014	November 4, 1992	1581	May 16, 2007
1067	February 16, 1994	1669	August 4, 2010
1091	September 8, 1994	1670	August 4, 2010
1131	September 6, 1995	1693	June 15, 2011
1198	December 18, 1996	1705	October 5, 2011
1249	January 7, 1998	1709	November 16, 2011
1318	November 17, 1999	1767	January 15, 2014
1321	December 15, 1999	1774	April 9, 2014
1325	January 19, 2000	1819	May 6, 2015
1353	September 20, 2000	1824	September 16, 2015
1360	December 15, 2000	1900	March 21, 2018
1443	June 18, 2003	1915	September 17, 2018
1480	March 17, 2004	1916	September 17, 2018

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. The Plan's governing board is made up of a Board of Trustees consisting of nine members: (1) Three are police officers, elected by a majority of the police officers, (2) Three are firefighters, elected by a majority of the firefighters, and (3) Three are neither police officers nor firefighters, recommended by the City Manager and appointed by the City Commission. A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary plan description. Publicly available financial statements of the Plan can be obtained from the City of Pembroke Pines Finance Department.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Eligibility

All full time employees, as defined in the Ordinances, are required to participate in the Plan as a condition of continued employment, provided that at the time of hiring the employee is at least eighteen years of age and satisfactorily completes all required medical examinations. The City is also extending its benefits coverage to all eligible retirees' domestic partners effective October 1, 2014.

Service Retirement Benefits

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

Police Officers

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

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

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

For Police officers hired on or after October 1, 2018, the benefit multiplier will be 3.0% for each complete year of service. The maximum retirement benefit shall not exceed 80% of average monthly earnings. The member's average compensation calculation will be determined by using the best five out of last ten years of service.

Firefighters

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

For firefighters hired on or after October 1, 2018, the benefit multiplier will be 3.0% for each complete year of service. The maximum retirement benefit shall not exceed 80% of average monthly earnings. The member's average compensation calculation will be determined by using the best five out of last ten years of service.

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

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

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

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Disability Benefits

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

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

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

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

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

13th Check Benefits

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

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

Deferred Retirement Option Plan (DROP)

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

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

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

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

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

For members hired on or after October 1, 2018, the maximum DROP participation period is extended to eight (8) years.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA)

Effective April 1, 2005 and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP on or after June 18, 2003 will receive thereafter a 2% increase in their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in collective bargaining agreement to bargaining unit members, for the City'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 monthly retirement benefit on April 1 of each year following retirement. Firefighters hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October 1st each year following retirement. If benefit is received for less than one year, COLA is prorated for that first year.

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

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

For police officers and firefighters hired on or after October 1, 2018, the member's retirement payment will not be adjusted for a cost of living adjustment.

Funding Policy

The City of Pembroke Pines contributes an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, excluding amounts from the State, was \$27,248,665.

Pursuant to Florida Statutes, Chapters 175 and 185 contributions from the State of Florida Department of Insurance consist of excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State contribution is used to reduce the City's contributions when received.

Police officers and firefighters hired on or after October 1, 2018, the member's retirement payment will not be adjusted for cost of living adjustment.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

The State contributions totaled \$2,978,593 and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings until completion of 26 2/3 year of continuous service. Effective October 1, 2015, members that were hired after May 1, 2010 are required to contribute 7.0% of their annual earnings instead of 10.4%. Member contributions for the fiscal year ended September 30, 2019 amounted to \$2,688,738.

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 (Series 2003 Bonds). The Series 2003 Bonds were issued to finance the enhanced benefits for firefighter members of the Plan. Benefits included, but were not limited to, a minimum of 2% cost of living adjustment for firefighter members, and up to 1,000 hours of unused leave can be included as part of the earnings used to calculate pension benefits. See also Note 9 for additional information on the bond issue. Series 2003 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2013 (Series 2013 Bonds).

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 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, 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. Series 2004 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2014 (Series 2014 Bonds). See also Note 9 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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Property and Equipment

Land is carried at cost. Property and equipment are also stated at cost and depreciated using the straight-line method over the estimated useful lives of the related assets.

Property and equipment consist of the following at September 30, 2019:

	Estimated Useful Lives	FY 2019
Land	-	\$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
		<u>489,833</u>
Less: accumulated depreciation		<u>(165,695)</u>
Property and equipment, net		<u>\$ 324,138</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2019, the depreciation expense amounted to \$11,134.

Investments

Investments are reported at fair value as of September 30, 2019. 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 along with the gains and losses realized on the sales of the investments. Purchases and sales of investments are recorded on a trade-date basis.

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide pension and other benefits provided under applicable laws, including City Ordinances, preserving principal while maximizing return.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

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

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

Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current target asset allocation range of these investments at market is as follows:

Type of Investment	Investment Policy	Actual Allocation
Domestic equities	42% to 62%	56.98%
International equities	0% to 10%	6.69%
Fixed income	15% to 35%	23.34%
Real assets	0% to 20%	12.99%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Types of Investments (continued)

The Plan's net investment income for the year ended September 30, 2019 was \$25,868,833, as compared to last year's net investment income of \$64,922,938.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. The annual money-weighted rate of return on the Plan's investment for the year ended September 30, 2019 was 10.99%

Net Pension Liability of the City

The components of the net pension liability are as follows:

Reporting date	2019
Total pension liability	\$ 846,652,694
Plan fiduciary net position	(662,653,584)
City net pension liability	<u>\$ 183,999,110</u>
Plan fiduciary net position as a percentage of total pension liability	78.27%
Net pension liability as a percentage of covered payroll	647.17%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Actuarial Assumptions

The total pension liability as of September 30, 2019 was determined using an actuarial valuation as of October 1, 2018, with update procedures used to roll forward the total pension liability to September 30, 2019.

The actuarial valuation for October 1, 2018 used the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Amortization Period	30 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	3% - 8%
Investment Rate of Return	7.85%
Payroll Growth Assumption	5.3%, per annum - not greater than historical 10- year average (0.0% as of October 1, 2017)
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Mortality	For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment/10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with scale BB. For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table with White Collar Adjustments with no setback, without projected mortality improvements.
Cost-of-Living Increases	Firefighters : 0.0%, 1.5%, 2.0%, or 3.0% Police: 0.0%, 1.5%, 2.0%, 2.5% or 3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Actuarial Assumptions (continued)

Future employee contributions are assumed to continue at 10.4% for members who were hired on or prior to May 1, 2010 and 7.0% for members who were hired after May 1, 2010, and the City is expected to contribute amounts necessary on an actuarial basis to fund the Plan's expenses, normal cost, and to amortize the unfunded actuarial accrued liability.

A discount rate of 7.9% was used to measure the total pension liability. The discount rate was based on the expected rate of return on Plan investments of 7.95%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rates. Based on these assumptions, the Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Category	Target Allocation	Long Term Nominal Mean Return	Long Term Real Mean Return*
Large Cap	34%	8.7%	5.4%
Mid Cap	8%	11.6%	8.6%
Small Cap	10%	10.6%	7.0%
Int'l Equity	8%	18.4%	4.1%
Real Estate	15%	8.5%	6.1%
Fixed Income	25%	4.4%	2.7%

*For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of returns. Nominal means have been reduced by our projection for CPI to produce means in real terms.

The expected rate of inflation is 2.75%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Net Pension Liability

The following presents the net pension liability of the City using the discount rate, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

City Net Pension Liability		
1% Decrease (6.85%)	Current Rate (7.85%)	1% Increase (8.85%)
\$ 275,606,718	\$ 183,999,110	\$ 100,584,999

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Reporting period as of September 30, 2018	\$ 796,795,803	\$ 599,325,724	\$ 197,470,079
Changes for the year:			
Service cost	9,288,146	-	9,288,146
Interest	62,814,379	-	62,814,379
Benefit payments	(32,981,866)	(32,981,866)	-
Differences between expected and actual experience	4,956,652	-	4,956,652
Changes in assumptions	5,779,580	-	5,779,580
Employee contributions	-	2,787,802	(2,787,802)
Employer contributions	-	26,710,046	(26,710,046)
Other contributions	-	2,485,959	(2,485,959)
Net investment income	-	64,922,938	(64,922,938)
Administration expenses	-	(627,989)	627,989
Other	-	30,970	(30,970)
Net Change	49,856,891	63,327,860	(13,470,969)
Reporting period as of September 30, 2019	\$ 846,652,694	\$ 662,653,584	\$ 183,999,110

The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study for the period October 1, 2009 to September 30, 2014.

The pension plan's fiduciary net position has been determined on the same basis used by the pension plan for both firefighters and police officers.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources

In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
3. Differences between expected and actual earnings on pension plan investments – amortized over five years

Contributions to the pension plan from the City are not included in collective pension expense. The pension expense for the fiscal year ended September 30, 2019 is \$23,850,416.

Employer contributions made subsequent to the September 30, 2018 measurement date of the Net Pension Liabilities and before the end of the September 30, 2019 reporting period should be reported as deferred outflows of resources per GASB 68 paragraph 34. The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2019, are presented below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:			
Contributions, subsequent to measurement date	\$ 27,248,665	\$ -	\$ 27,248,665
Assumptions/inputs	10,360,953	-	10,360,953
Projected/Actual earnings	-	(22,005,329)	(22,005,329)
Experience expected/actual	4,948,126	(780,192)	4,167,934
	\$ 42,557,744	\$ (22,785,521)	\$ 19,772,223

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

<u>Reporting Period</u> <u>Ending September 30,</u>	<u>Amount to be</u> <u>Recognized</u>
2020	\$ 2,860,590
2021	(3,399,928)
2022	(4,098,449)
2023	(2,838,655)
2024	-
Total	\$ (7,476,442)

Florida Retirement System (FRS) - Charter School Employees

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

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

Plan Description

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

Florida Retirement System (FRS) - Charter School Employees

Type of Benefit

The FRS Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a nonintegrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

For members initially enrolled in the FRS before July 1, 2011, average final compensation (AFC) is the average of the five highest fiscal years of salary earned during covered employment. For members initially enrolled in the FRS on or after July 1, 2011, AFC is the average of the eight highest fiscal years of salary earned during covered employment.

Vesting

Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Service Retirement

Members become eligible for normal retirement or unreduced retirement based on their age and/or service when they first meet one of the minimum requirements below. Early retirement or reduced retirement may be taken after a member is vested and is within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year remaining from a member's retirement age to normal retirement age.

Description:	Service retirement:
Normal Retirement Requirements for Regular Class members initially enrolled before July 1, 2011.	Vested with six years of service and age 62; or the age after completing six years of service if after age 62; or 30 years of service, regardless of age.
Normal Retirement Requirements for Regular Class members initially enrolled on or after July 1, 2011.	Vested with eight years of service and age 65; or the age after completing eight years of service if after age 65; or 33 years of service, regardless of age.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Funding Policy

The Charter School's required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2019, the contribution rate was 8.26% for Regular Class Members and 14.03% for DROP Members. The School is required to contribute both for full-time and part-time members of the Plan, which amounted to \$1,710,079. As of June 30, 2019, there were 607 members in this Plan.

The contribution rate includes the post-employment health insurance supplement of 1.66% and the administrative/educational fee of 0.06%.

Since year 2012, the State mandated that employees contribute to the FRS Pension Plan. In fiscal year 2019, the contribution rate was 3%. This required employee contribution amounted to \$614,694 for fiscal year 2019.

Fiscal Year	Required Contributions	Employer Contributions	Percentage Contributed	Contribution Rates	
				Regular Class	DROP
2019	\$1,710,079	\$1,710,079	100.00%	8.26%	14.03%
2018	\$1,633,735	\$1,633,735	100.00%	7.52%	12.99%
2017	\$1,502,652	\$1,502,652	100.00%	7.52%	12.99%
2016	\$1,362,328	\$1,362,328	100.00%	7.26%	12.88%
2015	\$1,374,878	\$1,374,878	100.00%	7.37%	12.28%
2014	\$1,321,708	\$1,321,708	100.00%	6.95%	12.84%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Net Pension Liabilities

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2018, are shown below (in thousands):

	FRS	HIS
Total Pension Liability	\$ 191,317,399	\$ 10,816,576
Plan Fiduciary Net Position	(161,196,881)	(232,463)
Net Pension Liability	\$ 30,120,518	\$ 10,584,113

Plan Fiduciary Net Position as a		
Percentage of the Total Pension Liability	84.26%	2.15%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2018. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. Each plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Charter Schools reported a liability of \$18,640,547 for their proportionate share of the net pension liability. The detail of the proportion shares are as follow:

FRS Pension Plan:

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	CITY OF PEMBROKE PINES FSU CHARTER SCHOOL	\$ 130,971	0.005031075%	\$ 151,639	0.005320825%	\$1,488,158	\$ 1,602,660
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	353,465	0.013577866%	391,227	0.013727637%	4,017,620	4,134,835
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	238,650	0.009167388%	261,357	0.009170693%	2,712,583	2,762,260
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	312,825	0.012016723%	329,129	0.011548723%	3,555,686	3,478,535

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Net Pension Liabilities (continued)

FRS Retiree Health Insurance Subsidy (HIS) Program:

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period		Employer Contribution for Pension Plan Funding for Current Period		Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date		Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date	
		\$	Proportion at Prior Measurement Date	\$	Proportion at Current Measurement Date	\$	Proportion at Prior Measurement Date	\$	Proportion at Measurement Date
16309	CITY OF PEMBROKE PINES FSU CHARTER SCHOOL	41,711	0.007881519%	45,559	0.008401021%	842,728		889,174	
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	112,860	0.021325349%	116,764	0.021531224%	2,280,205		2,278,889	
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	75,171	0.021325349%	77,711	0.014329829%	1,518,743		1,516,685	
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	100,357	0.021325349%	101,322	0.018683750%	2,027,604		1,977,509	

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013 through June 30, 2017, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years June 30, 2015 through June 30, 2017, in addition to contributions from employers the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay- as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.58% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2018:

1. FRS: The long-term expected rate of return was decreased from 7.10% to 7.00% and the active member mortality assumption was updated.
2. HIS: The municipal rate used to determine total pension liability decreased from 3.58% to 3.87%.

Because the HIS is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 7.00% used in GASB discount rate calculations differs from the 7.40% investment rate of return assumption used in the funding calculation. The 7.00% assumption consists of two building block components: 1) a real (in excess of inflation) return of 4.40%, consistent with one capital market outlook model developed during 2018 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.60% as most recently adopted in October 2018 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 7.00% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice.

For reference, the table below contains a summary of the actuarial assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Long-Term Expected Rate of Return (continued)

Asset Class	Target Allocation	Annual	Compound	Standard Deviation
		Arithmetic Return	Annual (Geometric) Return	
Cash	1.00%	2.90%	2.90%	1.80%
Fixed income	18.00%	4.40%	4.30%	4.00%
Global equity	54.00%	7.60%	6.30%	17.00%
Real estate	11.00%	6.60%	6.00%	11.30%
Private equity	10.00%	10.70%	7.80%	26.50%
Strategic investments	6.00%	6.00%	5.70%	8.60%
Assumed Inflation – Mean			2.60%	1.90%

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2019.

	<u>FRS Net Pension Liability</u>		
	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
Charter FSU	\$ 2,924,922	\$ 1,602,660	\$ 504,443
Elementary	7,546,248	4,134,835	1,301,456
Middle	5,041,241	2,762,260	869,432
High	6,348,473	3,478,535	1,094,883

	<u>HIS Net Pension Liability</u>		
	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.87%	3.87%	4.87%
Charter FSU	\$ 1,012,717	\$ 889,174	\$ 786,193
Elementary	2,595,521	2,278,889	2,014,958
Middle	1,727,416	1,516,685	1,341,029
High	2,252,267	1,977,509	1,748,482

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/ (Inflows) of Resources

In accordance with GASB 68, paragraph 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

1. Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
2. Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
3. Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pension through the pension plan (active and inactive employees)
4. Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2018, was 6.4 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2019, are presented below:

		Collective Pension Expenses
FSU Elementary	\$	330,870
Charter Elementary		713,562
Charter Middle		520,801
Charter High		744,980
Total	\$	2,310,213

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/ (Inflows) of Resources (continued)

The components of deferred outflows and inflows of resources schedules for the fiscal year ended June 30, 2019, are presented below for each plan.

FRS Pension Plan									
	FSU Elementary		Elementary		Middle		High		
	Deferred		Deferred		Deferred		Deferred		
	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:									
Contributions, subsequent to measurement date	\$ 162,177	\$ -	\$ 415,792	\$ -	\$ 260,083	\$ -	\$ 354,516	\$ -	\$ 1,192,568
Assumptions/inputs	523,671	-	1,351,063	-	902,572	-	1,136,616	-	3,913,923
Projected/Actual earnings	-	(123,825)	-	(319,466)	-	(213,418)	-	(268,759)	(925,469)
Experience expected/actual	135,769	(4,928)	350,283	(12,714)	234,005	(8,493)	294,684	(10,696)	977,911
Change in Proportion, NPL	83,222	(62,745)	69,468	(243,357)	51,660	(143,536)	93,349	(155,233)	(307,172)
	<u>\$ 904,840</u>	<u>\$ (191,498)</u>	<u>\$ 2,186,606</u>	<u>\$ (575,537)</u>	<u>\$ 1,448,320</u>	<u>\$ (365,448)</u>	<u>\$ 1,879,165</u>	<u>\$ (434,688)</u>	<u>\$ 4,851,761</u>

HIS Pension Plan									
	FSU Elementary		Elementary		Middle		High		
	Deferred		Deferred		Deferred		Deferred		
	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Outflows of Resources	Deferred Inflows of Resources	Total
Changes in:									
Contributions, subsequent to measurement date	\$ 46,143	\$ -	\$ 116,922	\$ -	\$ 76,906	\$ -	\$ 103,306	\$ -	\$ 343,277
Assumptions/inputs	98,887	(94,011)	253,441	(240,943)	168,674	(160,357)	219,923	(209,079)	36,535
Projected/Actual earnings	537	-	1,376	-	916	-	1,194	-	4,023
Experience expected/actual	13,613	(1,511)	34,889	(3,872)	23,220	(2,577)	30,275	(3,360)	90,677
Change in Proportion, NPL	70,739	(30,614)	29,566	(151,529)	51,334	(64,480)	90,524	(25,845)	(30,305)
	<u>\$ 229,919</u>	<u>\$ (126,136)</u>	<u>\$ 436,194</u>	<u>\$ (396,344)</u>	<u>\$ 321,050</u>	<u>\$ (227,414)</u>	<u>\$ 445,222</u>	<u>\$ (238,284)</u>	<u>\$ 444,207</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

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

Pension Expense and Deferred Outflows/ (Inflows) of Resources (continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year Ending June 30,	FSU Elementary		Elementary	
	FRS Expense	HIS Expense	FRS Expense	HIS Expense
2020	\$ 193,212	\$ 13,973	\$ 416,897	\$ (21,578)
2021	140,067	13,928	302,524	(21,694)
2022	25,182	14,456	33,898	(3,126)
2023	106,044	11,172	246,719	5,573
2024	74,152	(180)	169,628	(26,016)
Thereafter	12,508	4,291	25,611	(10,231)
Total	\$ 551,165	\$ 57,640	\$ 1,195,277	\$ (77,070)

Year Ending June 30,	Middle		High	
	FRS Expense	HIS Expense	FRS Expense	HIS Expense
2020	\$ 298,914	\$ 9,623	\$ 429,491	\$ 44,038
2021	212,498	9,546	295,597	43,937
2022	19,732	8,705	26,750	34,747
2023	163,191	6,206	195,163	13,656
2024	112,424	(11,721)	128,034	(18,324)
Thereafter	16,031	(5,629)	14,926	(14,422)
Total	\$ 822,790	\$ 16,730	\$ 1,089,961	\$ 103,632

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS (continued)

Aggregate amount for all pension plans

	General Employees Pension	Firefighters and Police Officers Pension	Florida Retirement System	Total
Pension assets	\$ 241,515	\$ -	\$ -	\$ 241,515
Pension liabilities	(698,863)	183,999,110	18,640,547	201,940,794
Deferred outflows of resources	10,000,000	42,557,744	7,851,315	60,409,058
Deferred inflows of resources	5,032,495	22,785,521	2,555,348	30,373,365
Pension expenses	775,481	23,850,416	2,310,213	26,936,110

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, 2019, there were thirty-two (32) 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 8.26 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2018 fiscal year, the City contributed \$20,486 to the Charter Schools' Plan, and the members contributed \$14,495. 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. The City's contribution rate to the defined contribution plan equals to the required contribution rate for the FRS. The City's Early Development Center employees remain in the original defined contribution plan with the City continuing to contribute 5.0% of covered payroll.

General Bargaining Unit Employees

Effective October 1, 2014, the City established a defined contribution plan for General bargaining-unit employees created in accordance with Internal Revenue Service Code Section 401(a) and Resolution 3456 dated May 20, 2015. At September 30, 2019, there were 142 participants. The City's required contribution was 9.0% of the non-exempt employees' base wages and 12.0% for the exempt employees' base wages. For the 2019 fiscal year, the City contributed \$727,670.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2019

NOTE 15. SUBSEQUENT EVENTS

As discussed in Note 9, on November 7, 2019, the City refunded its Charter School Bonds and replaced them with \$58,985,000 Capital Improvement Revenue Bonds, Series 2019A (the "2019A" Bonds) and \$3,635,000 Taxable Capital Improvement Revenue Bonds, Series 2019B (the "2019B" Bonds), collectively the 2019 Bonds. The 2019 Bonds have staggered maturities through July 2038 and with fixed interest rates ranging between 2.4% and 5.0%. In connection with this transaction, the City also terminated the swap agreements and made a payment of \$10,879,000.

In recent days, the COVID-19 coronavirus outbreak in the United States has resulted in a disruption of the City's operations. Economic uncertainties have arisen which may negatively impact the net position of the City during the year ending September 30, 2020. While the disruption is expected to be temporary, there is uncertainty around the duration and spread of the outbreak. Therefore, we are unable to estimate the extent of the impact of COVID-19 on our operational and financial performance at this time.



