NEW ISSUE – FULL BOOK-ENTRY **(See "RATINGS" herein)**

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE SERIES 2014 BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. SEE "TAX MATTERS" HEREIN FOR A DESCRIPTION OF CERTAIN OTHER TAX CONSEQUENCES TO HOLDERS OF THE SERIES 2014 BONDS.

$41,540,000
CITY OF PEMBROKE PINES, FLORIDA
Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014

Dated: Date of Delivery **Due:** October 1, as shown on inside front cover

The $41,540,000 City of Pembroke Pines, Florida Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds") are being issued by the City of Pembroke Pines, Florida (the "City") in the form of fully registered bonds in denominations of $5,000 or integral multiples thereof. Interest on the Series 2014 Bonds will be payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2015, to the registered owners of the Series 2014 Bonds shown on the registration books of the City held by U.S. Bank National Association, Fort Lauderdale, Florida, as Registrar and Paying Agent (the "Registrar" and "Paying Agent") on the fifteenth day (whether or not a business day) of the calendar month next preceding an interest payment date, by bank wire transfer, check or draft mailed, or, if permitted, direct deposit, to such registered owner by the Paying Agent. The principal of the Series 2014 Bonds will be payable upon presentation and surrender of the Series 2014 Bonds at the principal corporate trust office of the Registrar and Paying Agent in Fort Lauderdale, Florida. Upon initial issuance, the Series 2014 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions. So long as DTC, or its nominee, is the registered owner of the Series 2014 Bonds, payment of the principal of and interest on the Series 2014 Bonds will be provided directly to DTC or its nominee, which is to remit such payments to the DTC Participants (as defined herein) which in turn are to remit such payments to Beneficial Owners (as defined herein) of the Series 2014 Bonds. See "THE SERIES 2014 BONDS – Book-Entry System" herein. Certain of the Series 2014 Bonds are subject to redemption prior to their stated maturities as described herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2014 Bonds are being issued by the City for the purpose of providing moneys, together with other legally available funds, to (i) refund the City's Taxable Communications Services Tax Revenue Bonds, Series 2004 maturing on and after October 1, 2015 (the "Refunded Bonds"), (ii) purchase a municipal bond debt service reserve insurance policy, and (iii) pay the costs of issuing the Series 2014 Bonds.

The Series 2014 Bonds are being issued under and pursuant to Resolution No. 2959 adopted by the City Commission of the City on September 17, 2003, as amended and supplemented and as particularly amended and supplemented by Resolution No. 2980 adopted by the City Commission of the City on March 17, 2004, Resolution No. 3389 (the "2013 Resolution") adopted by the City Commission of the City on September 3, 2013 and Resolution No. 3424, adopted by the City Commission of the City on August 6, 2014 (collectively, the "Resolution"), and will be payable from and secured by a lien upon and pledge of the Communications Services Tax Revenues, the Water Public Service Tax (both as defined herein), any funds on deposit in any fund or account created by the Resolution and any Qualified Hedge Receipts (as defined herein), all in the manner and to the extent described in the Resolution (collectively, the "Pledged Revenues"), on a parity with the City's Outstanding Taxable Communications Services Tax Revenue Bonds, Series 2004, not refunded with proceeds of the Series 2014 Bonds (the "Outstanding 2004 Bonds"), the Outstanding Taxable Communications Services Tax Refunding Revenue Bonds, Series 2013 and any Additional Bonds issued after the date of issuance of the Series 2014 Bonds. See "SECURITY FOR THE SERIES 2014 BONDS" herein. In addition, the Series 2014 Bonds will be secured by a municipal bond debt service reserve insurance policy to be issued by Assured Guaranty Municipal Corp. in an amount equal to the Reserve Requirement with respect to the Series 2014 Bonds. See "SECURITY FOR THE SERIES 2014 BONDS – Reserve Account" herein. **The lien upon and the pledge of the Water Public Service Tax Revenues are subject to release by the City upon demonstrating certain debt service coverage requirements as set forth in the Resolution.** See "SECURITY FOR THE SERIES 2014 BONDS – Release of the Pledge of the Water Public Service Tax."

The 2013 Resolution contains a springing amendment to the additional bonds test in the Resolution that will become effective only after consent of certain parties has been received (the "Springing Amendment"). By acceptance of the Series 2014 Bonds, the holders thereof will be deemed to have consented to such Springing Amendment. Upon the issuance of the Series 2014 Bonds and the defeasance of the Refunded Bonds, only the consent of the insurer of the Outstanding 2004 Bonds will be required for the Springing Amendment to become effective. Although the City does not intend to solicit the consent of such bond insurer, upon the maturity or earlier redemption of the Outstanding 2004 Bonds such amendment shall become effective. The holders of the Series 2014 Bonds will not be notified as to when such amendment will have become effective, and should assume that it will become effective while the Series 2014 Bonds remain outstanding. See "SECURITY FOR THE SERIES 2014 BONDS – Additional Parity Bonds" and "- Springing Amendment" herein and "APPENDIX B – COPY OF RESOLUTION" attached hereto for a more complete description of such amendment.

The Series 2014 Bonds are not general obligations of the City but are limited obligations of the City payable solely from the Pledged Revenues. The Series 2014 Bonds shall not be deemed to constitute a debt or pledge of the full faith and credit of the City, Broward County, Florida, the State of Florida or any other political subdivision thereof within the meaning of any constitutional, legislative or charter provisions or limitation, and the registered owners thereof shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City, Broward County, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form on any real or personal property for the payment thereof. The Series 2014 Bonds shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

The Series 2014 Bonds will be offered when, as and if issued by the City and accepted by the Underwriters, subject to the approval of legality by Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Goren, Cherof, Doody & Ezrol, P.A., Fort Lauderdale, Florida, and by Holland & Knight LLP, Fort Lauderdale, Florida, as Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida. Ford & Associates, Inc., Tampa, Florida, is serving as Financial Advisor to the City in connection with the issuance of the Series 2014 Bonds. It is expected that the Series 2014 Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York on or about September 10, 2014.