Required Supplementary Information

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Taxes	\$ 86,806,459	\$ 86,806,459	\$ 86,877,760		\$ 71,301
Permits, fees and licenses	42,183,786	42,183,786	42,104,253		(79,533)
Intergovernmental revenue	16,372,010	17,033,468	16,708,465		(325,003)
Charges for services	33,034,198	33,399,699	32,860,244		(539,455)
Fines and forfeitures	1,654,860	1,654,860	1,729,766		74,906
Miscellaneous revenues	14,943,138	15,145,648	17,058,431		1,912,783
Total revenues	<u>194,994,451</u>	<u>196,223,920</u>	<u>197,338,919</u>		<u>1,114,999</u>
Expenditures:					
General government services:					
Administrative services	11,438,506	14,172,672	8,540,587		5,632,085
City attorney	1,006,857	1,011,257	1,011,211		46
City clerk	1,372,678	1,552,866	1,163,526		389,340
City manager	1,053,334	1,151,992	1,129,424		22,568
Finance	3,249,271	3,249,271	2,966,733		282,538
Human resources	738,346	738,346	704,201		34,145
Mayor & commission	882,783	882,783	864,991		17,792
Non-departmental	4,294,291	8,121,574	8,130,076		(8,502)
Public services	12,760,386	14,330,422	12,617,969		1,712,453
Total general government services	<u>36,796,452</u>	<u>45,211,183</u>	<u>37,128,718</u>		<u>8,082,465</u>
Public safety					
Emergency & disaster relief services	-	-	405,109		(405,109)
Fire	49,457,982	51,257,998	50,437,355		820,643
Police	71,629,192	68,465,403	66,703,177		1,762,226
Total public safety	<u>121,087,174</u>	<u>119,723,401</u>	<u>117,545,641</u>		<u>2,177,760</u>
Physical environment					
Public services	3,878,177	3,871,946	2,973,063		898,883
Total physical environment	<u>\$ 3,878,177</u>	<u>\$ 3,871,946</u>	<u>\$ 2,973,063</u>		<u>\$ 898,883</u>

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2019
(continued)

	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
Expenditures:					
Transportation					
Emergency & disaster relief services	\$ -	\$ -			\$ -
Total transportation	-	-		-	-
Economic environment					
Community services	\$ 8,511,833	\$ 8,361,508	\$ 8,082,971		\$ 278,537
Total economic environment	8,511,833	8,361,508	8,082,971		278,537
Human services					
Community services	1,443,271	1,444,271	1,177,021		267,250
Education	5,117,176	4,841,196	4,583,698		257,498
Total human services	6,560,447	6,285,467	5,760,719		524,748
Culture/recreation					
Cultural services	1,951,262	1,796,164	1,779,355		16,809
Parks & recreation	18,747,124	21,529,226	17,176,539		4,352,687
Total culture/recreation	20,698,386	23,325,390	18,955,894		4,369,496
Total expenditures	197,532,469	206,778,895	190,447,006		16,331,889
Excess (deficiency) of revenues over (under) expenditures	(2,538,018)	(10,554,975)	6,891,913		17,446,888
Other financing sources (uses):					
Transfers out	(2,300,918)	(3,950,950)	(3,941,172)		9,778
Sale of equipment/land	62,000	62,000	169,031		107,031
Total other financing sources (uses)	(2,238,918)	(3,888,950)	(3,772,141)		116,809
Net change in fund balances	(4,776,936)	(14,443,925)	3,119,772		17,563,697
Fund balances, beginning	80,425,957	80,425,957	80,425,957		-
Fund balances, ending	\$ 75,649,021	\$ 65,982,032	\$ 83,545,729		\$ 17,563,697

See accompanying notes to the budgetary comparisons schedule.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2019

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.
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 that general classification of expenditures.
4. The City's legal level of budgetary control is at the fund level. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department and between departments within the same fund.
 - 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 during the year. Such changes are reflected in an amended budget ordinance, which is adopted within sixty days of the end of that fiscal year.
5. The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The General Fund net upward adjustment to expenditure appropriations amounted to \$9.2 million for the fiscal year ended September 30, 2019. The main components were:
 - a. \$3.6 million—increase in connection with additional City contribution to general employees' pension.
 - b. \$1.4 million—increase attributable to the carryover of mainly capital items from prior year.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2019

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a \$1.2 million upward net revenue adjustment attributable mainly to:

- a. \$0.5 million - increase attributable to the carryover of appropriated fund, mainly local government fire grant from prior fiscal year.
- b. \$0.2 million - increase in fire inspection revenue generated from an additional position.

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, 2019 was emergency and disaster relief in connection with Hurricane Irma. The City does not budget for emergency and disaster relief services.

NOTE 3. BUDGETARY COMPARISON TO ACTUAL

A budgetary comparison to actual can be found under General Fund Budgetary Highlights in the Management's Discussion and Analysis.

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

Reporting period as of:	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Measurement date as of:	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:					
Service Cost	\$ 328,149	\$ 366,046	\$ 277,835	\$ 267,925	\$ 210,178
Interest	12,180,084	11,561,466	11,678,072	11,551,682	11,362,422
Benefit payments	(11,074,842)	(10,560,812)	(10,243,459)	(9,814,147)	(10,021,946)
Differences in experience	453,550	1,023,439	562,441	135	1,255,121
Changes in assumptions	-	7,170,147	13,441,392	838,952	3,309,464
Net change in total pension liability	1,886,941	9,560,286	15,716,281	2,844,547	6,115,239
Total pension liability/(asset) - beginning	186,050,187	176,489,901	160,773,620	157,929,073	151,813,834
Total pension liability/(asset) - ending	<u>\$ 187,937,128</u>	<u>\$ 186,050,187</u>	<u>\$ 176,489,901</u>	<u>\$ 160,773,620</u>	<u>\$ 157,929,073</u>
Plan fiduciary net position:					
Contributions - employer	\$ 5,500,000	\$ 2,500,068	\$ 6,500,000	\$ 9,174,902	\$ 16,474,902
Contributions - member	234,517	244,566	249,519	251,779	245,607
Net investment income	14,389,554	20,165,819	12,366,901	(1,774,130)	12,873,758
Benefit payments	(11,074,842)	(10,560,812)	(10,243,459)	(9,814,147)	(10,021,946)
Administrative expense	(200)	(11,280)	(1,740)	(280)	(2,299)
Net change in plan fiduciary net position	9,049,029	12,338,361	8,871,221	(2,161,876)	19,570,022
Plan fiduciary net position - beginning	179,828,477	167,490,116	158,618,895	160,780,771	141,210,749
Plan fiduciary net position - ending	<u>\$ 188,877,506</u>	<u>\$ 179,828,477</u>	<u>\$ 167,490,116</u>	<u>\$ 158,618,895</u>	<u>\$ 160,780,771</u>
Net pension liability/(asset) - ending	\$ (940,378)	\$ 6,221,710	\$ 8,999,785	\$ 2,154,725	\$ (2,851,698)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.50%	96.66%	94.90%	98.66%	101.81%
Covered payroll (1)	\$ 3,128,143	\$ 3,148,593	\$ 3,441,627	\$ 3,280,160	\$ 3,163,848
Net pension liability/(asset) as a percentage of covered payroll	-30.06%	197.60%	261.50%	65.69%	-90.13%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(1) includes all active members with no adjustments

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees Pension Plan
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 3,502,940	\$ 3,317,993	\$ 3,742,492	\$ 6,674,902	\$ 3,829,070	\$ 2,707,856	\$ 566,798	\$ 2,378,931	\$ 2,660,082	\$ 2,243,128
Contributions in relation to the actuarially determined contribution	3,502,940	3,317,988	3,742,492	7,824,902	16,474,902	9,174,902	6,500,000	2,500,068	5,500,000	10,000,000
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (1,150,000)</u>	<u>\$ (12,645,832)</u>	<u>\$ (6,467,046)</u>	<u>\$ (5,933,202)</u>	<u>\$ (121,137)</u>	<u>\$ (2,839,918)</u>	<u>\$ (7,756,872)</u>
Covered payroll	\$ 3,537,545	\$ 2,734,327	\$ 3,122,626	\$ 3,108,718	\$ 3,163,848	\$ 3,280,160	\$ 3,441,627	\$ 3,148,593	\$ 3,128,143	\$ 2,425,558
Contributions as a percentage of covered payroll	99.02%	121.35%	119.85%	251.71%	520.72%	279.71%	188.86%	79.40%	175.82%	412.28%

Notes to Schedule

Measurement date	9/30/2018
Actuarial cost method	Entry Age Cost
Long-term rate of return on assets	6.75% (all asset class - determine based on the overall actual historical rate of return of the plan)
Discount rate	6.75%
Long-term inflation rate	2.25%
Salary increase assumption	Table S5 from actuary's pension handbook + 2.50%
COLA increase assumption	3.00% & 2.00% per year depending on location
Retirement age assumption	Age 55 and 10 years of service
Plan changes	none
Mortality rate	Rates: RP-2000 – 50% Blue Collar, 50% White Collar for males and 100% white collar for females - Mortality Mortality Improvement (MI): Scale BB This table is what the State of Florida is using in their valuation.
Disability rate	1987 Commissioner's Group disability table, six month elimination period, male and female
Withdrawal rate	2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75
Marital assumptions	75% married; male is 3 years older than the female
Future employer contributions	

Assumed employer contributions are equal to: (1) employer contribution is to assumed to continue at 75.64% of payroll throughout the projection period and (2) expenses are assumed to start at \$53,000 and grow with the inflation assumption throughout the projection period. This is the best estimate available of upcoming years' expenses.

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Changes in Net Pension Liability and Related Ratios

Reporting period as of: Measurement date as of:	<u>9/30/2019</u> 9/30/2018	<u>9/30/2018</u> 9/30/2017	<u>9/30/2017</u> 9/30/2016	<u>9/30/2016</u> 9/30/2015	<u>9/30/2015</u> 9/30/2014
Total pension liability:					
Service Cost	\$ 9,288,146	\$ 9,212,121	\$ 9,537,905	\$ 10,619,978	\$ 10,631,405
Interest	62,814,379	59,453,153	56,386,139	53,285,378	50,687,264
Changes of benefit terms:	-	-	22,338	765,470	-
Difference between expected and actual experience	4,956,652	1,830,547	399,811	(3,834,368)	(679,355)
Other	-	-	41,959	-	-
Assumption Changes	5,779,580	5,790,909	8,511,772	-	-
Benefit payments, including refunds of member contributions	(32,981,866)	(30,611,666)	(29,062,537)	(27,110,856)	(25,391,326)
Net change in total pension liability	49,856,891	45,675,064	45,837,387	33,725,602	35,247,988
Total pension liability/(asset) - beginning	796,795,803	751,120,739	705,283,352	671,557,750	636,309,762
Total pension liability/(asset) - ending	<u>\$ 846,652,694</u>	<u>\$ 796,795,803</u>	<u>\$ 751,120,739</u>	<u>\$ 705,283,352</u>	<u>\$ 671,557,750</u>
Plan fiduciary net position:					
Contributions - employer	\$ 26,710,046	\$ 24,935,503	\$ 23,908,967	\$ 23,719,361	\$ 23,585,326
Contributions - state	2,485,959	2,420,304	2,445,532	2,470,921	2,629,081
Contributions - member	2,783,723	2,663,136	2,819,814	3,065,485	2,994,992
Net investment income	64,922,938	61,789,524	44,141,730	9,650,600	44,126,987
Benefit payments, including refunds of member contributions	(32,981,866)	(30,611,666)	(29,062,537)	(27,070,511)	(25,391,326)
Administrative expense	(627,989)	(738,354)	(627,306)	(597,262)	(606,484)
Other	35,049	8,131	26,207	72,859	44,649
Net change in plan fiduciary net position	63,327,860	60,466,578	43,652,407	11,311,453	47,383,225
Plan fiduciary net position - beginning	599,325,724	538,859,146	495,206,739	483,895,286	436,512,061
Plan fiduciary net position - ending	<u>\$ 662,653,584</u>	<u>\$ 599,325,724</u>	<u>\$ 538,859,146</u>	<u>\$ 495,206,739</u>	<u>\$ 483,895,286</u>
Net pension liability/(asset)	\$ 183,999,110	\$ 197,470,079	\$ 212,261,593	\$ 210,076,613	\$ 187,662,464
Plan fiduciary net position as a percentage of the total pension liability/(asset)	78.27%	75.22%	71.74%	70.21%	72.06%
Covered payroll	\$ 28,431,363	\$ 27,697,423	\$ 27,677,991	\$ 28,313,818	\$ 27,588,952
Net pension liability/(asset) as a percentage of covered payroll	647.17%	712.95%	766.90%	741.96%	680.21%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Actuarially determined contribution	\$ 24,538,413	\$ 23,289,867	\$ 23,882,116	\$ 25,213,704	\$ 26,214,407	\$ 26,190,282	\$ 26,354,499	\$ 27,355,807	\$ 29,196,004	\$ 30,227,258
Contributions in relation to the actuarially determined contribution	24,538,413	23,289,867	23,882,116	25,213,704	26,214,407	26,190,282	26,354,499	27,355,807	29,196,004	30,227,258
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,528,175	\$ 27,129,273	\$ 26,857,833	\$ 27,011,016	\$ 27,588,592	\$ 27,875,138	\$ 27,677,991	\$ 27,697,423	\$ 26,646,456	\$ 28,868,635
Contributions as a percentage of covered payroll	89.14%	85.85%	88.92%	93.35%	95.02%	93.96%	95.22%	98.77%	109.57%	104.71%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.0% - 8.00%
Investment rate of return	7.85%
Retirement age	Experience-based rates specific to eligibility condition
Cost of living increases:	
Firefighters	0.0%, 1.5%, 2.0%, or 3.0%
Police	0.0%, 1.5%, 2.0%, 2.5%, or 3.0%
Future employee contributions	Assume employee contribution continue at 10.4%
Future employer contributions	The City is expected to contribute amounts necessary on an actuarial basis to fund the Plan's expenses, normal cost, and to amortize the unfunded actuarial accrued liability
Mortality	Healthy members: RP 2000 combined mortality table with blue collar adjustment, separate for male and female, with fully generational mortality improvements projected to each future payment date with Scale BB Disabled members: For disabled male participants, 60% RP 2000 Disabled Male Mortality Table set back four years / 40% RP 2000 Annuitant Male Mortality Table with White Collar Adjustment with no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table with White Collar Adjustment, without projected mortality improvements.

City of Pembroke Pines, Florida
Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB Liability and Related Ratios

Reporting period as of:	<u>9/30/2019</u>	<u>9/30/2018</u>
Measurement date as of:	9/30/2018	9/30/2017
Total pension liability:		
Service Cost	\$ 1,375,830	\$ 1,051,493
Interest	14,591,153	10,944,615
Benefit payments	(13,753,640)	(10,035,735)
Differences in experience	20,890,751	4,928,391
Changes in assumptions	(11,600,799)	22,069,149
Net change in total pension liability	<u>11,503,295</u>	<u>28,957,913</u>
Total pension liability/(asset) - beginning	165,190,013	136,232,100
Total pension liability/(asset) - ending	<u>\$ 176,693,308</u>	<u>\$ 165,190,013</u>
Plan fiduciary net position:		
Contributions - employer	\$ 11,702,240	\$ 14,206,817
Contributions - member	581,044	587,859
Other contributions (Part D subsidy, Rx rebates)	185,724	-
Net investment income	8,447,157	8,403,953
Benefit payments	(13,753,640)	(10,035,735)
Administrative expense	(388,318)	(182,178)
Net change in plan fiduciary net position	<u>6,774,207</u>	<u>12,980,716</u>
Plan fiduciary net position - beginning	80,884,628	67,903,912
Plan fiduciary net position - ending	<u>\$ 87,658,835</u>	<u>\$ 80,884,628</u>
Net pension liability/(asset) - ending	\$ 89,034,473	\$ 84,305,385
Plan fiduciary net position as a percentage of the total pension liability/(asset)	49.61%	48.96%
Covered payroll (1)	\$ 94,833,350	\$ 59,252,825
Net pension liability/(asset) as a percentage of covered payroll	93.89%	142.28%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
(1) includes all active members with no adjustments

City of Pembroke Pines, Florida
Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 8,649,000	\$ 8,614,000	\$ 9,125,000	\$ 9,352,000	\$ 8,103,000	\$ 8,057,000	\$ 6,147,000	\$ 9,561,443	\$ 10,384,902	\$ 10,067,044
Contributions in relation to the actuarially determined contribution	13,834,000	11,003,648	9,169,000	9,356,207	9,352,000	10,010,983	15,192,960	14,206,817	11,702,240	13,722,749
Contribution Deficiency/(Excess)	<u>\$ (5,185,000)</u>	<u>\$ (2,389,648)</u>	<u>\$ (44,000)</u>	<u>\$ (4,207)</u>	<u>\$ (1,249,000)</u>	<u>\$ (1,953,983)</u>	<u>\$ (9,045,960)</u>	<u>\$ (4,645,374)</u>	<u>\$ (1,317,338)</u>	<u>\$ (3,655,705)</u>
Covered payroll	\$ 72,957,410	\$ 69,130,334	\$ 67,687,688	\$ 65,748,426	\$ 67,720,879	\$ 69,752,505	\$ 71,845,080	\$ 59,252,828	\$ 94,833,350	\$ 97,678,351
Contributions as a percentage of covered payroll	18.96%	15.92%	13.55%	14.23%	13.81%	14.35%	21.15%	23.98%	12.34%	14.05%
Notes to Schedule										
Measurement date	9/30/2018									
Actuarial cost method	Entry Age Normal based on level percentage of projected salary									
Amortization method	Experience gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (those without future service remaining count as 0 years in the averaging). Investment gains and losses are amortized over a closed period of five years starting on FY 2018.									
Remaining amortization period	29 years									
Asset valuation method	Fair Market value									
Marriage rate	The assumed number of eligible spouses is based on the current information in the census provided.									
Spouse age	Male spouses are assumed to be three years older than female spouses.									
Mortality rates	RP-2014 generational table back-projected to year 2006 and scaled using MP-18 and applied on a genderspecific basis.									
Actuarial assumptions:										
Inflation rate	3.0%									
Health CPI	2.0%									
Investment rate of return (2)	7.6%									
Projected salary increases	3.0%									
Healthcare cost trend rate (3)	9.00%	initial								
	4.50%	ultimate								
	7.00%	current								
Post-retirement benefits increases	N/A									

(1) Prior to FY2017, the ADC was represented by the Annual Required Contribution (ARC) in GASB 45.

(2) Valuation results are developed assuming a discount rate of 7.6% determined based on the long-term yield on the investments used to finance the payment of benefits.

(3) The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 4.50% is reached.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Annual Money Weighted Rate of Return
For the Year Ended September 30

General Employees Pension Plan:

Fiscal year ending:	Annual Money Weighted Rate of Return
2015	14.04%
2016	-1.12%
2017	8.01%
2018	12.37%
2019	8.20%

City Pension Fund for Firefighters and Police Officers:

Fiscal year ending:	Annual Money Weighted Rate of Return
2014	10.20%
2015	2.04%
2016	9.09%
2017	11.45%
2018	10.99%
2019	4.01%

Other Post-Employment Benefits Plan (OPEB):

Fiscal year ending:	Annual Money Weighted Rate of Return
2017	12.10%
2018	11.40%
2019	4.80%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter Elementary School

	2019		2018		2017		2016		2015	
Charter Elementary Schools:										
Share of net pension liability as a percentage	0.013727637%	0.021531224%	0.013577866%	0.021325349%	0.013137343%	0.021223884%	0.014180334%	0.021143721%	0.015319553%	0.023009714%
Share of net pension liability as an amount	\$ 4,134,835	\$ 2,278,889	\$ 4,016,242	\$ 2,280,205	\$ 3,317,189	\$ 2,473,556	\$ 1,831,580	\$ 2,156,327	\$ 934,718	\$ 2,151,464
Covered payroll	\$ 7,957,227	\$ 7,957,227	\$ 7,745,300	\$ 7,745,300	\$ 7,520,707	\$ 7,520,707	\$ 7,546,090	\$ 7,546,090	\$ 7,816,059	\$ 7,816,059
Net pension liability as a percentage of covered payroll	51.96%	28.64%	51.85%	29.44%	44.11%	32.89%	24.27%	28.58%	11.96%	27.53%

Note to Schedule:

Assumptions:

1. The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2018, using the entry age normal actuarial cost method.
2. Inflation increases for both plans is assumed at 2.60%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%.
5. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.
6. The municipal rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS is 3.87%.

Benefit Types:

1. FRS pension plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter Middle School

	2019		2018		2017		2016		2015	
Charter Middle Schools:										
Share of net pension liability as a percentage	0.009170693%	0.014329829%	0.009167388%	0.014203866%	0.008687191%	0.013636514%	0.009774085%	0.013999520%	0.010014704%	0.014743185%
Share of net pension liability as an amount	\$ 2,762,260	\$ 1,516,685	\$ 2,711,652	\$ 1,518,743	\$ 2,193,523	\$ 1,589,279	\$ 1,262,454	\$ 1,427,731	\$ 611,044	\$ 1,378,524
Covered payroll	\$ 5,606,419	\$ 5,606,419	\$ 5,398,562	\$ 5,398,562	\$ 5,357,386	\$ 5,357,386	\$ 5,273,513	\$ 5,273,513	\$ 5,373,301	\$ 5,373,301
Net pension liability as a percentage of covered payroll	49.27%	27.05%	50.23%	28.13%	40.94%	29.67%	23.94%	27.07%	11.37%	25.66%

Note to Schedule:

Assumptions:

1. The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2018, using the entry age normal actuarial cost method.
2. Inflation increases for both plans is assumed at 2.60%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%.
5. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.
6. The municipal rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS is 3.87%.

Benefit Types:

1. FRS pension plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter High School

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
Charter High School:										
Share of net pension liability as a percentage	0.011548723%	0.018683750%	0.012016723%	0.018962929%	0.011451996%	0.018074525%	0.012391542%	0.018101749%	0.011808963%	0.017492768%
Share of net pension liability as an amount	\$ 3,478,535	\$ 1,977,508	\$ 3,554,466	\$ 2,027,603	\$ 2,891,638	\$ 2,106,510	\$ 1,600,534	\$ 1,846,093	\$ 720,520	\$ 1,635,616
Covered payroll	\$ 7,140,664	\$ 7,140,664	\$ 6,894,012	\$ 6,894,012	\$ 6,648,338	\$ 6,648,338	\$ 6,249,677	\$ 6,249,677	\$ 5,987,830	\$ 5,987,830
Net pension liability as a percentage of covered payroll	48.71%	27.69%	51.56%	29.41%	43.49%	31.68%	25.61%	29.54%	12.03%	27.32%

Note to Schedule:

Assumptions:

1. The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2018, using the entry age normal actuarial cost method.
2. Inflation increases for both plans is assumed at 2.60%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%.
5. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.
6. The municipal rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS is 3.87%.

Benefit Types:

1. FRS pension plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Charter Schools
Required Supplementary Information
Schedule of Contributions

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 1,476,624	\$ 1,413,716	\$ 1,311,513	\$ 1,191,296	\$ 1,202,083	\$ 1,157,206	\$ 884,548	\$ 812,317	\$ 1,761,326	\$ 1,563,168
Contributions in relation to the contractually required contribution	(1,476,624)	(1,413,716)	(1,311,513)	(1,191,296)	(1,202,083)	(1,157,206)	(884,548)	(812,317)	(1,761,326)	(1,563,168)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,015,246	\$ 20,704,310	\$ 20,037,874	\$ 19,526,431	\$ 19,069,280	\$ 19,177,190	\$ 19,842,569	\$ 19,029,259	\$ 19,299,408	\$ 19,090,703
Contributions as a percentage of covered payroll	7.03%	6.83%	6.55%	6.10%	6.30%	6.03%	4.46%	4.27%	9.13%	8.19%

City of Pembroke Pines, Florida
Required Supplementary Information
Pension Schedule
Charter Elementary School
Florida State University

	2019		2018		2017		2016		2015	
Florida State University:										
Share of net pension liability as a percentage	0.005320825%	0.008401021%	0.005031075%	0.007881519%	0.004659122%	0.007524053%	0.005166942%	0.007705802%	0.005205347%	0.007934707%
Share of net pension liability as an amount	\$ 1,602,660	\$ 889,174	\$ 1,488,158	\$ 842,728	\$ 1,176,432	\$ 876,897	\$ 667,380	\$ 785,871	\$ 317,603	\$ 741,914
Covered payroll	\$ 3,197,135	\$ 3,197,135	\$ 2,852,151	\$ 2,852,151	\$ 2,748,729	\$ 2,748,729	\$ 2,800,535	\$ 2,800,535	\$ 2,826,918	\$ 2,826,918
Net pension liability as a percentage of covered payroll	50.13%	27.81%	52.18%	29.55%	42.80%	31.90%	23.83%	28.06%	11.23%	26.24%

Note to Schedule:

Assumptions:

1. The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2018, using the entry age normal actuarial cost method.
2. Inflation increases for both plans is assumed at 2.60%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%.
5. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.
6. The municipal rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS is 3.87%.

Benefit Types:

1. FRS pension plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**City of Pembroke Pines, Florida
Florida State University
Charter Elementary School
Required Supplementary Information
Schedule of Contributions**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 233,455	\$ 220,019	\$ 191,139	\$ 171,032	\$ 172,795	\$ 164,502	\$ 128,636	\$ 117,857	\$ 247,079	\$ 226,647
Contributions in relation to the contractually required contribution	(233,455)	(220,019)	(191,139)	(171,032)	(172,795)	(164,502)	(128,636)	(117,857)	(247,079)	(226,647)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,209,108	\$ 3,197,135	\$ 2,852,151	\$ 2,748,729	\$ 2,800,535	\$ 2,826,918	\$ 2,858,525	\$ 2,715,212	\$ 2,810,787	\$ 2,787,715
Contributions as a percentage of covered payroll	7.27%	6.88%	6.70%	6.22%	6.17%	5.82%	4.50%	4.34%	8.79%	8.13%



Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted or committed/assigned to expenditures for particular purposes.

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

Law Enforcement Grant Fund – To account for Federal funded programs:

- Victim's Advocate (Victims of Crime Act)
 - One (1) part time victim's advocate
- Homeland Security (Urban Area Security Initiative-UASI)
 - Equipment

Police Community Service Grant – To account for Federal funded program:

- Byrne Grant
 - Equipment

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

- Minor home repairs/weatherization
- Homeowner counseling
- Foreclosure prevention
- Emergency repair program
- Administration
- Homebuyer assistance
- Public facilities

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

- Community Development Block Grant (CDBG)
 - Home repairs/weatherization
 - Arch Barrier removal
 - Public facilities
 - Commercial revitalization
 - Administration
 - Acquisition-Rehabilitation or new construction
 - Senior Center transportation
- HOME Investment partnership Program (HOME)
 - Home repairs/weatherization.
- Neighborhood Stabilization Program (NSP)
 - Minor home repairs/weatherization
 - Homebuyer assistance
- Community Development Block Grant Recovery (CDBG-R)
 - Thermal storage system
- Disaster Recovery Initiative (DRI)
 - Disaster mitigation/recovery

Community Bus Program – To account for funds received from the Broward County Transit Grant to provided subsidized transportation to local residents.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

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, 2019

Special Revenue Funds

	Special Revenue Funds							
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by*			Florida State University Elementary
					Broward County School Board			
				Elementary	Middle	High		
Assets								
Pooled cash and cash equivalents	\$ 4,920,140	\$ -	\$ -	\$ 1,289,637	\$ 2,429,931	\$ 154,181	\$ 599,990	\$ 2,685,884
Investment in marketable securities	988,626	-	-	-	-	-	-	-
Franchise fees and taxes receivable	486,393	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	9,140	-	-	-	-
Due from other governments	1,188,157	117,279	18,891	-	76,675	53,505	93,035	442,034
Restricted pooled cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,583,316</u>	<u>\$ 117,279</u>	<u>\$ 18,891</u>	<u>\$ 1,298,777</u>	<u>\$ 2,506,606</u>	<u>\$ 207,686</u>	<u>\$ 693,025</u>	<u>\$ 3,127,918</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 26,574	\$ -	\$ -	\$ -	\$ 16,546	\$ 17,419	\$ 28,980	\$ 15,904
Due to other funds	-	117,279	18,891	-	-	-	-	-
Deposits	-	-	-	-	178,681	130,448	448,759	32,237
Unearned revenue	-	-	-	1,298,777	87,532	59,239	92,755	8,058
Total liabilities	<u>26,574</u>	<u>117,279</u>	<u>18,891</u>	<u>1,298,777</u>	<u>282,759</u>	<u>207,106</u>	<u>570,494</u>	<u>56,199</u>
Deferred inflows of resources	1,096,139	-	-	-	-	-	-	-
Fund balances: Nonspendable:								
Wetland Mitigation Trust	-	-	-	-	-	-	-	-
Restricted for:								
Road and sidewalks	6,460,603	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-
Assigned to:								
Rent payments	-	-	-	-	2,223,847	580	122,531	3,071,719
Total fund balances	<u>6,460,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,223,847</u>	<u>580</u>	<u>122,531</u>	<u>3,071,719</u>
Total liabilities and fund balances	<u>\$ 7,583,316</u>	<u>\$ 117,279</u>	<u>\$ 18,891</u>	<u>\$ 1,298,777</u>	<u>\$ 2,506,606</u>	<u>\$ 207,686</u>	<u>\$ 693,025</u>	<u>\$ 3,127,918</u>

*As of June 30, 2019

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019
(continued)

	Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated		Wetland Mitigation Trust Fund
Assets									
Pooled cash and cash equivalents	\$ 363	\$ -	\$ -	\$ 505,655	\$ 430,695	\$ 81,054	\$ 1,224,062	\$ -	\$ 14,321,592
Investment in marketable securities	-	-	-	-	-	-	-	-	988,626
Franchise fees and taxes receivable	-	-	-	-	-	-	-	-	486,393
Other receivables	-	-	-	-	-	-	6,606	-	6,606
Prepaid costs	46,105	-	-	-	-	-	-	-	55,245
Due from other governments	190,044	-	125,067	-	-	-	-	-	2,304,687
Restricted pooled cash and cash equivalents	-	-	-	-	-	-	-	487,093	487,093
Total assets	<u>\$ 236,512</u>	<u>\$ -</u>	<u>\$ 125,067</u>	<u>\$ 505,655</u>	<u>\$ 430,695</u>	<u>\$ 81,054</u>	<u>\$ 1,230,668</u>	<u>\$ 487,093</u>	<u>\$ 18,650,242</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,423
Due to other funds	100,149	-	125,067	-	-	-	-	-	361,386
Deposits	-	-	-	-	-	-	109,103	-	899,228
Unearned revenue	136,363	-	-	-	-	-	-	-	1,682,724
Total liabilities	<u>236,512</u>	<u>-</u>	<u>125,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,103</u>	<u>-</u>	<u>3,048,761</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-	1,096,139
Fund balances: Nonspendable:									
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted for:									
Road and sidewalks	-	-	-	-	-	-	-	-	6,460,603
Law enforcement	-	-	-	505,655	430,695	81,054	1,121,565	-	2,138,969
Wetland Mitigation	-	-	-	-	-	-	-	40,978	40,978
Assigned to:									
Rent payments	-	-	-	-	-	-	-	-	5,418,677
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,655</u>	<u>430,695</u>	<u>81,054</u>	<u>1,121,565</u>	<u>487,093</u>	<u>14,505,342</u>
Total liabilities and fund balances	<u>\$ 236,512</u>	<u>\$ -</u>	<u>\$ 125,067</u>	<u>\$ 505,655</u>	<u>\$ 430,695</u>	<u>\$ 81,054</u>	<u>\$ 1,230,668</u>	<u>\$ 487,093</u>	<u>\$ 18,650,242</u>

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2019

	Special Revenue Funds							
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by*			Florida State University Elementary
					Broward County School Board			
				Elementary	Middle	High		
Revenues:								
Taxes	\$ 2,984,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	1,614,987	-	-	-	-	-	-	-
Intergovernmental	2,288,397	210,518	18,891	647,900	15,498,589	9,890,042	16,686,275	7,038,527
Charges for services	-	-	-	-	1,036,872	78,611	134,739	442,920
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income (loss)	148,286	-	-	-	62,658	(180)	16,233	63,923
Contributions	-	-	-	-	182,766	125,043	215,766	65,722
Rental revenue	-	-	-	-	127,512	216,249	776,332	35,022
Other	233,085	-	-	-	431,575	398,084	578,667	170,119
Total revenues	<u>7,268,969</u>	<u>210,518</u>	<u>18,891</u>	<u>647,900</u>	<u>17,339,972</u>	<u>10,707,849</u>	<u>18,408,012</u>	<u>7,816,233</u>
Expenditures:								
Public safety	-	210,518	18,891	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-
Transportation	5,739,201	-	-	-	-	-	-	-
Economic environment	-	-	-	647,900	-	-	-	-
Human services	-	-	-	-	16,355,854	11,848,479	18,346,593	7,042,396
Total expenditures	<u>5,739,201</u>	<u>210,518</u>	<u>18,891</u>	<u>647,900</u>	<u>16,355,854</u>	<u>11,848,479</u>	<u>18,346,593</u>	<u>7,042,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,529,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>984,118</u>	<u>(1,140,630)</u>	<u>61,419</u>	<u>773,837</u>
Other financing sources (uses):								
Transfers in	628,434	-	-	-	-	1,139,463	-	-
Transfers out	(264,834)	-	-	-	(503,000)	-	-	-
Total other financing sources (uses)	<u>363,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(503,000)</u>	<u>1,139,463</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,893,368	-	-	-	481,118	(1,167)	61,419	773,837
Fund balances, beginning	4,567,235	-	-	-	1,742,729	1,747	61,112	2,297,882
Fund balances, ending	<u>\$ 6,460,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,223,847</u>	<u>\$ 580</u>	<u>\$ 122,531</u>	<u>\$ 3,071,719</u>

*As of June 30, 2019

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2019

	Special Revenue Funds						Permanent Fund	Total	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	Nonmajor Governmental Funds
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,984,214
Permits, fees and licenses	-	-	-	-	-	-	-	-	1,614,987
Intergovernmental	1,180,149	597,032	780,321	-	-	-	-	-	54,836,641
Charges for services	-	-	-	-	-	-	-	-	1,693,142
Fines and forfeitures	-	-	-	66,809	-	24,170	22,193	-	113,172
Investment income	-	-	-	11,253	10,897	2,363	30,733	12,394	358,560
Contributions	-	5,210	10,885	-	-	-	-	-	605,392
Rental revenue	-	-	-	-	-	-	-	-	1,155,115
Other	-	-	-	-	-	-	-	-	1,811,530
Total revenues	1,180,149	602,242	791,206	78,062	10,897	26,533	52,926	12,394	65,172,753
Expenditures:									
Public safety	-	-	-	-	-	60,584	13,226	-	303,219
Physical Environment	-	-	-	-	-	-	-	16,460	16,460
Transportation	123,338	1,121,160	-	-	-	-	-	-	6,983,699
Economic environment	1,056,811	-	-	-	-	-	-	-	1,704,711
Human services	-	-	1,213,397	-	-	-	-	-	54,806,719
Total expenditures	1,180,149	1,121,160	1,213,397	-	-	60,584	13,226	16,460	63,814,808
Excess (deficiency) of revenues over (under) expenditures	-	(518,918)	(422,191)	78,062	10,897	(34,051)	39,700	(4,066)	1,357,945
Other financing sources (uses):									
Transfers in	-	518,918	422,191	-	-	-	-	-	2,709,006
Transfers out	-	-	-	-	-	-	-	-	(767,834)
Total other financing sources (uses)	-	518,918	422,191	-	-	-	-	-	1,941,172
Net change in fund balances	-	-	-	78,062	10,897	(34,051)	39,700	(4,066)	3,299,117
Fund balances, beginning	-	-	-	427,593	419,798	115,105	1,081,865	491,159	11,206,225
Fund balances, ending	\$ -	\$ -	\$ -	\$ 505,655	\$ 430,695	\$ 81,054	\$ 1,121,565	\$ 487,093	\$ 14,505,342

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

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**
 - Road and Bridge Fund
 - Law Enforcement Grant
 - Police Community Service Grant
 - State Housing Initiative Program
 - Elementary Schools chartered by Broward County School Board
 - Middle Schools chartered by Broward County School Board
 - High School chartered by Broward County School Board
 - Elementary School chartered by Florida State University
 - Housing and Urban Development Grant
 - Community Bus Program
 - Older Americans Act
 - Treasury Confiscated
 - Justice Confiscated
 - \$2 Police Education
 - FDLE Confiscated
 - Wetland Mitigation Trust Fund

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 5,641,632	\$ 5,641,632	\$ 5,679,525	\$ 37,893
Utility taxes	2,448,868	2,448,868	2,874,018	425,150
Communications services tax	5,095,000	5,095,000	4,583,688	(511,312)
Permits, fees and licenses	760,566	760,566	784,888	24,322
Investment income	120,800	120,800	291,159	170,359
Contributions	11,350,838	11,350,838	10,676,537	(674,301)
Total revenues	<u>25,417,704</u>	<u>25,417,704</u>	<u>24,889,815</u>	<u>(527,889)</u>
Expenditures				
Debt Service:				
Principal	13,029,600	13,029,600	12,808,600	221,000
Interest	12,462,084	12,462,084	11,766,115	695,969
Other debt service costs	13,350	13,350	-	13,350
Total expenditures	<u>25,505,034</u>	<u>25,505,034</u>	<u>24,574,715</u>	<u>930,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(87,330)</u>	<u>(87,330)</u>	<u>315,100</u>	<u>402,430</u>
Net change in fund balances	(87,330)	(87,330)	315,100	402,430
Fund balances, beginning	<u>13,113,154</u>	<u>13,113,154</u>	<u>13,113,154</u>	<u>-</u>
Fund balances, ending	<u>\$ 13,025,824</u>	<u>\$ 13,025,824</u>	<u>\$ 13,428,254</u>	<u>\$ 402,430</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, 2019

Special Revenue Funds

	Road & Bridge				Law Enforcement					
	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final				Original	Final			
Revenues:										
Taxes	\$ 2,983,000	\$ 2,983,000	\$ 2,984,214	\$ 1,214	\$ -	\$ -	\$ -	\$ -	-	
Permits, fees and licenses	1,571,000	1,571,000	1,614,987	43,987	-	-	-	-	-	
Intergovernmental	1,578,500	3,612,385	2,288,397	(1,323,988)	18,473	310,238	210,518	(99,720)	-	
Charges for services	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	
Investment income	50,000	50,000	148,286	98,286	-	-	-	-	-	
Contributions	-	-	-	-	-	-	-	-	-	
Rental revenue	-	-	-	-	-	-	-	-	-	
Other	226,795	226,795	233,085	6,290	-	-	-	-	-	
Total revenues	<u>6,409,295</u>	<u>8,443,180</u>	<u>7,268,969</u>	<u>(1,174,211)</u>	<u>18,473</u>	<u>310,238</u>	<u>210,518</u>	<u>(99,720)</u>	<u>-</u>	
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	18,473	310,238	210,518	99,720	-	
Transportation	6,679,467	9,344,060	5,739,201	3,604,859	-	-	-	-	-	
Economic environment	-	-	-	-	-	-	-	-	-	
Human services	-	-	-	-	-	-	-	-	-	
Total expenditures	<u>6,679,467</u>	<u>9,344,060</u>	<u>5,739,201</u>	<u>3,604,859</u>	<u>18,473</u>	<u>310,238</u>	<u>210,518</u>	<u>99,720</u>	<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(270,172)</u>	<u>(900,880)</u>	<u>1,529,768</u>	<u>2,430,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Other financing sources (uses):										
Transfers in	628,434	628,434	628,434	-	-	-	-	-	-	
Transfers out	(358,262)	(358,262)	(264,834)	93,428	-	-	-	-	-	
Total other financing sources (uses)	<u>270,172</u>	<u>270,172</u>	<u>363,600</u>	<u>93,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	-	(630,708)	1,893,368	2,524,076	-	-	-	-	-	
Fund balances, beginning	4,567,235	4,567,235	4,567,235	-	-	-	-	-	-	
Fund balances, ending	<u>\$ 4,567,235</u>	<u>\$ 3,936,527</u>	<u>\$ 6,460,603</u>	<u>\$ 2,524,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

(continued)

City of Pembroke Pines, Florida □
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2019

Special Revenue Funds

	Police Community Service Grant				State Housing Initiative Program					
	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final				Original	Final			
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Permits, fees and licenses	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	18,891	18,891	-	688,935	2,113,312	647,900	(1,465,412)	-	
Charges for services	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	
Investment income	-	-	-	-	15,000	15,000	-	-	(15,000)	
Contributions	-	-	-	-	-	-	-	-	-	
Rental revenue	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Total revenues	-	18,891	18,891	-	703,935	2,128,312	647,900	(1,480,412)	-	
Expenditures:										
General government	-	-	\$ -	-	-	-	-	-	-	
Public safety	-	18,891	18,891	-	-	-	-	-	-	
Transportation	-	-	-	-	-	-	-	-	-	
Economic environment	-	-	-	-	688,935	2,113,312	647,900	1,465,412	-	
Human services	-	-	-	-	-	-	-	-	-	
Total expenditures	-	18,891	18,891	-	688,935	2,113,312	647,900	1,465,412	-	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	15,000	15,000	-	(15,000)	-	
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	
Net change in fund balances	-	-	-	-	15,000	15,000	-	(15,000)	-	
Fund balances, beginning	-	-	-	-	-	-	-	-	-	
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)	-	

(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, 2019

Special Revenue Funds

	Elementary Schools Chartered by Broward County School Board*				Middle Schools Chartered by Broward County School Board*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	15,135,881	15,452,609	15,498,589	45,980	9,682,664	9,879,067	9,890,042	10,975
Charges for services	1,004,758	1,004,758	1,036,872	32,114	117,173	117,173	78,611	(38,562)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income (loss)	10,000	10,000	62,658	52,658	4,000	4,000	(180)	(4,180)
Contributions	429,814	432,058	182,766	(249,292)	293,603	293,603	125,043	(168,560)
Rental revenue	160,345	160,345	127,512	(32,833)	217,251	217,251	216,249	(1,002)
Other	459,482	459,482	431,575	(27,907)	401,587	401,587	398,084	(3,503)
Total revenues	17,200,280	17,519,252	17,339,972	(179,280)	10,716,278	10,912,681	10,707,849	(204,832)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	17,200,073	16,837,220	16,355,854	481,366	12,242,050	12,038,043	11,848,479	189,564
Total expenditures	17,200,073	16,837,220	16,355,854	481,366	12,242,050	12,038,043	11,848,479	189,564
Excess (deficiency) of revenues over (under) expenditures	207	682,032	984,118	302,086	(1,525,772)	(1,125,362)	(1,140,630)	(15,268)
Other financing sources (uses):								
Transfers in	-	-	-	-	1,270,176	1,278,795	1,139,463	(139,332)
Transfers out	(399,381)	(503,381)	(503,000)	381	-	-	-	-
Total other financing sources (uses)	(399,381)	(503,381)	(503,000)	381	1,270,176	1,278,795	1,139,463	(139,332)
Net change in fund balances	(399,174)	178,651	481,118	302,467	(255,596)	153,433	(1,167)	(154,600)
Fund balances, beginning	1,742,729	1,742,729	1,742,729	-	1,747	1,747	1,747	-
Fund balances, ending	\$ 1,343,555	\$ 1,921,380	\$ 2,223,847	\$ 302,467	\$ (253,849)	\$ 155,180	\$ 580	\$ (154,600)

*As of June 30, 2019

(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, 2019

Special Revenue Funds

	High School Chartered by Broward County School Board*				Elementary School Chartered by Florida State University*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	16,005,740	16,361,515	16,686,275	324,760	6,860,400	7,059,524	7,038,527	(20,997)
Charges for services	193,549	193,549	134,739	(58,810)	390,544	390,544	442,920	52,376
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	10,000	10,000	16,233	6,233	5,500	5,500	63,923	58,423
Contributions	484,422	502,826	215,766	(287,060)	151,372	151,372	65,722	(85,650)
Rental revenue	714,709	714,709	776,332	61,623	34,758	34,758	35,022	264
Other	647,269	654,465	578,667	(75,798)	137,812	137,812	170,119	32,307
Total revenues	18,055,689	18,437,064	18,408,012	(29,052)	7,580,386	7,779,510	7,816,233	36,723
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	19,030,565	18,838,310	18,346,593	491,717	7,150,541	7,185,253	7,042,396	142,857
Total expenditures	19,030,565	18,838,310	18,346,593	491,717	7,150,541	7,185,253	7,042,396	142,857
Excess (deficiency) of revenues over (under) expenditures	(974,876)	(401,246)	61,419	462,665	429,845	594,257	773,837	179,580
Other financing sources (uses):								
Transfers in	7,196	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	7,196	-	-	-	-	-	-	-
Net change in fund balances	(967,680)	(401,246)	61,419	462,665	429,845	594,257	773,837	179,580
Fund balances, beginning	61,112	61,112	61,112	-	2,297,882	2,297,882	2,297,882	-
Fund balances, ending	\$ (906,568)	\$ (340,134)	\$ 122,531	\$ 462,665	\$ 2,727,727	\$ 2,892,139	\$ 3,071,719	\$ 179,580

*As of June 30, 2019

(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, 2019

Special Revenue Funds

	Housing and Urban Development Grant				Community Bus Program					
	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final				Original	Final			
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Permits, fees and licenses	-	-	-	-	-	-	-	-	-	
Intergovernmental	955,795	3,044,633	1,180,149	(1,864,484)	308,595	694,984	597,032	(97,952)	(97,952)	
Charges for services	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	
Investment income	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	-	-	5,210	5,210	-	-	
Rental revenue	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Total revenues	<u>955,795</u>	<u>3,044,633</u>	<u>1,180,149</u>	<u>(1,864,484)</u>	<u>308,595</u>	<u>700,194</u>	<u>602,242</u>	<u>(97,952)</u>	<u>(97,952)</u>	
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	-	
Transportation	116,893	123,338	123,338	-	891,507	1,322,318	1,121,160	201,158	201,158	
Economic environment	838,902	2,921,295	1,056,811	1,864,484	-	-	-	-	-	
Human services	-	-	-	-	-	-	-	-	-	
Total expenditures	<u>955,795</u>	<u>3,044,633</u>	<u>1,180,149</u>	<u>1,864,484</u>	<u>891,507</u>	<u>1,322,318</u>	<u>1,121,160</u>	<u>201,158</u>	<u>201,158</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(582,912)</u>	<u>(622,124)</u>	<u>(518,918)</u>	<u>103,206</u>	<u>103,206</u>	
Other financing sources (uses):										
Transfers in	-	-	-	-	582,912	622,124	518,918	(103,206)	(103,206)	
Transfers out	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,912</u>	<u>622,124</u>	<u>518,918</u>	<u>(103,206)</u>	<u>(103,206)</u>	
Net change in fund balances	-	-	-	-	-	-	-	-	-	
Fund balances, beginning	-	-	-	-	-	-	-	-	-	
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2019

Special Revenue Funds

	Older Americans Act				Treasury Confiscated				
	Budgeted Amounts		Actual	Amounts	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	788,497	788,497	780,321	(8,176)	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	66,809	66,809	66,809
Investment income	-	-	-	-	5,000	5,000	11,253	11,253	6,253
Contributions	20,000	20,000	10,885	(9,115)	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	808,497	808,497	791,206	(17,291)	5,000	5,000	78,062	78,062	73,062
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	16,132	401,193	-	-	401,193
Transportation	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-
Human services	1,369,721	1,369,721	1,213,397	156,324	-	-	-	-	-
Total expenditures	1,369,721	1,369,721	1,213,397	156,324	16,132	401,193	-	-	401,193
Excess (deficiency) of revenues over (under) expenditures	(561,224)	(561,224)	(422,191)	139,033	(11,132)	(396,193)	78,062	78,062	474,255
Other financing sources (uses):									
Transfers in	561,224	561,224	422,191	(139,033)	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	561,224	561,224	422,191	(139,033)	-	-	-	-	-
Net change in fund balances	-	-	-	-	(11,132)	(396,193)	78,062	78,062	474,255
Fund balances, beginning	-	-	-	-	427,593	427,593	427,593	427,593	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ 416,461	\$ 31,400	\$ 505,655	\$ 505,655	\$ 474,255

(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, 2019

Special Revenue Funds

	Justice Confiscated				\$2 Police Education					
	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)
	Original	Final				Original	Final			
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Permits, fees and licenses	-	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	
Investment income	6,000	6,000	10,897	4,897	17,391	17,391	24,170	6,779	6,779	
Contributions	-	-	-	-	2,000	2,000	2,363	363	363	
Rental revenue	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Total revenues	6,000	6,000	10,897	4,897	19,391	19,391	26,533	7,142	7,142	
Expenditures:										
General government	-	-	-	-	-	-	-	-	-	
Public safety	35,497	411,958	-	411,958	17,391	98,095	60,584	37,511	37,511	
Transportation	-	-	-	-	-	-	-	-	-	
Economic environment	-	-	-	-	-	-	-	-	-	
Human services	-	-	-	-	-	-	-	-	-	
Total expenditures	35,497	411,958	-	411,958	17,391	98,095	60,584	37,511	37,511	
Excess (deficiency) of revenues over (under) expenditures	(29,497)	(405,958)	10,897	416,855	2,000	(78,704)	(34,051)	44,653	44,653	
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	
Net change in fund balances	(29,497)	(405,958)	10,897	416,855	2,000	(78,704)	(34,051)	44,653	44,653	
Fund balances, beginning	419,798	419,798	419,798	-	115,105	115,105	115,105	-	-	
Fund balances, ending	\$ 390,301	\$ 13,840	\$ 430,695	\$ 416,855	\$ 117,105	\$ 36,401	\$ 81,054	\$ 44,653	\$ 44,653	

(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, 2019

	Special Revenue Funds				Permanent Fund				
	FDLE Confiscated				Wetland Mitigation Trust Fund				
	Budgeted Amounts		Actual	Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Amounts
Original	Final	Original				Final			
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	22,193	22,193	-	-	-	-	-
Investment income	12,000	12,000	30,733	18,733	5,500	5,500	12,394	12,394	6,894
Contributions	-	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	12,000	12,000	52,926	40,926	5,500	5,500	12,394	12,394	6,894
Expenditures:									
General government	-	-	-	-	-	-	\$ -	-	-
Public safety	181,940	974,675	13,226	961,449	-	-	-	-	-
Physical Environment	-	-	-	-	16,500	16,500	16,460	16,460	40
Transportation	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Total expenditures	181,940	974,675	13,226	961,449	16,500	16,500	16,460	16,460	40
Excess (deficiency) of revenues over (under) expenditures	(169,940)	(962,675)	39,700	1,002,375	(11,000)	(11,000)	(4,066)	(4,066)	6,934
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	(169,940)	(962,675)	39,700	1,002,375	(11,000)	(11,000)	(4,066)	(4,066)	6,934
Fund balances, beginning	1,081,865	1,081,865	1,081,865	-	491,159	491,159	491,159	491,159	-
Fund balances, ending	\$ 911,925	\$ 119,190	\$ 1,121,565	\$ 1,002,375	\$ 480,159	\$ 480,159	\$ 487,093	\$ 487,093	\$ 6,934

FIDUCIARY FUND TYPES

- PENSION and OTHER POST-EMPLOYMENT BENEFITS (OPEB)
TRUST FUNDS
- AGENCY FUNDS

PENSION and OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUNDS

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

Other Post-Employment Benefits (OPEB) Fund - To account for the accumulation of resources to be used for retiree health and life insurance benefits. Resources are contributed by retirees based on hire date, retirement date, and employee group and by the City at amounts determined by annual actuarial valuations.

CITY OF PEMBROKE PINES, FLORIDA
Combining Statement of Net Position
Fiduciary Funds
September 30, 2019

	<u>General Employees Pension</u>	<u>Firefighters and Police Officers Pension</u>	<u>Other Post- Employment Benefits</u>	<u>Totals</u>
Assets				
Cash and short term investments	\$ -	\$ 15,403,602	\$ 594,354	\$ 15,997,956
Accrued interest and dividend receivables	-	834,883	-	834,883
Other receivables	6,500,000	2,427,980	2,000,000	10,927,980
Prepaid expenses	-	2,468,385	-	2,468,385
Investments, at fair value				
U.S. Government securities	-	6,811,531	-	6,811,531
Corporate bonds	-	89,913,988	-	89,913,988
Common stocks	-	245,083,868	-	245,083,868
Domestic equity fund	-	127,348,282	-	127,348,282
International equity fund	-	44,498,529	-	44,498,529
Real estate fund	-	60,887,962	-	60,887,962
Timber fund	-	8,034,489	-	8,034,489
Farmland fund	-	17,535,129	-	17,535,129
Mutual funds	191,450,983	65,402,439	94,280,470	351,133,892
Total investments	<u>191,450,983</u>	<u>665,516,217</u>	<u>94,280,470</u>	<u>951,247,670</u>
Capital assets, being depreciated, net	-	324,138	-	324,138
Total assets	<u>197,950,983</u>	<u>686,975,205</u>	<u>96,874,824</u>	<u>981,801,012</u>
Liabilities				
Accounts payable	-	471,983	259,241	731,224
Reserve for health insurance claims	-	-	1,104,707	1,104,707
Total liabilities	<u>-</u>	<u>471,983</u>	<u>1,363,948</u>	<u>1,835,931</u>
Net Position				
Net position restricted for benefits	<u>\$ 197,950,983</u>	<u>\$ 686,503,222</u>	<u>\$ 95,510,876</u>	<u>\$ 979,965,081</u>

CITY OF PEMBROKE PINES, FLORIDA
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2019

	General Employees Pension	Firefighters and Police Officers Pension	Other Post- Employment Benefits	Totals
Additions				
Contributions:				
Plan members	\$ 202,595	\$ 2,688,738	\$ 546,754	\$ 3,438,087
Employer	10,000,000	27,248,665	13,722,749	50,971,414
State	-	2,978,593	-	2,978,593
Total contributions:	<u>10,202,595</u>	<u>32,915,996</u>	<u>14,269,503</u>	<u>57,388,094</u>
Investment income	10,371,264	29,407,574	4,661,627	44,440,465
Less investment expenses	52,607	3,538,741	457,211	4,048,559
Net investment income	<u>10,318,657</u>	<u>25,868,833</u>	<u>4,204,416</u>	<u>40,391,906</u>
Other additions:				
Specific stop loss and medical claims recovery	-	-	531,716	531,716
Total other additions:	<u>-</u>	<u>-</u>	<u>531,716</u>	<u>531,716</u>
Total additions	<u>20,521,252</u>	<u>58,784,829</u>	<u>19,005,635</u>	<u>98,311,716</u>
Deductions				
Benefit payments and insurance premiums	11,436,533	34,120,425	10,919,602	56,476,560
Refunds of contributions	-	65,557	-	65,557
Administrative expenses	11,240	749,211	233,991	994,442
Total deductions	<u>11,447,773</u>	<u>34,935,193</u>	<u>11,153,593</u>	<u>57,536,559</u>
Change in net position	9,073,479	23,849,636	7,852,042	40,775,157
Net position, beginning	<u>188,877,506</u>	<u>662,653,584</u>	<u>87,658,834</u>	<u>939,189,924</u>
Net position, ending	<u>\$ 197,950,985</u>	<u>\$ 686,503,220</u>	<u>\$ 95,510,876</u>	<u>\$ 979,965,081</u>

CITY OF PEMBROKE PINES, FLORIDA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2019

	Balance September 30, <u>2018</u>	Additions	Deductions	Balance September 30, <u>2019</u>
General Agency Fund				
Assets:				
Pooled cash and cash equivalents	\$ 2,986,739	\$ 92,927,604	\$ 94,054,370	\$ 1,859,973
Total assets	<u>\$ 2,986,739</u>	<u>\$ 92,927,604</u>	<u>\$ 94,054,370</u>	<u>\$ 1,859,973</u>
Liabilities:				
Accrued liabilities	2,986,739	87,082,402	88,209,168	\$ 1,859,973
Total liabilities	<u>\$ 2,986,739</u>	<u>\$ -</u>	<u>\$ 88,209,168</u>	<u>\$ 1,859,973</u>
 Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	\$ 48,859	\$ 33,799,126	\$ 33,816,344	\$ 31,641
Accounts receivable	2,510,990	33,649,414	33,244,587	2,915,817
Total assets	<u>\$ 2,559,849</u>	<u>\$ 67,448,540</u>	<u>\$ 67,060,931</u>	<u>\$ 2,947,458</u>
Liabilities:				
Accounts payable	\$ 2,559,849	\$ 26,114,700	\$ 25,727,091	\$ 2,947,458
Total liabilities	<u>\$ 2,559,849</u>	<u>\$ 26,114,700</u>	<u>\$ 25,727,091</u>	<u>\$ 2,947,458</u>
 Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 3,035,598	\$ 126,726,730	\$ 127,870,714	\$ 1,891,614
Accounts receivable	2,510,990	33,649,414	33,244,587	2,915,817
Total assets	<u>\$ 5,546,588</u>	<u>\$ 160,376,144</u>	<u>\$ 161,115,301</u>	<u>\$ 4,807,431</u>
Liabilities:				
Accounts payable	\$ 2,559,849	\$ 26,114,700	\$ 25,727,091	\$ 2,947,458
Accrued liabilities	2,986,739	87,082,402	88,209,168	1,859,973
Total liabilities	<u>\$ 5,546,588</u>	<u>\$ 113,197,102</u>	<u>\$ 113,936,259</u>	<u>\$ 4,807,431</u>

III. STATISTICAL SECTION

- Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

- Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

- Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- Operating Information

These schedules contain trend service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- Other Information

City of Pembroke Pines, Florida
Net Position by Component (1)
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2010	2011 (1)	2012	2013 (2)	2014	2015 (3)	2016	2017 (4)	2018	2019 (5)
Governmental activities										
Net invested in capital assets	\$ 98,775,229	\$ 96,015,470	\$ 96,374,595	\$ 95,158,519	\$ 96,036,092	\$ 101,327,909	\$ 122,925,559	\$ 151,177,610	\$ 158,778,013	\$ 151,680,283
Restricted	27,778,800	27,477,286	25,037,929	20,865,437	23,199,554	21,134,115	22,061,419	16,111,639	17,536,425	20,216,558
Unrestricted	(5,662,804)	(2,761,804)	17,439,237	21,547,870	35,059,606	(194,576,902)	(175,580,464)	(239,753,033)	(230,440,848)	(197,669,376)
Total governmental activities net position	\$ 120,891,225	\$ 120,730,952	\$ 138,851,761	\$ 137,571,826	\$ 154,295,252	\$ (72,114,878)	\$ (30,593,486)	\$ (72,463,784)	\$ (54,126,410)	\$ (25,772,535)
Business-type activities										
Net invested in capital assets	\$ 149,327,456	\$ 142,748,564	\$ 147,671,862	\$ 147,106,303	\$ 143,816,502	\$ 145,060,182	\$ 148,395,164	\$ 148,314,875	\$ 152,998,320	\$ 156,517,943
Restricted	-	2,252,459	702,175	717,102	1,263,613	745,236	759,702	775,231	798,951	827,105
Unrestricted	65,709,435	72,665,822	70,129,711	75,074,326	85,725,566	85,560,873	77,361,508	68,138,649	75,980,326	87,623,941
Total business-type activities net position	\$ 215,036,891	\$ 217,666,845	\$ 218,503,748	\$ 222,897,731	\$ 230,805,681	\$ 231,366,291	\$ 226,516,374	\$ 217,228,755	\$ 229,777,597	\$ 244,968,989
Primary government										
Net invested in capital assets	\$ 248,102,685	\$ 238,764,034	\$ 244,046,457	\$ 242,264,822	\$ 239,852,594	\$ 246,388,091	\$ 271,320,723	\$ 299,492,485	\$ 311,776,333	\$ 308,198,226
Restricted	27,778,800	29,729,745	25,740,104	21,582,539	24,463,167	21,879,351	22,821,121	16,886,870	18,335,376	21,043,663
Unrestricted	60,046,631	69,904,018	87,568,948	96,622,196	120,785,172	(109,016,029)	(98,218,956)	(171,614,384)	(154,460,522)	(110,045,435)
Total primary government net position	\$ 335,928,116	\$ 338,397,797	\$ 357,355,509	\$ 360,469,557	\$ 385,100,933	\$ 159,251,413	\$ 195,922,888	\$ 144,764,971	\$ 175,651,187	\$ 219,196,454

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

(2) FY 2013 restricted net assets of the governmental activities restated for comparative purposes.

(3) The Governmental activities negative unrestricted net position was a result of the implementation of GASB Statement 68 in FY 2015.

(4) The Governmental activities and business-type activities net position was restated as the result of the implementation of GASB Statement 75 in FY 2018.

(5) The business-type activities net position was restated as a result of recording prior period adjustments related to contributed capital improvements.

City of Pembroke Pines, Florida

Changes in Net Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Governmental activities:										
General government (2)	\$ 19,647,193	\$ 17,927,195	\$ 18,177,121	\$ 20,448,927	\$ 21,442,092	\$ 23,730,945	\$ 23,981,833	\$ 35,168,870	\$ 31,513,483	\$ 29,121,715
Public safety (2)	93,568,314	94,585,886	91,073,377	99,209,184	93,399,960	90,001,259	94,753,829	102,981,478	109,238,547	108,975,222
Physical environment	2,684,192	2,583,101	2,462,622	8,532,071	8,398,804	7,244,178	7,858,575	8,521,008	2,946,734	2,904,812
Transportation	9,989,922	9,509,801	8,780,538	7,636,242	7,592,371	8,275,897	7,795,228	9,923,820	9,044,091	9,436,738
Economic environment	13,329,473	11,846,539	11,402,548	10,216,405	11,647,174	9,965,841	10,068,923	10,023,659	9,858,362	10,855,610
Human services	54,656,396	57,265,615	52,041,469	55,589,548	57,230,972	57,826,212	60,215,463	61,061,133	63,418,667	64,510,440
Culture/Recreation	18,316,771	17,921,567	17,002,608	12,112,573	10,357,409	9,737,321	9,663,091	11,790,368	21,093,029	22,632,986
Interest on long-term debt	19,166,448	18,391,348	17,816,972	17,683,512	16,518,111	15,982,325	13,858,187	11,696,265	11,981,311	11,037,040
Total governmental activities expenses	231,358,709	230,031,052	218,757,255	231,428,462	226,586,893	222,763,978	228,195,129	251,166,601	259,094,224	259,474,563
Business-type activities:										
Public safety	-	-	-	-	-	-	-	169,172	20,767	19,657
Water utility services	4,318,216	4,596,991	4,675,493	5,120,127	5,235,305	4,430,806	5,795,010	6,941,478	8,145,767	7,916,075
Sewer/wastewater services	10,946,520	11,947,362	12,568,023	12,703,656	11,541,769	11,992,522	13,659,700	14,590,136	15,292,240	14,703,028
Water-sewer combined services	24,764,738	24,365,791	23,676,096	24,156,348	24,700,745	27,023,984	26,505,206	30,833,117	30,517,738	30,407,704
Total business-type activities expenses	40,029,474	40,910,144	40,919,612	41,980,131	41,477,819	43,447,312	45,959,916	52,533,903	53,976,512	53,046,464
Total primary government expenses	\$ 271,388,183	\$ 270,941,196	\$ 259,676,867	\$ 273,408,593	\$ 268,064,712	\$ 266,211,290	\$ 274,155,045	\$ 303,700,504	\$ 313,070,736	\$ 312,521,027
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 16,049,045	\$ 17,819,949	\$ 16,759,799	\$ 16,632,425	\$ 18,125,053	\$ 18,868,438	\$ 18,626,505	\$ 19,247,447	\$ 20,433,775	\$ 21,294,797
Public safety	28,399,794	28,600,551	32,454,166	29,134,920	29,418,815	29,912,357	30,573,276	30,246,161	32,796,611	33,428,144
Physical environment	158	-	-	-	-	-	-	-	-	-
Transportation	174,676	200,000	200,000	200,000	16,667	-	-	-	-	-
Economic environment	6,782,391	6,753,571	6,515,246	6,802,732	7,146,956	7,387,525	7,388,352	7,543,409	7,926,589	8,334,363
Human services	49,638,630	52,159,157	47,415,737	48,945,110	50,101,744	52,567,131	54,257,002	54,700,932	57,126,722	59,208,977
Culture/Recreation	4,129,033	4,214,764	3,711,491	4,020,147	4,044,472	3,732,053	3,648,582	3,867,995	4,183,037	4,352,545
Interest on long-term debt	12,014,252	12,359,630	10,940,507	12,492,011	12,359,687	11,921,093	12,030,058	11,559,069	11,168,428	10,676,537
Operating grants and contributions	9,984,812	8,702,595	6,669,239	5,333,371	7,245,855	5,253,284	6,838,005	9,437,789	5,553,029	6,407,995
Capital grants and contributions	2,294,865	748,394	1,598,078	610,544	718,466	717,681	1,398,971	942,372	1,340,796	441,039
Total governmental activities program revenues	129,467,656	131,558,611	126,264,263	124,171,260	129,177,715	130,359,562	134,760,751	137,545,174	140,528,987	144,144,397
Business-type activities:										
Charges for services:										
Water utility services	18,015,418	20,160,031	20,648,379	21,214,069	21,619,222	21,970,462	21,656,421	22,679,743	27,624,928	29,731,449
Sewer/wastewater services	18,689,072	20,872,045	21,143,920	21,863,304	22,211,823	22,586,436	22,325,554	23,351,196	28,639,022	30,890,068
Water-sewer combined services	98,253	128,124	131,311	125,892	113,001	187,861	229,497	239,370	354,892	241,103
Operating grants and contributions	192,400	-	-	-	-	-	-	-	124,536	47,900
Capital grants and contributions	680,553	1,494,661	1,022,609	2,106,126	2,064,436	1,069,739	1,842,201	1,167,738	3,677,444	5,695,144
Total business-type activities program revenues	37,675,696	42,654,861	42,946,219	45,309,391	46,008,482	45,814,498	46,053,673	47,438,047	60,420,822	66,605,664
Total primary government program revenues	\$ 167,143,352	\$ 174,213,472	\$ 169,210,482	\$ 169,480,651	\$ 175,186,197	\$ 176,174,060	\$ 180,814,424	\$ 184,983,221	\$ 200,949,809	\$ 210,750,061

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

City of Pembroke Pines, Florida

Changes in Net Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Net (expense)/revenue:										
Governmental activities	\$ (101,891,053)	\$ (98,472,441)	\$ (92,492,992)	\$ (107,257,202)	\$ (97,409,178)	\$ (92,404,416)	\$ (93,434,378)	\$ (113,621,427)	\$ (118,565,237)	\$ (115,330,166)
Business-type activities	(2,353,778)	1,744,717	2,026,607	3,329,260	4,530,663	2,367,186	93,757	(5,095,856)	6,444,310	13,559,200
Total primary government net expense	<u>\$ (104,244,831)</u>	<u>\$ (96,727,724)</u>	<u>\$ (90,466,385)</u>	<u>\$ (103,927,942)</u>	<u>\$ (92,878,515)</u>	<u>\$ (90,037,230)</u>	<u>\$ (93,340,621)</u>	<u>\$ (118,717,283)</u>	<u>\$ (112,120,927)</u>	<u>\$ (101,770,966)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for debt service	\$ 5,482,360	\$ 5,459,564	\$ 5,441,632	\$ 5,514,105	\$ 5,470,524	\$ 5,406,078	\$ 5,904,829	\$ 5,956,732	\$ 5,946,763	\$ 5,679,525
Property taxes, levied for general purposes	47,224,460	45,839,333	45,704,600	46,282,854	48,136,008	51,515,774	55,321,195	59,856,769	64,584,724	68,805,103
Utility taxes	10,710,284	10,832,358	11,159,960	11,717,590	12,655,027	12,865,364	12,995,837	13,284,313	14,165,682	14,379,623
Communication service tax	7,748,084	7,359,807	7,549,655	7,598,497	6,350,145	6,197,471	5,545,281	5,254,642	5,131,400	4,583,688
Insurance premium taxes (3)	2,337,509	2,269,110	2,342,079	2,458,939	2,629,081	2,470,921	2,445,532	2,420,304	2,485,959	2,978,593
Local option gas taxes (3)	2,633,187	2,644,449	2,664,803	2,669,684	2,682,012	2,780,280	2,868,929	2,954,782	2,956,209	2,984,213
Local business tax	3,191,395	3,045,727	3,166,530	3,232,834	3,272,689	3,378,223	3,455,361	3,541,780	18,507,248	19,079,063
Franchise fees	14,712,823	14,959,851	14,594,290	14,930,045	17,121,734	17,260,844	17,179,061	17,733,442	3,609,836	3,588,457
Intergovernmental revenue - unrestricted	11,171,464	11,808,190	12,530,757	13,371,163	14,273,538	15,255,862	15,809,815	16,274,170	17,138,274	17,347,646
Miscellaneous revenues	218,254	420,658	579,220	634,605	697,727	872,538	633,848	490,442	511,792	601,684
Investment earnings not restricted	3,298,253	1,418,618	2,117,118	(309,711)	844,119	169,104	1,722,180	936,857	1,803,964	3,541,444
Gain on sale of capital assets	-	29,621	98,179	503,021	-	639,710	11,981	-	60,757	115,002
Transfers in (out) (4)	-	(7,775,118)	2,664,978	-	-	-	11,061,921	13,791,343	-	-
Total governmental activities	<u>108,728,073</u>	<u>98,312,168</u>	<u>110,613,801</u>	<u>108,603,626</u>	<u>114,132,604</u>	<u>118,812,169</u>	<u>134,955,770</u>	<u>142,495,576</u>	<u>136,902,608</u>	<u>143,684,041</u>
Business-type activities:										
Investment earnings (losses) not restricted (4)	665,360	(6,891,075)	1,471,592	1,032,773	3,098,559	384,910	1,746	13,977,389	1,064,931	1,625,658
Miscellaneous revenues	9,989	1,194	813	3,669	2,038	138	6,085,595	7,122	11,708	6,534
Gain on sale of capital assets	-	-	2,869	28,281	276,690	62,794	30,906	6,665	(43,573)	-
Transfers in (out) (4)	-	7,775,118	(2,664,978)	-	-	-	(11,061,921)	(13,791,343)	-	-
Total business-type activities	<u>675,349</u>	<u>885,237</u>	<u>(1,189,704)</u>	<u>1,064,723</u>	<u>3,377,287</u>	<u>447,842</u>	<u>(4,943,674)</u>	<u>199,833</u>	<u>1,033,066</u>	<u>1,632,192</u>
Total primary government	<u>\$ 109,403,422</u>	<u>\$ 99,197,405</u>	<u>\$ 109,424,097</u>	<u>\$ 109,668,349</u>	<u>\$ 117,509,891</u>	<u>\$ 119,260,011</u>	<u>\$ 130,012,096</u>	<u>\$ 142,695,409</u>	<u>\$ 137,935,674</u>	<u>\$ 145,316,233</u>
Change in Net Position										
Governmental activities	\$ 6,837,020	\$ (160,273)	\$ 18,120,809	\$ 1,346,424	\$ 16,723,426	\$ 26,407,753	\$ 41,521,392	\$ 28,874,149	\$ 18,337,371	\$ 28,353,875
Business-type activities	(1,678,429)	2,629,954	836,903	4,393,983	7,907,950	2,815,028	(4,849,917)	(4,896,023)	7,477,376	15,191,392
Total primary government	<u>\$ 5,158,591</u>	<u>\$ 2,469,681</u>	<u>\$ 18,957,712</u>	<u>\$ 5,740,407</u>	<u>\$ 24,631,376</u>	<u>\$ 29,222,781</u>	<u>\$ 36,671,475</u>	<u>\$ 23,978,126</u>	<u>\$ 25,814,747</u>	<u>\$ 43,545,267</u>

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

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

In FY 2016, the Utility Fund transferred net profits of \$4.8 million from the sale of Investments in Real Estate to the Municipal Construction Fund.

In FY 2017, the Utility Fund transferred gain of \$13.8 million from the appreciation of Investments in Real Estate to the Municipal Construction Fund.

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

Fiscal Year	Property Taxes	Utility Taxes	Communications Services Tax (1)	Insurance Premium Taxes	Local Option Gas Taxes	Local Business Tax	Total
2010	52,706,820	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	51,298,897	10,832,357	7,359,807	2,269,110	2,644,449	3,045,727	77,450,347
2012	51,146,232	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259
2013	51,796,959	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	53,606,532	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,486
2015	56,921,852	12,865,364	6,197,471	2,470,921	2,780,280	3,378,223	84,614,111
2016	61,226,024	12,995,837	5,545,281	2,445,532	2,868,929	3,455,361	88,536,964
2017	65,813,501	13,284,314	5,254,642	2,420,304	2,954,781	3,541,780	93,269,322
2018	70,531,487	14,165,682	5,131,400	2,485,959	2,956,209	3,609,836	98,880,573
2019	74,484,629	14,379,624	4,583,688	2,978,593	2,984,214	3,588,457	102,999,205

(1) In FY2012, The Communications Services Tax replaced the Utility Services Tax on telecommunications services and the franchise fees on cable and telecommunication service providers.

City of Pembroke Pines, Florida
Fund Balances of Governmental Funds (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund										
Nondisposable	\$ 306,832	\$ 397,064	\$ 357,174	\$ 1,619,035	\$ 25,064,410	\$ 14,414,929	\$ 14,267,076	\$ 333,556	\$ 294,360	\$ 293,815
Assigned	2,125,767	2,419,331	12,990,861	8,788,284	9,063,100	12,078,353	20,792,177	29,362,381	35,557,637	37,557,637
Unassigned	36,155,207	36,090,554	38,330,423	42,147,303	20,503,089	35,768,693	34,582,347	44,470,455	44,573,960	45,694,277
Total general fund	<u>\$ 38,587,806</u>	<u>\$ 38,906,949</u>	<u>\$ 51,678,458</u>	<u>\$ 52,554,622</u>	<u>\$ 54,630,599</u>	<u>\$ 62,261,975</u>	<u>\$ 69,641,600</u>	<u>\$ 74,166,392</u>	<u>\$ 80,425,957</u>	<u>\$ 83,545,729</u>
All other governmental funds										
Nondisposable	\$ 522,613	\$ 568,224	\$ 564,699	\$ 527,074	\$ 505,649	\$ 469,349	\$ 471,695	\$ 446,115	\$ 446,115	\$ 446,115
Restricted	50,012,752	48,481,747	49,491,775	47,757,198	42,435,671	54,684,510	34,889,813	5,929,534	21,417,945	22,406,207
Assigned	5,116,328	5,459,283	4,559,679	3,515,694	3,095,135	3,341,347	4,146,148	3,846,884	4,103,470	5,418,677
Unassigned	(53,275)	(98,875)	(95,350)	(57,725)	(36,300)	-	(25,580)	-	-	-
Total all other governmental funds	<u>\$ 55,598,418</u>	<u>\$ 54,410,379</u>	<u>\$ 54,520,803</u>	<u>\$ 51,742,241</u>	<u>\$ 46,000,155</u>	<u>\$ 58,495,206</u>	<u>\$ 39,482,076</u>	<u>\$ 10,222,533</u>	<u>\$ 25,967,530</u>	<u>\$ 28,270,999</u>

(1) Fund balance for fiscal year 2010 restated to conform with GASB Statement 54 - *Fund Balance Reporting and Governmental Fund*

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 79,327,279	\$ 77,450,347	\$ 78,029,259	\$ 79,474,503	\$ 81,195,486	\$ 84,614,112	\$ 88,536,964	\$ 93,269,322	\$ 98,880,573	\$ 102,999,205
Special assessments	21,015,296	20,633,100	20,758,230	20,758,650	22,212,257	22,179,789	23,134,760	23,141,007	24,868,419	24,688,314
Permits, fees and licenses	15,009,358	15,390,067	15,003,943	15,328,261	17,606,785	18,266,865	18,024,711	18,744,385	19,749,605	19,815,814
Intergovernmental	61,513,829	61,421,335	54,985,417	55,760,952	59,602,343	62,616,021	65,741,161	69,016,566	68,955,406	71,545,106
Charges for services	29,126,538	31,359,527	32,932,098	30,300,642	30,900,561	31,143,921	30,776,622	31,187,238	32,706,342	34,553,386
Fines and forfeitures	1,879,569	2,117,330	2,829,174	2,267,483	1,522,857	1,924,777	1,627,353	990,113	1,403,701	1,842,938
Investment income	2,780,298	1,233,115	1,859,339	(388,702)	717,564	(43,581)	1,451,836	762,104	1,644,759	3,541,443
Contributions	986,077	691,235	2,070,193	1,073,813	2,277,717	1,417,371	2,111,449	1,869,826	12,421,391	945,157
Rental revenue	24,895,496	25,629,636	23,892,020	25,593,043	25,537,050	24,599,904	25,365,440	25,285,587	14,678,948	25,835,072
Other	1,675,016	1,720,201	1,872,355	2,217,860	1,793,160	1,818,498	1,879,427	1,983,259	2,061,693	1,947,009
Total revenues	238,208,756	237,645,893	234,232,028	232,386,505	243,365,780	248,537,677	258,649,723	266,249,407	277,370,837	287,713,444
Expenditures										
General government	20,337,005	18,187,343	17,767,976	19,848,137	25,685,959	27,672,048	26,676,269	32,266,558	30,841,912	38,260,452
Public safety	97,825,714	94,158,393	94,003,192	101,304,879	98,070,048	99,510,607	103,334,591	108,208,057	116,296,801	117,848,860
Physical environment	2,731,465	2,463,390	2,424,402	8,140,631	10,284,640	8,021,490	10,292,747	10,281,352	2,983,832	2,989,523
Transportation	7,524,769	6,569,318	6,597,524	6,912,419	8,127,464	6,621,778	6,413,099	10,585,966	6,482,366	6,999,699
Economic environment	12,107,775	10,659,737	10,164,667	9,280,264	10,595,084	8,793,498	8,942,361	8,831,839	9,111,465	9,787,682
Human services	51,917,155	53,925,104	50,169,454	52,525,696	54,231,101	55,650,058	58,288,428	57,692,994	59,653,031	60,567,438
Culture and recreation	16,349,527	17,944,585	13,498,021	13,388,170	11,497,504	14,807,661	44,526,500	37,930,064	18,647,950	19,430,865
Debt service:										
Principal	7,950,000	8,872,500	9,457,600	9,661,916	10,305,165	11,784,365	11,683,165	12,269,466	12,767,950	12,808,600
Interest	17,408,607	17,179,540	17,265,348	16,911,616	16,231,252	12,601,764	14,496,970	12,593,430	12,662,074	11,766,115
Other debt service costs	563,783	779,763	1,911	5,500	1,622,757	702,331	147,925	640,794	3,700	-
Total expenditures	234,715,800	230,739,673	221,350,095	237,979,228	246,650,974	246,165,600	284,802,055	291,300,520	269,451,081	280,459,234
Excess (deficiency) of revenues over (under) expenditures	3,492,956	6,906,220	12,881,933	(5,592,723)	(3,285,194)	2,372,077	(26,152,332)	(25,051,113)	7,919,756	7,254,210
Other financing sources (uses)										
Transfers in	909,154	2,111,535	2,869,330	2,457,133	2,593,289	2,412,504	13,484,656	5,521,576	3,261,597	2,709,006
Transfers out	(909,154)	(9,886,652)	(2,869,330)	(2,457,133)	(2,593,289)	(2,412,504)	(2,422,736)	(2,960,757)	(3,261,597)	(4,709,006)
Bonds issued	8,545,700	-	-	-	-	-	-	-	-	-
Premium (discount) on bonds	-	-	-	-	-	-	-	5,511,204	-	-
Refunding bonds issued	-	-	-	-	108,896,529	85,875,036	7,636,000	63,346,400	-	-
Payment to refunded bond escrow agent	(8,752,651)	-	-	-	(109,277,444)	(75,230,994)	(7,565,000)	(71,149,279)	-	-
Installment purchase	-	-	-	590,327	-	-	-	-	-	-
Sales of equipment/land	-	-	-	3,100,000	-	7,110,308	3,385,907	47,218	293,463	169,031
Total other financing sources (uses)	(206,951)	(7,775,117)	-	3,690,327	(380,915)	17,754,350	14,518,827	316,362	293,463	(1,830,969)
Net change in fund balances	\$ 3,286,005	\$ (868,897)	\$ 12,881,933	\$ (1,902,396)	\$ (3,666,109)	\$ 20,126,427	\$ (11,633,505)	\$ (24,734,751)	\$ 8,213,219	\$ 5,423,241
Capital outlay	\$ 5,341,778	\$ 8,435,598	\$ 3,763,360	\$ 10,972,218	\$ 10,495,383	\$ 16,581,397	\$ 45,523,966	\$ 43,153,212	\$ 13,085,215	\$ 12,575,303
Debt service as a percentage of noncapital expenditures	11.1%	11.7%	12.3%	11.7%	11.2%	10.6%	10.9%	10.0%	9.9%	9.2%

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

Fiscal Year	Property Taxes levied for:		Utility Taxes	Communications Services Tax	Insurance Premium Taxes	Local Option Gas Taxes	Local Business Tax	Total
	Debt Service	General Purposes						
2010	5,482,360	47,224,460	10,710,284	7,748,084	2,337,509	2,633,187	3,191,395	79,327,279
2011	5,459,564	45,839,333	10,832,358	7,359,807	2,269,110	2,644,449	3,045,727	77,450,348
2012	5,441,632	45,704,600	11,159,960	7,549,655	2,342,079	2,664,803	3,166,530	78,029,259
2013	5,514,105	46,282,854	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	5,470,524	48,136,008	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,487
2015	5,406,078	51,515,774	12,865,364	6,197,471	2,470,921	2,780,280	3,378,223	84,614,111
2016	5,904,829	55,321,195	12,995,837	5,545,281	2,445,532	2,868,929	3,455,361	88,536,964
2017	5,956,732	59,856,769	13,284,314	5,254,642	2,420,304	2,954,781	3,541,780	93,269,322
2018	5,946,763	64,584,724	14,165,682	5,131,400	2,485,959	2,956,209	3,609,836	98,880,573
2019	5,679,525	68,805,104	14,379,624	4,583,688	2,978,593	2,984,214	3,588,457	102,999,205

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

Fiscal Year Ended September 30	Assessment Value		Less:				Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
	Real Property	Personal Property	Tax-Exempt Properties(1)	Personal Exemptions(2)	Capped Differential(3)	V.A.B. Adjustments (4)				
2010	14,350,984,240	376,229,179	1,301,379,660	2,165,825,895	1,665,617,130	41,890,096	9,552,500,638	5.7200	14,727,213,419	100.00%
2011	12,227,149,400	370,605,893	1,369,374,188	2,067,960,606	739,111,603	26,651,836	8,394,657,060	6.3660	12,597,755,293	100.00%
2012	12,282,068,370	390,101,814	1,411,247,232	2,006,049,281	800,373,704	41,956,052	8,412,543,915	6.3081	12,672,170,184	100.00%
2013	12,168,981,170	390,454,887	1,416,710,838	1,971,419,226	652,531,463	4,987,130	8,513,787,400	6.3084	12,559,436,057	100.00%
2014	12,713,588,220	432,087,651	1,412,737,736	1,947,248,688	882,480,633	21,959,798	8,881,249,016	6.2776	13,145,675,871	100.00%
2015	14,374,066,460	432,799,032	1,429,151,457	1,931,756,828	1,878,364,413	67,687,878	9,499,904,916	6.2303	14,806,865,492	100.00%
2016	15,589,012,450	464,226,429	1,453,875,309	1,931,944,671	2,467,524,216	34,162,005	10,165,732,678	6.2385	16,053,238,879	100.00%
2017	17,105,024,440	473,603,615	1,450,762,336	1,962,792,426	3,190,398,919	45,962,643	10,928,711,731	6.2381	17,578,628,055	100.00%
2018	18,313,727,080	479,512,592	1,479,091,482	2,001,722,894	3,456,122,272	74,246,257	11,782,056,767	6.1958	18,793,239,672	100.00%
2019	19,334,781,000	489,980,886	1,518,858,711	2,055,228,595	3,598,843,072	74,026,373	12,577,805,135	6.1419	19,824,761,886	100.00%

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

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

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead, additional \$25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents, disabled veterans' homestead discount and deployed service member's homestead exemption.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index. Per Florida Statutes 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year. Per Florida Statute 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year. Per Florida Statute 193.621, the reassessed value may not be greater than its market value as salvage.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 and BCPA.
- (5) Total direct tax rate includes debt service millage as follows: 0.5951-FY2010, 0.6780-FY2011, 0.6713-FY2012, 0.6716-FY2013, 0.6408-FY2014, 0.5935-FY2015, 0.6017-FY2016, 0.5645-FY2017, 0.5222-FY2018 and 0.4683-FY2019
- (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 & 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>		
2010	5.1249	0.5951	5.7200	4.7612	0.1277	0.5000	5.3889	5.9310	1.5000	-	7.4310	2.3560	20.8959
2011	5.6880	0.6780	6.3660	5.0399	0.0622	0.4509	5.5530	6.1310	1.5000	-	7.6310	2.4013	21.9513
2012	5.6368	0.6713	6.3081	5.1220	0.0640	0.3670	5.5530	5.9180	1.5000	-	7.4180	1.6997	20.9788
2013	5.6368	0.6716	6.3084	5.1939	0.0637	0.2954	5.5530	5.9560	1.5000	-	7.4560	1.5536	20.8710
2014	5.6368	0.6408	6.2776	5.3639	0.0761	0.2830	5.7230	5.9800	1.5000	-	7.4800	1.3337	20.8143
2015	5.6368	0.5935	6.2303	5.3444	0.1140	0.2646	5.7230	5.9380	1.5000	-	7.4380	1.0932	20.4845
2016	5.6368	0.6017	6.2385	5.3444	0.1297	0.2489	5.7230	5.7030	1.5000	0.0710	7.2740	1.0490	20.2845
2017	5.6736	0.5645	6.2381	5.2904	0.1570	0.2216	5.6690	5.3360	1.5000	0.0703	6.9063	1.0124	19.8258
2018	5.6736	0.5222	6.1958	5.2904	0.1719	0.2067	5.6690	4.9740	1.5000	0.0654	6.5394	0.9798	19.3840
2019	5.6736	0.4683	6.1419	5.2904	0.1888	0.1898	5.6690	4.7750	1.5000	0.1279	6.4029	0.9552	19.1690

Source: Broward County Property Appraiser.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Pembroke Pines. Not all overlapping rates apply to all City of Pembroke Pines property owners (e.g. the rates for special districts only apply to the proportion of Pembroke Pines' property owners whose property is located within the geographic boundaries of the special district).

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

<u>Taxpayer</u>	<u>2019 Collection Year</u>			<u>2010 Collection Year</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Pembroke Lakes Mall LTD	\$ 160,634,350	1	1.23%	\$ 119,978,980	1	1.47%
JRA HHF Venture LLC	148,728,300	2	1.14%			-
NXRT Pembroke LLC	122,243,870	3	0.94%			-
IVT Westfork Plaza Pembroke	105,540,880	4	0.81%			-
City Center Gardens I LLC	95,600,000	5	0.73%			-
Bell Fund VI Pembroke Pines SPE	74,882,870	6	0.57%			-
Altis Pembroke Gardens LLC	73,672,730	7	0.56%			-
Pembroke Pines Owner LLC	73,000,000	8	0.56%			
Taplin Falls LTD	72,972,860	9	0.56%	39,779,200	8	0.49%
TA Pines City Center LLC	67,963,920	10	0.52%			-
SPUSV5 Pembroke Pines LLC		-	-	88,178,720	2	1.08%
EQR-SWN Lines Financing Limited	-	-	-	45,413,860	6	0.56%
Prudential Insurance Co. of America	-	-	-	48,340,990	4	0.59%
AD Pembroke Land Company LLC	-	-	-	68,776,510	3	0.84%
Westfork Tower LLC	-	-	-	48,023,580	5	0.59%
MIG/Pines Development LTD	-	-	-	29,974,620	10	0.37%
WRI JT Pembroke Commons LP	-	-	-	42,323,080	7	0.52%
CP Pembroke Pines LLC	-	-	-	38,870,160	9	0.48%
Total	\$ 995,239,780		7.62%	\$ 569,659,700		6.99%

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida

Property Tax Levies and Collections (1) Last Ten Fiscal Years

<u>Fiscal Year Ended</u> <u>September 30</u>	<u>Total Tax Levy for</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent</u> <u>Years (2)</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2010	48,955,611	47,093,237	96.2%	95,745	47,188,982	96.4%
2011	47,748,809	45,707,333	95.7%	108,040	45,815,373	96.0%
2012	47,419,828	45,698,158	96.4%	(74,537)	45,623,621	96.2%
2013	47,990,517	46,244,787	96.4%	(164,667)	46,080,120	96.0%
2014	50,061,824	48,229,073	96.3%	(137,038)	48,092,035	96.1%
2015	53,549,064	51,625,432	96.4%	48,899	51,674,331	96.5%
2016	57,302,202	55,243,335	96.4%	19,176	55,262,511	96.4%
2017	62,005,139	59,744,360	96.4%	32,857	59,777,217	96.4%
2018	66,846,677	64,434,368	96.4%	1,154	64,435,522	96.4%
2019	71,361,435	68,787,774	96.4%	-	68,787,774	96.4%

Source: Broward County Property Appraiser

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

(2) Includes refunds due to reassessments and overpayments and excludes penalties collected.

City of Pembroke Pines, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business- Type Activities</u>	<u>Issuance Discounts/ Premiums</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Installment Purchase</u>	<u>Utility Bonds</u>				
2010	83,060,000	302,300,700	-	-	1,103,520	386,464,220	8.77%	2,497
2011	81,215,000	295,273,200	-	12,300,000	953,083	389,741,283	9.53%	2,516
2012	79,305,000	287,725,600	-	11,695,147	810,304	379,536,051	8.83%	2,456
2013	77,325,000	280,073,200	560,810	11,033,544	675,506	369,668,060	9.22%	2,376
2014	75,270,000	270,446,100	442,745	10,348,785	4,157,778	360,665,408	8.01%	2,284
2015	77,325,000	261,669,800	324,680	9,640,059	13,654,226	362,613,765	7.54%	2,267
2016	75,060,000	252,440,700	206,615	8,906,528	12,131,392	348,745,235	6.98%	2,155
2017	72,715,000	236,115,700	88,550	8,147,323	15,730,617	332,797,190	6.51%	2,040
2018	70,275,000	225,876,300	-	7,361,546	14,193,171	317,706,017	6.23%	1,921
2019	67,735,000	215,607,700	-	6,548,268	12,722,772	302,613,740	*	1,801

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 for personal income and population data.

* Information not available.

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

Fiscal Year	General Obligation Bonds	Amounts Available in Debt Service		Issuance Discounts/ Premiums	Total	Percentage of Estimated Actual Taxable Value(1) of Property	Per Capita(2)
		<u>Fund for Payment of Principal</u>	<u>Interest</u>				
2010	83,060,000	-	50,204	(531,949)	82,528,051	0.56%	533
2011	81,215,000	-	65,201	(498,315)	80,716,685	0.64%	521
2012	79,305,000	-	66,125	(465,430)	78,839,570	0.62%	510
2013	77,325,000	-	103,481	(433,320)	76,891,680	0.61%	494
2014	75,270,000	-	113,002	(402,014)	74,867,986	0.57%	474
2015	77,325,000	-	31,855	9,529,466	86,854,466	0.59%	543
2016	75,060,000	-	82,037	8,819,135	83,879,135	0.52%	518
2017	72,715,000	-	176,087	8,120,432	80,835,432	0.46%	496
2018	70,275,000	-	307,513	7,406,385	77,681,385	0.41%	470
2019	67,735,000	-	185,750	6,716,299	74,451,299	0.38%	443

Notes:

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

(1) Property value data can be found in the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

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

City of Pembroke Pines, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

<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	\$ 164,580,000	6.70%	\$ 11,026,860
School Board of Broward County	346,821,000	6.70%	23,237,007
South Florida Water Management District	361,360,000	6.70%	24,211,120
Other debt			
Broward County	333,420,000	6.70%	22,339,140
School Board of Broward County	1,477,680,000	6.70%	99,004,560
South Florida Water Management District	45,275,386	6.70%	3,033,451
South Broward Hospital District	677,900,000	6.70%	<u>45,419,300</u>
Subtotal, overlapping debt			228,271,438
City of Pembroke Pines, direct debt (2)			296,065,472
Total direct and overlapping debt			<u><u>\$ 524,336,910</u></u>

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

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

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

(2) Includes all long-term debt instructions of the governmental activities, such as bonds, notes, certificates of participation, loans, and capital leases.

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

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Electric Franchise Fees (2)				
2010	8,401,468	2,295,000	3,588,054	1.43
2011	8,339,055	2,167,500	3,412,868	1.49
2012	8,059,519	2,502,600	3,373,748	1.37
2013	7,852,195	2,607,400	3,340,924	1.32
2014	8,529,691	2,872,100	3,233,729	1.40
2015	8,577,201	2,986,300	3,117,082	1.41
2016	8,292,391	3,120,100	2,985,969	1.36
2017	8,507,143	3,301,400	2,816,469	1.39
2018	8,419,672	3,324,200	2,350,175	1.48
2019	8,431,652	3,385,500	2,223,400	1.50
Revenue Bonds Secured by Electric Public Service Tax (3)				
2010	8,840,661	1,805,000	3,197,138	1.77
2011	8,788,593	2,715,000	3,110,026	1.51
2012	9,076,627	2,815,000	3,004,799	1.56
2013	9,587,367	2,925,000	2,892,821	1.65
2014	10,461,326	3,040,000	2,773,749	1.80
2015	10,617,674	3,160,000	1,806,490	2.14
2016	10,772,091	3,205,000	2,213,731	1.99
2017	11,002,694	985,000	1,318,399	4.78
2018	11,452,361	3,776,200	1,382,800	2.22
2019	11,574,231	3,905,100	1,293,455	2.23
Revenue Bonds Secured by Charter School total revenues and Early Development Center lease payments (4)				
2010	45,749,766	300,000	2,269,045	17.81
2011	48,459,697	300,000	2,303,547	18.61
2012	43,576,127	300,000	2,811,676	14.00
2013	45,485,610	100,000	3,012,732	14.61
2014	47,785,475	100,000	2,783,712	16.57
2015	49,549,117	100,000	2,593,586	18.40
2016	52,528,533	100,000	2,597,573	19.47
2017	51,476,892	100,000	2,592,477	19.12
2018	54,065,757	100,000	2,589,201	20.10
2019	55,281,206	100,000	2,083,735	25.31

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

Fiscal Year	Net Available Revenues (1)	Debt Service		Coverage
		Principal	Interest	
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (5)				
2010	9,388,292	1,765,000	4,662,033	1.46
2011	9,189,255	1,845,000	4,579,520	1.43
2012	9,413,185	1,930,000	4,490,170	1.47
2013	9,517,421	2,020,000	4,393,590	1.48
2014	8,311,246	2,120,000	4,067,232	1.34
2015	8,206,333	2,530,000	2,468,856	1.64
2016	7,525,809	2,875,000	3,069,795	1.27
2017	7,309,422	2,990,000	3,035,523	1.21
2018	7,614,504	3,030,000	2,982,886	1.27
2019	7,160,909	3,090,000	2,911,974	1.19

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

2011	\$ 7,458,921	\$ -	\$ 391,080	19.07
2012	8,412,559	604,853	418,802	8.22
2013	9,879,616	661,603	395,684	9.34
2014	13,755,051	684,759	406,082	12.61
2015	9,230,437	708,726	341,536	8.79
2016	13,061,017	733,531	316,008	12.44
2017	15,928,695	759,205	289,585	15.19
2018	14,544,878	785,777	262,238	13.88
2019	20,340,720	813,279	233,935	19.42

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

- (1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **Charter School total revenues and Early Development Center lease payments** are total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds
- (5) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.
Water Public Service Taxes are taxes levied within the corporate limits of the City on the purchase of water service
- (6) **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance
Gross Revenues are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details.)
Cost of Operations and Maintenance are current expenses for the operation, maintenance and repair of the System, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.
Renewal, Replacement and Improvement Fund is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

City of Pembroke Pines, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income(2)	Median Age(3)	Percent with a bachelor's degree or higher(3)	School Enrollment(4)	Unemployment Rate(5)
2010	154,019	4,404,943	28,600	39.1	32.9%	25,826	9.5%
2011	154,158	4,087,962	26,518	38.9	31.4%	26,478	9.1%
2012	154,508	4,297,176	27,812	40.4	34.0%	26,331	7.4%
2013	155,565	4,008,288	25,766	40.4	34.0%	25,834	5.8%
2014	157,905	4,499,977	28,498	39.8	32.5%	25,362	4.9%
2015	159,922	4,811,733	30,088	40.3	37.0%	26,357	4.9%
2016	161,799	4,995,382	30,874	39.9	33.4%	26,234	4.3%
2017	163,103	5,114,584	31,358	40.1	33.0%	26,065	4.0%
2018	165,352	5,099,621	30,841	41.0	31.3%	26,404	3.2%
2019	168,023	*	*	*	*	26,316	3.0%

Data sources:

- (1) Years 2011 - 2019 are estimates from the University of Florida's Statistical Abstract. Year 2010 is the 2010 US Census. Years 2010-2013 were adjusted based on retroactive 2010 US Census.
 - (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, First Day Enrollment Count report.
 - (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY2010 and FY2016-2019 represent the average for 12 months ending September 30th. Unemployment rate for from FY2011-2015 obtained from US Census Bureau.
- * Information not available.

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

<u>Employer</u>	<u>2019</u>			<u>2010</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 Hospital West	2,070	1	2.22%	-	-	-
Broward County Public Schools	1,526	2	1.64%	-	-	-
City of Pembroke Pines	1,429	3	1.54%	1,452	2	1.91%
Waste Pro of Florida	614	4	0.66%	-	-	-
Walmart	600	5	0.64%	600	3	0.79%
AutoNation	400	6	0.43%	-	-	-
FPI Security Services	345	7	0.37%	-	-	-
South Broward Kidney Assoc PA	300	8	0.32%	-	-	-
Target	264	9	0.28%	264	5	0.35%
Costco Wholesale Corporation	196	10	0.21%	-	-	-
Memorial Health Systems	-	-	-	3,406	1	4.48%
Publix	-	-	-	460	4	0.60%
Claire's Corporation	-	-	-	212	7	0.28%
Cintas Corporation	-	-	-	198	6	0.26%
World Ford	-	-	-	189	8	0.25%
Winn Dixie	-	-	-	168	9	0.22%
Macy's	-	-	-	153	10	0.20%

(1) Source - City of Pembroke Pines Human Resources Department (includes full-time and part-time). Greater Fort Lauderdale Alliance - Broward County

(2) Source - Greater Fort Lauderdale Alliance, percent in labor force (population 16 years and over).

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

Function	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government services	80.00	78.50	77.00	75.00	74.50	74.50	73.00	65.00	63.50	62.00
Public safety										
Police										
Sworn	231.00	231.00	231.00	230.50	238.50	239.50	238.50	251.00	257.00	256.50
Non-sworn and grant positions	63.50	56.50	56.50	57.50	70.50	82.50	94.00	94.00	97.00	107.00
Fire and rescue	266.50	270.50	270.50	262.50	219.50	219.50	217.50	217.00	215.50	214.50
Building	*	*	*	*	*	*	*	*	*	*
Code enforcement	11.00	11.00	11.00	11.00	11.00	*	*	*	*	*
Physical environment (1)	8.50	8.00	8.00	6.50	63.00	56.50	54.25	4.75	1	1.5
Transportation	6.00	6.00	5.00	3.00	3.00	*	0.50	0.50	-	-
Economic environment	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.50	0.50	0.50
Human services										
Early development centers	116.00	113.50	113.00	105.50	97.50	98.00	91.50	91.00	79.50	77.00
Community services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50
SW multipurpose center	*	*	*	*	*	*	*	*	*	*
Charter schools	489.50	491.50	493.50	491.50	492.50	501.50	502.00	511.00	490.00	489.50
Culture and recreation (1)	135.00	138.00	131.00	131.50	66.50	58.00	56.50	55.00	51.00	48.50
Water-sewer combined service	40.00	40.00	38.50	31.50	32.00	10.50	10.75	7.75	6.5	7
Total	<u>1,452.00</u>	<u>1,449.50</u>	<u>1,440.00</u>	<u>1,411.00</u>	<u>1,373.50</u>	<u>1,345.50</u>	<u>1,343.50</u>	<u>1,300.00</u>	<u>1,263.00</u>	<u>1,265.50</u>

* the City utilized contracted employees.

(1) Parks employees were reclassified from Culture and Recreation to Physical Environment as a result from restructuring in FY2014. Beginning FY2016, City utilized contracted employees as parks employees. As of FY2017, parks function was reclassified back to Culture and Recreation.

Source: City of Pembroke Pines, Florida Annual Budget.

City of Pembroke Pines, Florida

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Police										
Number of calls answered	96,831	90,643	105,000	90,726	93,516	85,546	81,286	84,629	85,301	79,283
Felony arrests	1,164	1,074	1,041	1,188	1,362	1,051	968	999	909	863
Traffic accidents	5,002	4,878	5,000	5,154	5,170	5,869	6,375	6,043	5,761	5,652
Traffic/parking/red light citations	45,883	60,018	60,293	48,103	35,215	31,690	23,962	15,659	23,099	24,841
False alarm citations	262	1,937	4,585	1,048	1,682	2,202	1,870	7,293	7,038	7,893
Fire/ambulance rescue										
Number of EMS calls answered	18,193	18,470	19,615	19,258	19,679	18,410	17,813	18,016	17,914	17,076
Number of fire calls answered	205	214	171	145	141	146	160	140	101	149
Building permits issued	5,274	6,939	6,200	7,357	10,536	6,524	7,264	8,439	11,321	9,518
Physical environment										
Maintained rights of ways (miles)	466	466	475	475	475	475	475	475	475	475
Landscaping and irrigation (miles)	160	160	160	160	163	160	161	163	163	163
Transportation										
Sidewalks replaced (linear feet)	15,962	13,785	19,878	19,000	10,000	13,852	18,410	3,934	10,904	10,971
Curbing installed (linear feet)	-	-	400	-	-	438	-	-	980	356
Number of trips - Community Bus program	205,947	206,425	217,161	218,497	218,497	210,000	195,684	175,786	188,475	186,852
Human services										
Charter schools										
Average student class size	23	24	24	24	25	22	22	22	24	22
Number of students enrolled	5,537	5,628	5,610	5,624	5,925	5,881	5,901	5,926	5,899	6,032
Culture/recreation										
Number of sports leagues	41	41	44	41	41	43	44	47	45	52
Number of tennis memberships	174	167	193	155	166	156	178	119	116	162
Water-sewer combined service										
Number of water accounts	42,526	46,401	42,792	42,935	43,513	43,597	43,378	43,546	43,875	44,135
Sewer mains rehabilitated (linear feet)	5,000	4,500	9,853	-	-	-	-	-	-	-
Average daily consumption (millions of gallons)	13	11	11	11	11	13	13	11	11	13

Source: Various City Departments

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

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

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	308	281	311	314	320	313	316	311	330	362
Fire/ambulance rescue:										
Stations	6	6	6	6	6	6	6	6	6	6
Fire trucks / engines	9	10	9	9	9	10	10	10	10	10
Other trucks	1	2	1	3	3	3	3	3	3	3
Fire ladders	4	4	4	3	3	3	3	3	3	3
Fire rescue ambulances	12	12	12	12	12	12	12	12	12	12
Physical environment										
Water:										
Water mains (miles)	489	489	489	489	525	528	531.7	533	540.52	545.17
Fire hydrants	4,121	4,121	4,121	4,121	4,641	4,677	4,712	4,725	4,587	4,607
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)	403	403	412	412	448	451	452.62	454	419.3	418.68
Storm sewers (miles)	226	226	226	226	226	226.41	226.4	226	226	226
Maximum daily treatment capacity (millions of gallons)	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	465	465	465	465	465	468	468	468	468	468.25
Economic environment										
Senior housing units	804	804	804	804	804	804	804	804	804	804
Transitional living units (2)	21	21	21	21	21	21	21	21	-	-
Human services										
City operated charter schools										
Elementary School	4	4	4	4	4	4	4	4	4	4
Middle School	2	2	2	2	2	2	2	2	2	2
High School	1	1	1	1	1	1	1	1	1	1
Culture/recreation										
Parks acreage (1)	970	970	970	970	970	970	970	973	973	973
Parks	31	31	31	31	31	31	31	35	35	35
Swimming pools	6	6	6	6	6	6	6	6	7	7
Tennis courts	50	50	50	50	50	50	50	46	50	50
Recreation centers	4	4	4	4	4	4	4	4	4	4
Football/Soccer fields	19	19	19	18	18	21	21	21	22	22
Basketball courts	21.5	21.5	21.5	21.5	21.5	21.5	21.5	22.5	22.5	22.5
Playgrounds	20	20	21	22	22	22	22	26	26	27

Source: various City departments

(1) Previously did not include Chapel Trail Nature Preserve.

(2) Managed by Browns Harbor starting in FY2018

City of Pembroke Pines, Florida

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

September 30, 2019
(continued)

Legal Debt Limit:

There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

Debt Management Policies:

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

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

A. Target Limitations on Unlimited Tax General Obligation Indebtedness. The City shall, as a matter of policy, conduct its finances so that the amount of direct unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 1.5% of the City's total taxable assessed valuation.

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2019
(continued)

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

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

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

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

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

City of Pembroke Pines, Florida

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

September 30, 2019
(continued)

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

Covenants:

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

Charter School Revenue Bonds, Series 2008

Additional Parity Bonds payable on a parity with the 2008 Bonds may be issued for acquisition or construction of additional educational facilities and related facilities for Charter Schools or Charter Lab School or for refunding of Bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Refunding Bonds, Series 2010

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

Consolidated Utility System Revenue Bonds, Series 2010

Additional Parity Obligations shall be issued after the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period") adjusted as provided in Resolution No. 3287, is equal to and not less than one hundred twenty percent (120%) of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on all existing and proposed Additional Parity Obligations.

Taxable Communications Services Tax Revenue Bonds, Series 2013, and Taxable Communications Services Tax Revenue Bonds, Series 2014

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 2014

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

City of Pembroke Pines, Florida

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

September 30, 2019
(continued)

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016

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 2016

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 2017

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 - Electric Public Service Tax

Public Improvement Revenue Bonds, Series 1998; Public Improvement Revenue Bonds, Series 2001;
Public Improvement Revenue Bonds, Series 2004A; Public Improvement Revenue Bonds, Series 2004B;
Public Improvement Revenue Refunding Bonds, Series 2006; Public Improvement Revenue Refunding Bonds, Series 2014;
and Public Improvement Revenue Refunding Bonds, Series 2016

Debt Service Requirements (1)

Fiscal Year	Pledged Revenues	% Change	2001 Public Improvement Revenue Bonds	2004A Public Improvement Revenue Bonds	2004B Public Improvement Revenue Bonds	2006 Public Improvement Revenue Refunding Bonds	2014 Public Improvement Revenue Refunding Bonds	2016 Public Improvement Revenue Refunding Bonds	Total	Coverage
	(2)			(4)	(4)	(5)	(3)	(3)		
2010	\$ 8,840,661	8.8%	\$ 963,500	\$ 928,873	\$ 757,915	\$ 2,351,850	-	-	\$ 5,002,138	1.77
2011	8,788,593	-0.6%	965,800	1,396,748	1,116,528	2,345,950	-	-	5,825,026	1.51
2012	9,076,626	3.3%	966,265	1,391,741	1,113,343	2,348,450	-	-	5,819,799	1.56
2013	9,587,367	5.6%	964,425	1,390,110	1,114,136	2,349,150	-	-	5,817,821	1.65
2014	10,461,326	9.1%	960,210	1,391,610	1,113,879	2,348,050	-	-	5,813,749	1.80
2015	10,617,674	1.5%	-	550,463	428,610	3,294,550	692,867	-	4,966,490	2.14
2016	10,772,091	1.5%	-	-	-	3,296,675	2,122,056	-	5,418,731	1.99
2017	11,002,694	2.1%	-	-	-	-	2,193,381	110,017	2,303,399	4.78
2018	11,452,361	4.1%	-	-	-	-	2,178,356	2,980,644	5,159,000	2.22
2019	11,574,231	1.1%	-	-	-	-	2,176,606	3,021,949	5,198,555	2.23

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 11,574,231
Combined Maximum Annual Debt Service (6)	5,209,437
Coverage (7)	2.22

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
- (3) No statistics are available prior to the year of bond issuance.
- (4) Refunded by the Public Improvement Revenue Refunding Bonds, Series 2014
- (5) Refunded by the Public Improvement Revenue Refunding Bonds, Series 2016 (PIRR 2016)
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (7) The pledged revenues for the most recent fiscal year must equal at least 125% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Debt Service Coverage - Electric Franchise Fees

Capital Improvement Revenue Bonds, Series 1999;
 Capital Improvement Revenue Refunding Bonds, Series 2006; Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007;
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008; Capital Improvement Revenue Refunding Bonds, Series 2010;
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2016;
 and Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2017

Fiscal Year	Pledged Revenues	% Change	Debt Service Requirements (1)							Total	Coverage
			1999 Capital Improvement Revenue Bonds	2006 Capital Improvement Revenue Refunding Bonds	2007 Capital Improvement Revenue Bonds	2008 Variable Rate Capital Imp. Revenue Refunding Bonds	2010 Capital Improvement Revenue Refunding Bonds	2016 Variable Rate Capital Imp. Revenue Refunding Bonds	2017 Capital Improvement Revenue Refunding Bonds		
	(2)		(6)	(4) (8)	(4) (8)	(5) (7)	(3)	(3)	(3)		
2010	8,401,468	-8.8%	752,820	3,372,712	1,716,163	41,359	-	-	-	5,883,054	1.43
2011	8,339,055	-0.7%	-	3,372,713	1,715,163	57,560	434,932	-	-	5,580,368	1.49
2012	8,059,519	-3.4%	-	3,370,313	1,713,363	91,480	701,212	-	-	5,876,367	1.37
2013	7,852,195	-2.6%	-	3,365,513	1,715,663	161,435	705,714	-	-	5,948,324	1.32
2014	8,529,691	8.6%	-	3,373,013	1,716,963	311,435	704,418	-	-	6,105,829	1.40
2015	8,577,201	0.6%	-	3,370,675	1,717,263	313,423	702,021	-	-	6,103,382	1.41
2016	8,292,391	-3.3%	-	3,361,088	1,716,563	324,880	703,538	-	-	6,106,069	1.36
2017	8,507,143	2.6%	-	3,369,963	1,714,013	-	703,784	330,110	-	6,117,869	1.39
2018	8,419,672	-1.0%	-	-	-	-	707,676	335,388	4,640,311	5,683,375	1.48
2019	8,431,652	0.1%	-	-	-	-	705,234	333,628	4,570,038	5,608,900	1.50

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 8,431,652
Combined Maximum Annual Debt Service (5)	5,630,313
Maximum Debt Service Coverage (9)	1.50

- (1) Exclude paying agent fees and variable rate bond fees.
- (2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
- (3) No statistics are available prior to the year of bond issuance.
- (4) A portion of this bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Series 1999.
- (5) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
 The 2008 Variable Rate Capital Improvement Revenue Refunding Bonds' maximum annual debt service is based on the seven year term (from September 30, 2016) Direct Purchase fixed rate in effect which is 1.66%.
- (6) A portion was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2006, and the outstanding balance was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2010.
- (7) Refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016
- (8) Refunded to the Capital Improvement Revenue Bonds, Series 2017.
- (9) The pledged revenues for the most recent fiscal year must equal at least 125% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Debt Service Coverage - Charter School Revenues (1)

Charter School Revenue Bonds, Series 2008

Fiscal Year	Pledged Revenues (3)	% Change	Debt Service Requirements (2)		Coverage
			2008 Charter School Revenue Bonds	Total	
2010	45,749,766	-1.2%	2,569,045	2,569,045	17.81
2011	48,459,697	5.9%	2,603,547	2,603,547	18.61
2012	43,576,127	-10.1%	3,111,676	3,111,676	14.00
2013	45,485,610	4.4%	3,112,732	3,112,732	14.61
2014	47,785,475	5.1%	2,883,712	2,883,712	16.57
2015	49,549,117	3.7%	2,693,586	2,693,586	18.40
2016	52,528,533	6.0%	2,697,573	2,697,573	19.47
2017	51,476,892	-2.0%	2,692,477	2,692,477	19.12
2018	54,065,757	5.0%	2,689,201	2,689,201	20.10
2019	55,281,206	2.2%	2,183,735	2,183,735	25.31

Coverage of Estimated Combined Maximum Annual Debt Service:

Total pledged revenues for the most recent fiscal year.	\$ 55,281,206
Combined Maximum Annual Debt Service (4)	6,188,525
Maximum Debt Service Coverage (5)	8.93

- (1) This schedule is based on the Charter Schools' fiscal year which is July 1 through June 30.
- (2) Excludes paying agent fees; includes variable rate bond fees and SWAP settlements.
- (3) Pledged revenues consist of total revenues and other financing sources (transfers in) from all Charter Schools combined plus revenues equal to the Early Development Center lease payments relating to these bonds.
- (4) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year. The 2008 Charter School Revenue Bonds' maximum annual debt service was based on 2.15% which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (September 30, 2018) per GASB Statement No. 38, paragraph 10, which was 1.56% plus the 0.59% Direct Purchase spread to the bondholder for a four year term from May 29, 2014.
- (5) The pledged revenues for the most recent fiscal year must equal at least 120% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Debt Service Coverage - Communications Services Tax and Water Public Service Tax

Taxable Communications Services Tax Revenue Bonds, Series 2003A; Taxable Communications Services Tax Revenue Bonds, Series 2004;
Taxable Communications Services Tax Revenue Bonds, Series 2013; and Taxable Communications Service Tax Revenue Bonds, Series 2014.

Debt Service Requirements (1)

Fiscal Year	Communication Services Tax	Public Service Tax Water	Total Pledged Revenues	% Change	2003A	2004	2013	2014	Total	Coverage
					Taxable Communications Services Tax Revenue Bonds					
					(3)	(5)	(4)	(4)		
2010	\$ 7,748,084	\$ 1,640,208	\$ 9,388,292	-8.0%	\$ 2,990,764	\$ 3,436,269	-	-	\$ 6,427,033	1.46
2011	7,359,807	1,829,448	9,189,255	-2.1%	2,992,332	3,432,188	-	-	6,424,520	1.43
2012	7,549,654	1,863,530	9,413,185	2.4%	2,991,214	3,428,956	-	-	6,420,170	1.47
2013	7,598,497	1,918,924	9,517,421	1.1%	2,987,409	3,426,181	-	-	6,413,590	1.48
2014	6,350,145	1,961,101	8,311,246	-12.7%	1,951,168	3,423,431	812,633	-	6,187,232	1.34
2015	6,197,471	2,008,862	8,206,333	-1.3%	-	1,319,025	2,858,155	821,676	4,998,856	1.64
2016	5,545,281	1,980,528	7,525,809	-8.3%	-	-	2,857,591	3,087,204	5,944,795	1.27
2017	5,254,642	2,054,780	7,309,422	-2.9%	-	-	2,851,210	3,174,313	6,025,523	1.21
2018	5,131,400	2,483,104	7,614,504	4.2%	-	-	2,845,404	3,167,482	6,012,886	1.27
2019	4,583,688	2,577,221	7,160,909	-6.0%	-	-	2,841,173	3,160,801	6,001,974	1.19

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$ 7,160,909
Combined Maximum Annual Debt Service (6)	6,001,974
Maximum Debt Service Coverage (7)	1.19

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues is greater than or equal to 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2019, Communications Services Tax revenues was 0.76 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and was less than the 1.30 required coverage ratio.
- (3) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2013.
- (4) No statistics are available prior to the year of bond issuance.
- (5) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2014.
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (7) To issue additional parity bonds, the pledged revenues for the most recent fiscal year must equal at least 120% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Debt Service Coverage - Net Revenues of the Consolidated Utility System

Consolidated Utility System Revenue Bonds, Series 2010

Debt Service Requirement and Reserve for
Renewal, Replacement, and Improvement
(RR&I) Requirement

Fiscal Year	Pledged Revenues	% Change	Debt Service Requirement	Reserve for Renewal, Replacement, and Improvement (RR&I) Requirement	Total Requirement	Debt Service Coverage	Debt Service and RR&I Coverage
(2)	(1)		(3)				
2011	\$ 7,458,921	N/A	\$ 391,080	\$ 1,593,554	\$ 1,984,634	19.07	3.76
2012	8,412,559	12.8%	1,023,655	2,147,993	3,171,648	8.22	2.65
2013	9,879,616	17.4%	1,057,287	2,217,158	3,274,445	9.34	3.02
2014	13,755,051	39.2%	1,090,841	2,318,491	3,409,332	12.61	4.03
2015	9,230,437	-32.9%	1,050,262	2,465,344	3,515,606	8.79	2.63
2016	13,061,017	41.5%	1,049,539	2,315,586	3,365,125	12.44	3.88
2017	15,928,695	22.0%	1,048,790	2,611,893	3,660,683	15.19	4.35
2018	14,544,878	-8.7%	1,048,015	3,091,083	4,139,098	13.88	3.51
2019	20,340,717	39.8%	1,047,214	3,074,873	4,122,087	19.42	4.93

Coverage of Estimated Combined Maximum Annual Debt Service:

Net Revenues of the Consolidated Utility System - Most Recent Fiscal Year	\$ 20,340,717
Maximum Annual Debt Service (3)	1,056,701
Maximum Debt Service Coverage (4)	19.25

- (1) Pledged revenues consist of net revenues of the Consolidated Utility System.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details)
- (2) No statistics are available prior to the year of bond issuance.
- (3) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (4) The pledged revenues for the most recent fiscal year must equal at least 120% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida
Schedule of Debt Service on Outstanding Bonds as of September 30, 2019

Type of Bonds	Business-type										
	Activities										Combined Activities
	Refunding Charter Sch Bonds & New Charter School Projects	Refunding Capital Improv Series 1999	Refunding Firefighters Pension Series 2003A	Refunding Police Officers & General Employees Pension Series 2004	Refunding Senior Housing Tower I & II 2004A & 2004B	Refunding 2005 GO Bonds and Partial 2007 GO Bonds	Refunding Susan B. Anthony Center 2005 Bonds	Refunding Pubic Improvement, Series 2006	Various Capital Projects & Advance Refunding Cap Imprv, Series 2006 & 2007	Consolidated Utility System Project	
	\$64,095,000	\$8,545,700	\$35,300,000	\$41,540,000	\$29,040,000	\$76,045,000	\$7,636,000	\$17,386,400	\$45,960,000	\$12,300,000	
Revenue	Charter School	Capital Improv. Refunding	Taxable Comm. Services Tax Refunding	Taxable Comm. Services Tax Refunding	Public Improv. Refunding	General Obligation	Variable Rate Cap Improv. Refunding	Public Improv. Refunding	Capital Improv. Refunding	Consolidated Utility System	
General Obligation Fiscal Y/E	(1)					(2)					Debt Service/
Sep 30	Series 2008	Series 2010	Series 2013	Series 2014	Series 2014	Series 2015	Series 2016	Series 2016	Series 2017	Series 2010	Principal
2020	1,429,405	706,284	2,840,187	3,160,213	2,182,106	5,895,938	339,034	3,027,331	4,554,288	1,056,203	25,190,989
2021	1,434,684	706,141	2,837,531	3,156,675	2,180,706	5,897,688	345,283	3,021,895	4,565,988	1,055,687	25,202,278
2022	1,432,534	708,345	2,832,555	3,150,650	2,171,931	5,897,688	351,365	3,023,956	4,542,963	1,055,152	25,167,139
2023	2,561,465	708,938	2,830,701	3,148,094	2,182,431	5,895,688	359,265	3,019,999	4,529,213	1,054,600	26,290,394
2024	2,825,807	707,946	2,823,222	3,149,364	2,175,306	5,896,438	366,966	-	4,532,838	1,054,029	23,531,916
2025	2,672,841	827,893	2,824,932	3,139,715	2,172,681	5,894,438	375,459	-	4,420,963	1,053,438	23,382,361
2026	2,692,516	827,124	2,820,253	3,139,235	2,171,681	5,894,438	384,728	-	4,418,463	1,052,827	23,401,265
2027	4,189,091	829,084	2,818,689	3,132,980	2,172,056	5,895,238	393,764	-	4,412,338	-	23,843,240
2028	5,271,180	-	2,815,086	3,131,112	2,184,731	5,894,737	404,552	-	2,325,588	-	22,026,985
2029	5,359,355	-	2,809,436	3,128,151	2,174,953	5,894,987	415,073	-	2,320,463	-	22,102,419
2030	5,419,598	-	2,802,421	3,128,602	2,176,625	5,896,388	426,322	-	2,345,162	-	22,195,118
2031	5,483,337	-	2,799,073	3,117,365	2,165,000	5,896,188	438,280	-	2,340,988	-	22,240,231
2032	5,259,686	-	2,793,378	3,119,832	2,159,875	5,894,938	450,930	-	2,338,800	-	22,017,439
2033	5,334,245	-	2,789,904	3,116,182	2,155,375	5,892,687	464,257	-	1,195,931	-	20,948,581
2034	5,423,526	-	2,788,076	3,106,414	2,165,850	5,893,937	478,243	-	1,185,376	-	21,041,422
2035	5,535,742	-	-	-	2,154,850	5,892,936	491,881	-	1,189,250	-	15,264,659
2036	5,635,075	-	-	-	-	5,894,186	507,154	-	1,185,500	-	13,221,915
2037	5,741,959	-	-	-	-	-	523,037	-	1,189,000	-	7,453,996
2038	5,858,110	-	-	-	-	-	539,512	-	-	-	6,397,622
2039	-	-	-	-	-	-	555,572	-	-	-	555,572
Total debt service	\$ 79,560,155	\$ 6,021,755	\$ 42,225,444	\$ 47,024,584	\$ 34,746,157	\$ 100,218,538	\$ 8,610,677	\$ 12,093,181	\$ 53,593,112	\$ 7,381,936	\$ 391,475,539
Principal outstanding FY 2019	\$ 62,195,000	\$ 5,091,600	\$ 28,910,000	\$ 34,705,000	\$ 25,095,000	\$ 67,735,000	\$ 7,221,000	\$ 11,775,100	\$ 40,615,000	\$ 6,548,268	\$ 289,890,968

(1) Based on the 2.15% interest rate which was the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) Rate in effect at the financial statement date (June 30, 2019) Statement No. 38, paragraph 10, which was 1.56% + the 0.59% Direct Purchase spread to the bondholder for a four year term from May 29, 2014 to July 1, 2018. The City has extended the Direct Purchase until November 1, 2019.

(2) Based on the 1.66% seven year term (from September 30, 2016) Direct Purchase fixed rate in effect at the financial statement date (June 30, 2019) per GASB Statement No. 38, paragraph 10.

City of Pembroke Pines, Florida
School Enrollment

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
College/University: (1)										
Broward College										
Pines Center -Academic Village	2,028	2,120	2,454	2,740	2,530	2,640	1,402	1,200	1,067	1,001
South Campus / Pembroke Pines	13,895	13,768	15,605	13,390	14,482	14,542	11,287	10,831	10,750	9,768
Florida International University - Pines Center (3)	1,602	1,482	1,294	1,400	-	-	-	-	-	-
Total College/University Enrollment	<u>17,525</u>	<u>17,370</u>	<u>19,353</u>	<u>17,530</u>	<u>17,012</u>	<u>17,182</u>	<u>12,689</u>	<u>12,031</u>	<u>11,817</u>	<u>10,769</u>
High Schools: (2)										
Pembroke Pines Charter High School	1,721	1,738	1,724	1,730	1,692	1,999	2,015	2,043	2,048	2,098
Flanagan	3,241	3,164	3,106	2,860	2,844	2,835	2,759	2,575	2,542	2,482
Somerset Academy Charter High School	708	751	845	1,051	1,101	1,021	948	886	1,049	1,204
West Broward High School	2,695	2,777	2,712	2,772	2,702	2,721	2,742	2,810	2,743	2,677
Somerset Conservatory	-	91	162	113	120	125	143	132	164	186
Total High School Enrollment	<u>8,365</u>	<u>8,521</u>	<u>8,549</u>	<u>8,526</u>	<u>8,459</u>	<u>8,701</u>	<u>8,607</u>	<u>8,446</u>	<u>8,546</u>	<u>8,647</u>
Middle Schools: (2)										
Pines Middle School	1,754	1,519	1,493	1,375	1,293	1,130	1,035	938	891	859
Silver Trail Middle	1,666	1,474	1,508	1,481	1,426	1,466	1,491	1,528	1,497	1,532
Walter C. Young	1,488	1,405	1,268	1,201	1,090	1,099	1,111	1,154	1,134	1,116
Somerset Academy Charter Middle School	798	835	868	870	834	817	745	746	904	1,026
Pembroke Pines Charter Middle School (West/Central)	1,239	1,287	1,284	1,301	1,582	1,298	1,305	1,304	1,288	1,326
Franklin Academy A&B	-	419	465	428	376	430	408	451	495	420
Broward Charter School of Science & Technology	-	-	-	25	39	49	96	84	87	98
Total Middle School Enrollment	<u>6,945</u>	<u>6,939</u>	<u>6,886</u>	<u>6,681</u>	<u>6,640</u>	<u>6,289</u>	<u>6,191</u>	<u>6,205</u>	<u>6,296</u>	<u>6,377</u>
Elementary Schools: (2)										
Pembroke Pines	613	594	586	594	560	559	569	581	588	623
Pembroke Lakes	690	622	565	534	568	596	662	689	733	762
Pines Lakes	795	733	656	609	582	577	569	576	536	553
Pasadena Lakes	763	719	614	573	566	543	532	531	534	532
Palm Cove	926	857	800	819	779	711	672	672	632	510
Chapel Trail	927	810	760	751	743	777	829	829	814	833
Silver Palms	816	669	729	662	612	595	655	621	630	579
Panther Run	686	620	599	550	550	568	547	574	560	505
Lakeside	858	835	760	707	676	754	791	769	760	704
Somerset Academy Charter Elementary	861	886	887	932	919	940	945	928	927	1,013
Pembroke Pines Charter Elem (East/West/Central)	1,926	1,924	1,923	1,910	1,908	1,921	1,909	1,900	1,889	1,914
Pembroke Pines/FSU Charter Elementary	655	678	679	679	679	690	672	679	674	694
Franklin Academy A	-	792	845	842	892	943	743	746	882	766
Kidz Choice Charter (5)	-	124	103	100	101	154	174	214	187	-
Charter School of Excellence @ Davie 2 (4)	-	155	154	106	26	36	27	-	-	-
Atlantic Montessori Charter School	-	-	73	130	132	123	123	135	140	127
Broward Charter School of Science & Technology	-	-	163	129	69	81	182	178	234	222
Renaissance Charter School at Pines	-	-	-	-	-	799	835	779	842	953
Total Elementary School Enrollment	<u>10,516</u>	<u>11,018</u>	<u>10,896</u>	<u>10,627</u>	<u>10,362</u>	<u>11,367</u>	<u>11,436</u>	<u>11,401</u>	<u>11,562</u>	<u>11,290</u>
Total All Schools	<u>43,351</u>	<u>43,848</u>	<u>45,684</u>	<u>43,364</u>	<u>42,473</u>	<u>43,539</u>	<u>38,923</u>	<u>38,083</u>	<u>38,221</u>	<u>37,083</u>

(1) Broward College - Registrar's Office and FIU Dean of Partnership Center.

(2) Broward County School Board, Years 2010-2012 20th Day Enrollment Report; 2013-2019 1st Day Enrollment Count.

(3) Effective August 2014, FIU has relocated to Miramar.

(4) Effective FY2017, Charter School of Excellence at Davie 2 is combined with Charter School of Excellence at Davie located in Hollywood, FL.

(5) Effective FY2019, Kidz Choice is a Private School now called Cambridge International Academy

City of Pembroke Pines, Florida
Property Value and Construction (1)
Last Ten Fiscal Years

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>		
2010	5,274	5,205	64,069,445	66	6,585,866	3	2,409,185	73,064,496	14,727,213,419
2011	6,939	6,662	37,295,528	202	18,600,807	75	265,336,362	321,232,697	12,597,755,293
2012	6,200	5,434	77,506,551	655	226,091,294	111	226,188,208	529,786,054	12,672,170,184
2013	7,357	6,732	273,469,366	579	298,916,697	46	71,849,779	644,235,843	12,559,436,057
2014	10,536	10,123	291,394,500	288	16,034,771	125	12,769,448	320,198,718	13,145,675,871
2015	6,524	6,439	61,378,888	77	37,513,118	8	576,143,798	675,035,804	14,806,865,492
2016	7,264	7,110	114,938,007	134	21,478,982	20	103,170,457	239,587,447	16,053,238,879
2017	8,439	8,157	38,724,193	262	87,600,661	20	191,951,039	318,275,894	17,578,628,055
2018	11,306	11,015	119,728,157	270	114,184,101	21	72,069,999	305,982,258	18,793,239,672
2019	9,518	9,429	181,225,989	73	11,566,937	16	54,249,012	247,041,938	19,824,761,886

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

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

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

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 8th largest in the country with an estimated population of 5.7 million. The population of the City is currently estimated at 168,023 which is the second largest city in Broward County (County). During the year, the City has a mean average annual temperature of 75.6 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.22-square mile residential city is similar to that of other southwestern 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 the City, provide numerous cultural advantages of a larger metropolitan area as well as a major cruise ship port. South of the City is the City of Miramar with its notable Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of five senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The Opa-locka Airport, a full Fixed-Base Operator (FBO) service executive airport located in North Miami-Dade County is about a 30-minute drive south of the City. Other full service FBOs include the Boca Raton Airport which is about a one hour drive northeast of the City, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in the City by the U. S. Navy in 1943 as a World War II training field, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

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

Parks & Recreation

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

City of Pembroke Pines, Florida

General Information

Located throughout the City are 31 fully developed recreation facilities covering more than 972 acres. In addition, three public golf courses are located within the City besides the City-owned and renovated 18-hole Pembroke Lakes Golf and Racquet Club. The other three are the Hollybrook Golf and Tennis Club, the Flamingo Lakes Country Club located in Century Village at Pembroke Pines, and the Grand Palms Golf and Country Club Resort. In August 2002, the City purchased 57 acres in western portion of the City which has been developed with wetlands and athletic facilities, including soccer fields, handball courts and basketball courts. Cultural arts programs are available at the City's River of Grass Arts Park and the Fletcher Art and Cultural Center. A number of the residential developments in the community are also served by their own private recreational facilities. The City is also home to the County-operated C. B. Smith Park, a large Regional Park offering many activities, including camping, boat rentals, and a 4.69-acre aquatic complex interactive water playground with two waterslides and a tube ride. The park hosts 20,000 visitors every year who attend the annual KISS Country 99.9 FM's Chili Cook-off and Concert. Of special interest to the public is the City-owned Chapel Trail Nature Preserve consisting of 459 acres of reconstructed natural habitat featuring canoe rentals, an Environmental Interpretive Center, and a 1,650-foot elevated boardwalk that allows visitors to walk out over and into the wetlands.

Medical Facilities

Healthcare services for the City 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 172nd Avenue in adjacent Miramar) which serves the western portion of the City. 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 the County's first public, skilled nursing facility. The 120-bed nursing home, located adjacent to the Memorial Urgent Care Center on Douglas Road, provides long-term nursing home care and short-term rehabilitative care.

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University (FSU), two charter middle schools and one charter high school that serve approximately 5,899 students. Of this total, the FSU charter school students include 674 in elementary school; the other three elementary schools have 1,889 students; the two middle schools 1,288 students; and the high school campus which was extended to include a middle school has 2,048 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 seventeen elementary schools, six middle schools and four 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.

City of Pembroke Pines, Florida

General Information

In addition, within the City are post-secondary as well as post-graduate institutions. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus located on Sheridan Street west of Interstate 75. The campus of the Venezuelan-administered Jose Maria Vargas University is a 24,530 square foot facility providing educational programs at the certificate, undergraduate, and graduate levels. Keiser University also operates its Pembroke Pines branch campus with a 30,000-square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City. Two schools in the adjacent City of Miramar are DeVry University which offers a variety of Certificate Programs, Associate, Bachelor and Master's Degrees; and a branch of the Puerto Rican Ana G. Mendez University, a private school that serves bilingual students in a 30,000-square foot building at the Miramar Park of Commerce just south of 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 College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Arts and Culture

The City promotes arts and cultural activities for its citizens. The City maintains a Glass Gallery in the City Hall lobby programming public art exhibitions of local artists and sculptors. The artists are selected by the City's Arts & Culture Advisory Board and often include special opening exhibit programs accompanied by music and dance performances. An Artists' Colony complex has been developed through the renovation of an existing structure located in the Senator Howard C. Forman Human Services Campus. The facility named *Studio 18 in the Pines* contains rental studios and gallery space consisting of 18 inside studios, 5 outside studios, a jewelry studio and a ceramics studio. The City also provides space for theatrical performances at the *Susan B. Katz Memorial Auditorium*, a 450-seat auditorium located in the Academic Village for the *Pembroke Pines Theatre of the Performing Arts* - a local theatrical group that stages numerous outstanding performances, including Broadway musicals. Special events are provided to the City's residents through the Parks & Recreation Department and include annual events such as *Kids Konnection*; the *Art Festival in the Pines* which is conducted in the River of Grass Arts Park; the *Pines Day* celebration commemorating the founding of the City in 1960, and many other community, cultural and sports activities staged throughout the year. The Pembroke Pines Historical Museum is located in the Village Community Center on the City's east side, and has opened a new and expanding World War II exhibit. Artifacts are displayed from donations by the City's Second World War veterans, and from two archeology digs on the City's North Perry Airport which served as an outlying field of the Miami Naval Air Station from 1943 until 1945. Each year, the city underwrites nine free outdoor jazz performances that feature local jazz musicians. It also hosts an annual, two-day, outdoor arts celebration that features the work of nearly 100 artists and attracts more than 15,000 visitors each year.

Communications

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

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

City of Pembroke Pines, Florida

General Information

Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores, including Dillard's, JCPenney, Macy's and Sears plus approximately 135 more stores and restaurants. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex contains approximately 70 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities. The City is the executive office headquarters for Claire's Stores, Inc., an international retail chain which owns, franchises or joint ventures approximately 3,369 stores selling costume jewelry and fashion accessories.

The dynamics of the growth of commercial and residential activities in the City and its surrounding area has resulted in at least seven hotels offering a variety of hospitality suites. Within the City is the Grand Palms Golf and Country Club Resort at Pines Boulevard just west of Interstate I-75 offering upscale lodgings, as well as the Hampton Inn Hotel just east of Interstate I-75 and Sheridan and the adjacent newly-built all-suite Holiday Inn Express Hotel & Suites. Just to the south, east of Interstate I-75 at Miramar Parkway in adjacent Miramar, are the Courtyard by Marriott, the Residence Inn by Marriott, the Hilton Garden Inn and the Wingate by Wyndham.

Awards and Acknowledgments

Throughout the years, the City of Pembroke Pines has received numerous awards, and accolades. Below is a list and brief description of some of these noteworthy achievements in the last 10 years:

- ◇ **2010 - Florida Communities for a Lifetime** - a statewide initiative that assists Florida cities, towns and counties in planning and implementing improvements that benefit their residents, youthful or elder. The Communities for a Lifetime Bureau is comprised of the following focus areas: Housing, Transportation, Employment, Health and Wellness, Volunteerism, and Intergenerational Programs.
- ◇ **2010 - Finalist for the 2010 Awards for Municipal Excellence** by the National League of Cities (NLC). The NLC selects 40 city programs from across the country as finalists. The City was selected for its revitalization efforts at the Senator Howard C. Forman Human Services Campus. The various projects are a result of innovative public-private partnerships involving the City, the State, for-profit and non-profit agencies.
- ◇ **2010 - *BusinessWeek's* Best Places in the United States to Raise Your Kids – Ranked #1 in Florida**, based on school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.
- ◇ **2012 - On January 19, 2012, the City of Pembroke Pines received three awards** from the Aging & Disability Resource Center of Broward County (ADRC). Jay Shechter, Director of Community Services and Housing was awarded the Project Personality of the Year, the City of Pembroke Pines, received the 30-year Full Fair Share Contribution award, and City Attorney Samuel S. Goren Esq., was named the volunteer of the year.
- ◇ **2012 - Mayor Frank Ortis received the Public Leadership in the Arts Award** from the U.S. Conference of Mayors and Americans for the Arts, America's leading nonprofit organization for advancing the arts and arts education.
- ◇ **2012 - Mayor Frank Ortis received the President's Call to Service Award** from the President's Council on Service and Civic Participation.
- ◇ **2012 - Mayor Frank Ortis received the President's Volunteer Service Award** from the President's Council on Service and Civic Participation.
- ◇ **2013 - Devarn Flowers, Principal of the City of Pembroke Pines Charter School West Campus was named Principal of the Year** by the Florida Consortium of Public Charter Schools.
- ◇ **2013 - Mayor Frank Ortis received the Coceano Community Leadership Award** from the Miramar/Pembroke Pines Regional Chamber of Commerce for his leadership contributions to the overall good of the community.

City of Pembroke Pines, Florida

General Information

- ◇ **2013 - Mayor Frank Ortis received the “Small Business Advocate Award”** from the Partner America/U.S. Conference of Mayors for efforts and support of small business in the City.
- ◇ **2013 - Mayor Frank Ortis won the E. Drew Harris Award** from the Florida League of Cities.
- ◇ **2014 - Florida Municipal Achievement Award** for the “**Environmental Stewardship**” category – the cities “Re-Engage, Recycle and Reinvigorate Our Environment.”
- ◇ **2014 – Mayor Frank Ortis received the “HOME Rule HERO” Award** from the Florida League of Cities (FLOC).
- ◇ **2014 – Money Magazine’s Best Places to Live in America – Ranked # 32 out of the top 50** – only City in Florida to make the list.
- ◇ **2014 – Charter Middle School West Campus received “Florida Standards School of Excellence Award”** by Public Consulting Group and the Florida Department of Education Office of School Choice.
- ◇ **2014 – Jill Slaughter, Curator of Special Project, was named the “Best Curator in Broward/Palm Beach”** by New Times.
- ◇ **2014 – Wallet Hub’s ranking as #1 -Best City for Hispanic Entrepreneurship; #13 Best Place to Retire; and #44 Best Places for families.** The largest 150 cities were ranked.
- ◇ **2015 – Money Magazine’s Best Places to live in America.**
- ◇ **2015 – The City was named “2014 Best City of Hispanic Entrepreneurs.”**
- ◇ **2015 – The City received \$50,000 “Our Town” grant** by National Endowment for the Arts.
- ◇ **2015 – The City was recognized by the Florida League of Cities for our “Re-engage, Recycle, and Reinvigorate Our Environment” program.**
- ◇ **2015 – The City received the “Environmental Stewardship Award”** from the Florida League of Cities.
- ◇ **2015 – The City received Bronze Medals in Goal III- Smart Serving for Students and Goal I: Start Early, Start Smart for the “Let’s Move! Cities, Towns and Countries” initiative** by the National League of Cities
- ◇ **2015 – The City received \$500,000.00 Grant for construction on the Civic Center Cultural Complex** from the Florida Cultural Affairs Division.
- ◇ **2015 – The City received \$462,350 Broward County Tourist Development Tax Capital Challenge Grant** for Civic Center
- ◇ **2015 - Mayor Frank Ortis received the “Home Rule Hero Award”** from the Florida League of Cities.
- ◇ **2015 – The City was recognized as the “2015 State Surgeon General Healthy Weight Community Champion” in Broward County** from Florida Department of Health.
- ◇ **2015 – The City was named 2014 Tree City USA** from Arbor Day Foundation.
- ◇ **2016 – Blue Ribbon School designation,** awarded to Pembroke Pines Charter Elementary School by the U.S Department of Education.
- ◇ **2016 – The City received \$500,000 “Cultural Facilities” grant for construction of the Frank Art Gallery** from Florida Division of Cultural Affairs.
- ◇ **2016 – The City received \$14,368 “General Program Support” grant to support multi-disciplinary arts and engagement activities at the Frank Art Gallery** from Florida Division of Cultural Affairs.
- ◇ **2016 – The City received \$30,010 matching grant funds to support “The Feed Your Soul/Nourish Your Neighbor” project** from Community Foundation of Broward.
- ◇ **2016 – The City was named 2016 Tree City USA** from Arbor Day Foundation.
- ◇ **2016 – The City was named “#4 in the Nation for Hispanic Entrepreneurs”** by Wallethub.com.
- ◇ **2016 – The City was named “2016 Beacon Award Honoree”** by Children’s Harbor.
- ◇ **2016 – The Charter High School was ranked 27th in Florida** for the 2017 Beat High Schools Ranking.
- ◇ **2016 – The Technology Services Department won “Excellence in Construction 2016.”**
- ◇ **2017 – The City was named 2017 Tree City USA** from Arbor Day Foundation.

City of Pembroke Pines, Florida

General Information

- ◇ **2017** – The City was named “**#3 in the Nation for Hispanic Entrepreneurs**” by Wallethub.com.
- ◇ **2017** – The City received “**Outstanding Achievement Large City 2017 City Livability Award**” in support of the Creative Placemaking at the Charles F. Dodge City Center.
- ◇ **2017** – The City was named “**#5 Best Place to Raise a Family in Florida**” by SmartAsset.com
- ◇ **2018** – Mayor Frank Ortis received a “**Certificate of Appreciation**” from the Honor Flight of South Florida.
- ◇ **2018** – The City was certified as a “**Wildlife Habitat Community**” by the National Wildlife Federation.
- ◇ **2018** – The City ranked “**#29 Safest City in America**” by the Wallet Hub Survey.
- ◇ **2018** – The City ranked “**#6 Best City for Hispanic Entrepreneurs**” by the Wallet Hub Survey.
- ◇ **2018** – The City ranked “**#35 Best Place to Raise a Family**” by the Wallet Hub Survey.
- ◇ **2018** – Mayor Frank Ortis received the “**Home Rule Hero Award**” from the Florida League of Cities.
- ◇ **2019** – The City was named “**2019 Tree City USA**” by Arbor Day Foundation.
- ◇ **2019** – The City was recognized for its “**Platinum Level Sponsorship**” by the American Cancer Society “Relay for Life”.
- ◇ **2019** – The City ranked “**#12 Best City to Retire**”, “**#10 Best City to relocate**”, and “**#2 Best City for Hispanic Entrepreneurs**” by the Wallet Hub Survey.
- ◇ **2019** – The City ranked “**#32 Best Suburb to raise a family in the Miami area**” by Nuche.com.
- ◇ **2019** – The City was presented “**Diamond Award**” for the commitment of excellence in Education by KAPOW.
- ◇ **2019** – Mayor Frank Ortis received a “**Certificate of Appreciation**” for his continued efforts in the fight to cure breast cancer from Church of God, Pembroke Pines.
- ◇ **2019** – Mayor Frank Ortis was presented a “**Home Rule Hero Certificate**” for being a champion in the defense and protection of municipal Home Rule by the FLC.



IV. COMPLIANCE SECTION

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2019

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
<i>U.S. Department of Housing and Urban Development</i>				
Community Development Block Grant 2015	14.218	B15MC120040	\$ 753,806	\$ 74,857
Community Development Block Grant 2016	14.218	B16MC120040	779,286	276,269
Community Development Block Grant 2017	14.218	B17MC120040	761,981	122,220
Community Development Block Grant 2018	14.218	B18MC120040	822,253	290,099
Neighborhood Stabilization Program (NSP2008)	14.218	B-08-MN-12-0022	4,398,575	263,277
Neighborhood Stabilization Program (NSP2010)	14.218	B-11-MN-120022	2,330,542	5,300
Sub-total	14.218			<u>1,032,022</u>
<i>Pass-Through Broward County</i>				
HOME Investment Partnerships Program 2015	14.239	15-HFCD-157-HOME	159,691	42,250
HOME Investment Partnerships Program 2016	14.239	16-HFCD-175_HOME	198,599	105,877
Sub-total	14.239			<u>148,127</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>\$ 1,180,149</u>	
<i>U.S. Department of Justice</i>				
Bulletproof Vest Partnership (BVP)	16.607	2018-BO-BX-18093850	\$ 31,122	\$ 23,908
<i>Pass-Through the Office of the Attorney General</i>				
Victim of Crime Act Grant (VOCA) 2018	16.575	VOCA-2018-00085	18,472	15,397
<i>Pass-Through Florida Department of Law Enforcement</i>				
Justice Assistance Grant (JAG) 2016	16.738	2016-DJ-BX-0574	18,891	18,891
<i>Total U.S. Department of Justice</i>			<u>\$ 58,196</u>	
<i>U.S. Department of Agriculture</i>				
<i>Pass-Through Florida Department of Education</i>				
School Breakfast Program	10.553	01-0363	\$ 135,123	\$ 135,123
National School Lunch Program	10.555	01-0363	899,858	899,858
<i>Pass-Through Florida Department of Agriculture & Consumer Services</i>				
NSLP Non-Cash Assistance (Commodities)	10.555	2040	182,562	182,562
Sub-total	10.555			<u>1,082,420</u>
<i>Total U.S. Department of Agriculture</i>			<u>\$ 1,217,543</u>	
<i>U.S. Department of Education</i>				
<i>Pass Through the Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	371-2639B-9CB01	\$ 70,782	\$ 70,782
<i>Pass Through the Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	371-2679B-9CP01	931	931
<i>Pass Through the School Board of Broward County</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2639B-9CB01	15,035	15,035
<i>Total U.S. Department of Education</i>			<u>\$ 86,748</u>	

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2019
(Continued)

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
U.S. Department of Homeland Security				
<i>Pass-Through City of Miami</i>				
Preparing for Emerging Threats and Hazards	97.133	EMW-2016-GR-00097-S01	\$ 25,500	\$ 21,044
<i>Pass-Through Florida Division of Emergency Management</i>				
Urban Area Strategic Initiative (UASI 2017)	97.067	18-DS-V3-11-23-02-376	115,188	115,080
Urban Area Strategic Initiative (UASI 2018)	97.067	19-DS-04-11-23-02-319	112,733	38,997
				<u>154,077</u>
<i>Pass-Through State of Emergency Management</i>				
Disaster Relief-Hurricane Irma	97.036	FEMA-4337-DR	2,703,287	369,395
Total U.S. Department of Homeland Security				<u>\$ 544,516</u>
U.S. Department of Health and Human Services				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Older Americans Act- IIIB - 2018	93.044	JA118-10-2018	\$ 329,465	\$ 91,167
Older Americans Act- IIIB - 2019	93.044	JA119-10-2019	329,465	206,595
Sub-total	93.044			<u>297,762</u>
Older Americans Act- IIIE - 2018	93.052	JA118-10-2018	88,728	20,874
Older Americans Act- IIIE - 2019	93.052	JA119-10-2019	88,728	80,314
Sub-total	93.052			<u>101,188</u>
Energy Assistance -2018-19	93.568	JP118-10-2019	37,560	15,325
Sub-total	93.568			<u>15,325</u>
Total U.S. Department of Health and Human Services				<u>\$ 414,275</u>
U.S. Department of Transportation				
<i>Pass-Through University of South Florida</i>				
Highway Planning and Construction	20.205	G0Y79	\$ 20,000	\$ 20,000
<i>Pass-Through Florida Department of Transportation</i>				
Capital Assistance Program/5310 (2017)	20.513	435210-4-93-14	191,368	94,890
Capital Assistance Program/5310 (2018)	20.513	435210-4-93-15	229,352	192,072
Sub-total	20.513			<u>286,962</u>
Total U.S. Department of Transportation				<u>\$ 306,962</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 3,808,389</u>

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Projects and Local Awards
Fiscal Year Ended September 30, 2019
(Continued)

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
Florida Department of Elder Affairs				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Local Services Program -2019	65.009	JA118-10-2019	\$ 231,155	\$ 160,368
Local Services Program -2020	65.009	JA119-10-2020	231,155	<u>72,821</u>
Total Florida Department of Elder Affairs				<u>\$ 233,189</u>
Florida Department of Education				
<i>Pass Through Florida State University</i>				
District Instructional Leadership and Faculty Development	None	371-96480-9D001	\$ 6,557	<u>\$ 6,557</u>
Total Florida Department of Education				<u>\$ 6,557</u>
Department of Financial Services				
Local Government Fire Service Grants	43.007	FM397	\$ 600,000	<u>\$ 527,947</u>
Total Department of Financial Services				<u>\$ 527,947</u>
Florida Department of Transportation				
<i>Pass-Through Broward County</i>				
County Incentive Grant Program (CIGP)	55.008	G0M01	\$ 2,126,135	<u>\$ 823,553</u>
Total Florida Department of Transportation				<u>\$ 823,553</u>
Florida Housing Finance Agency				
State Housing Initiatives Partnership (S.H.I.P.) - F/Y16-17	40.901	N/A	\$ 1,043,711	\$ 493,028
State Housing Initiatives Partnership (S.H.I.P.) - F/Y17-18	40.901	N/A	726,367	126,431
State Housing Initiatives Partnership (S.H.I.P.) - F/Y18-19	40.901	N/A	213,839	<u>28,441</u>
Total Florida Housing Finance Agency				<u>\$ 647,900</u>
TOTAL EXPENDITURES OF STATE PROJECTS				<u>\$ 2,239,146</u>

City of Pembroke Pines, Florida
 Schedule of Expenditures of Federal Awards, State Projects and Local Awards
 Fiscal Year Ended September 30, 2019
 (Continued)

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
<u>Local Awards/Program Title</u>				
<i>Broward County Local Awards</i>				
Broward County Transit Grant	N/A	N/A	\$ 310,070	\$ 310,070
OAA Older American Act IIIB-Broward Cash Match - 2018	N/A	JA118-10-2018	43,867	1,158
OAA Older American Act IIIB-Broward Cash Match - 2019	N/A	JA119-10-2019	43,867	42,554
<i>Total Broward County Local Awards</i>				<u>\$ 353,782</u>
<i>Children's Services Council of Broward County</i>				
CSC Maximizing Out-of-School Time (MOST SN) 2019	N/A	17-4322	\$ 102,389	\$ 102,343
<i>Total Children's Services Council of Broward County</i>				<u>\$ 102,343</u>
<i>TOTAL EXPENDITURES OF LOCAL AWARDS</i>				<u>\$ 456,125</u>

City of Pembroke Pines, Florida
Notes to the Schedule of Expenditures of Federal Awards,
State Projects, and Local Awards
For the Year Ended September 30, 2019

NOTE A. BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State Projects, and Local Awards includes the federal, state and local grant activity of the City of Pembroke Pines, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Nonprofit Organizations, and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. 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.

Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

Indirect Cost Rate

For federal awards, the City has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for certain grants that allow the use of the 10% de minimis indirect cost rate.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Pembroke Pines, Florida's basic financial statements, and have issued our report thereon dated April 16, 2020. Our report includes a reference to other auditors who audited the financial statements of the City's Firefighters and Police Pension Trust Funds, as described in our report on the City of Pembroke Pines, Florida's financial statements. This report does not include the result of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pembroke Pines, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Pembroke Pines, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pembroke Pines, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. Refer to 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pembroke Pines, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Pembroke Pines, Florida's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pembroke Pines, Florida's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
April 16, 2020



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

Report on Compliance for Each Major Federal Program and State Projects

We have audited the City of Pembroke Pines, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Pembroke Pines, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
April 16, 2020

**CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS,
STATE PROJECTS, AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Pembroke Pines, Florida.
2. There were no material weaknesses relating to the audit of the basic financial statements reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*; however, there was a significant deficiency identified. Refer to 2019-001.
3. There were no material weaknesses or significant deficiencies relating to the audit of the major federal programs and state financial assistance reported in the independent auditor's report on compliance for each major program and on internal control over compliance in accordance with Title 2 *U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General*.
4. The auditor's report on compliance for the major federal programs and state projects for the City of Pembroke Pines, Florida expresses an unmodified opinion.
5. Audit findings relative to the major federal programs and state projects for the City of Pembroke Pines, Florida are reported in Parts C and D of this Schedule.
6. The programs and projects tested as major programs and projects include:

<u>Federal Programs</u>	<u>CFDA No.</u>	<u>Amount</u>
Community Development Block Grants	14.218	\$ 1,032,022
Dollar threshold to distinguish Type A and Type B Programs		\$750,000
<u>State Projects</u>	<u>CSFA No.</u>	<u>Amount</u>
Dept. of Financial Services		
Local Government Fire Service Grants	43.007	\$ 527,947
FL Dept. of Transportation		
County Incentive Grant Program (CIGP)	55.008	823,553
		\$ 1,351,500
Dollar threshold to distinguish Type A and Type B Programs		\$670,000

7. The City of Pembroke Pines, Florida, was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS,
STATE PROJECTS, AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2019 - 001 Capital Contributions

Condition:	Management identified capital improvements in the water and sewer infrastructures completed by certain developers and donated to the City during the periods between 2014 and 2018 that were not recorded as capital contributions at the date of donation.
Criteria:	Generally accepted accounting standards require the recording of capital contributions at acquisition value at the date of donation.
Cause:	These capital contributions are received sporadically throughout the year and are completed through an agenda item where these capital contributions by the developer to the City are documented. Management did not capture all documents containing the assignment during the said periods which resulted in the unrecorded capital contributions.
Effect:	Understatement of depreciable capital assets and net investment in capital assets of approximately \$5 million as of September 30, 2018.
Recommendation:	The City should improve its review process of all agreements, including developers' agreements, to ensure that all noncash transactions, such as the capital contributions received from developers, are accurately and timely presented in the City's financial statements.
View of Responsible Officials and Planned Corrective Actions:	The City is continuously reviewing its processes and controls surrounding contract reviews to ensure that all transactions are properly reflected in the financial reports. In addition, the City will create a separate general ledger account to account and monitor noncash capital contributions arising from developers' agreements and we will perform monthly reconciliation of the transactions with underlying agreements to ensure completeness and accuracy of information presented in the reports.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS AND STATE PROJECTS AUDIT

NONE

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida (the "City"), as of and for the year ended September 30, 2019, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 16, 2020. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers which represent 70 percent of the total net position, 60 percent of the total additions, and 61 percent of deductions of the fiduciary fund totals. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amount included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the reports of the other auditors.

AUDITORS' RESPONSIBILITY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Projects and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 16, 2020, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no audit findings in the preceding financial audit report.

OFFICIAL TITLE AND LEGAL AUTHORITY

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Pembroke Pines, Florida was incorporated in accordance with House Bill No. 1413 on June 20, 1960. There are no component units related to the City.

FINANCIAL CONDITION AND MANAGEMENT

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was performed as of September 30, 2019.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified a significant deficiency that has been included as 2019-001 in the Schedule of Findings and Questioned Costs and made a recommendation to management.

ADDITIONAL MATTERS

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City of Pembroke Pines, Florida, for the fiscal year ended September 30, 2019 filed with the Florida Department of Financial Services pursuant to Section 218.31(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2019. In connection with our audit, we determine that these two reports were in agreement.

PURPOSE OF THIS LETTER

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the City of Pembroke Pines, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as in future engagements and the courtesies extended to us.

GLSC & Company, PLLC

Miami, Florida
April 16, 2020



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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE PURSUANT
TO SECTION 218.415 FLORIDA STATUTES**

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

We have examined City of Pembroke Pines, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

Miami, Florida
April 16, 2020