J.P. Morgan

BofA Merrill Lynch **PNC Capital Markets LLC**

Dated: August 20, 2014

CITY OF PEMBROKE PINES, FLORIDA

$41,540,000
Taxable Communications Services Tax Refunding Revenue Bonds,
Series 2014

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND INITIAL CUSIP NUMBERS

$30,180,000 Serial Bonds

Maturity (October 1)	Amount	Interest Rate	Yield	Initial CUSIP No.†	Maturity (October 1)	Amount	Interest Rate	Yield	Initial CUSIP No.†
2015	$1,620,000	0.550%	0.550%	70643UBZ1	2023	$2,025,000	3.552%	3.552%	70643UCH0
2016	1,720,000	0.981	0.981	70643UCA5	2024	2,090,000	3.702	3.702	70643UCJ6
2017	1,735,000	1.544	1.544	70643UCB3	2025	2,170,000	3.852	3.852	70643UCK3
2018	1,760,000	2.078	2.078	70643UCC1	2026	2,250,000	3.952	3.952	70643UCL1
2019	1,800,000	2.478	2.478	70643UCD9	2027	2,340,000	4.052	4.052	70643UCM9
2020	1,845,000	2.844	2.844	70643UCE7	2028	2,435,000	4.152	4.152	70643UCN7
2021	1,895,000	3.144	3.144	70643UCF4	2029	2,540,000	4.252	4.252	70643UCP2
2022	1,955,000	3.352	3.352	70643UCG2					

$11,360,000 4.706% Term Bond due October 1, 2033 – Yield 4.706% – Initial CUSIP No. 70643UCQ0†

---

† The City is not responsible for the use of CUSIP Numbers, nor is any representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement and may be changed after the issuance of the Series 2014 Bonds.

CITY OF PEMBROKE PINES, FLORIDA

CITY COMMISSION

Frank C. Ortis, Mayor
Jay Schwartz, Vice Mayor
Angelo Castillo, Commissioner
Iris Siple, Commissioner
Carl Shechter, Commissioner

CITY MANAGER

Charles F. Dodge

CITY CLERK

Marlene Graham

FINANCE DIRECTOR

Rene D. Gonzalez

CITY ATTORNEY

Goren, Cherof, Doody & Ezrol, P.A.
Fort Lauderdale, Florida

BOND COUNSEL

Bryant Miller Olive P.A.
Tallahassee, Florida

DISCLOSURE COUNSEL

Holland & Knight LLP
Fort Lauderdale, Florida

FINANCIAL ADVISOR

Ford & Associates, Inc.
Tampa, Florida

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters (as hereinafter defined) have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to make any representations or to give any information, other than as contained in this Official Statement, in connection with the offering of the Series 2014 Bonds, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City, The Depository Trust Company, the Reserve Product Provider (as defined herein) and other sources which are believed to be reliable.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2014 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2014 Bonds. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the City expressly makes no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

In connection with the offering of the Series 2014 Bonds, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2014 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2014 Bonds to certain dealers and others at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and such public offering prices may be changed from time to time by the Underwriters.

THE SERIES 2014 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION (AS HEREINAFTER DEFINED) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2014 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2014 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES NOR ANY FEDERAL OR STATE SECURITIES COMMISSIONS OR REGULATORY AUTHORITIES HAVE PASSED UPON THE MERITS OF THE SERIES 2014 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTENT," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. A NUMBER OF FACTORS AFFECTING THE CITY'S BUSINESS AND FINANCIAL RESULTS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2014 BONDS. THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM OR WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DEBT SERVICE RESERVE FUND INSURANCE POLICY."

TABLE OF CONTENTS

OFFICIAL STATEMENT

$41,540,000
City of Pembroke Pines, Florida
Taxable Communications Services Tax Refunding Revenue Bonds,
Series 2014

INTRODUCTION

This Official Statement, including the cover page, inside cover page and Appendices hereto, is furnished in connection with the offering by the City of Pembroke Pines, Florida (the "City"), of its $41,540,000 Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds").

This introduction is not, and is not intended to be, a summary of this Official Statement. It is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2014 Bonds is made only by means of this Official Statement and is subject in all respects to the information contained herein.

The Series 2014 Bonds are being issued by the City pursuant to the authority of and in full conformance with the Constitution and laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes, Chapter 159, Part VII, Florida Statutes, the Charter of the City and other applicable provisions of law, and pursuant to Resolution No. 2959 adopted by the City Commission of the City (the "Commission") on September 17, 2003, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2980 adopted by the Commission on March 17, 2004, Resolution No. 3389 (the "2013 Resolution") adopted by the Commission on September 3, 2013 and Resolution 3424 (the "2014 Resolution"), adopted by the Commission on August 6, 2014 (collectively, the "Resolution"). The 2013 Resolution contains a springing amendment to the additional bonds test in the Resolution that will become effective only after consent of certain parties has been obtained (the "Springing Amendment"). Upon the issuance of the Series 2014 Bonds and the defeasance of the Refunded Bonds, only the consent of the insurer of the Outstanding 2004 Bonds will be required for the Springing Amendment to become effective. Although the City does not intend to solicit the consent of such bond insurer, upon the maturity or earlier redemption of the Outstanding 2004 Bonds such amendment shall become effective. The holders of the Series 2014 Bonds will not be notified as to when such amendment will have become effective, and should assume that it will become effective while the Series 2014 Bonds remain outstanding. See "SECURITY FOR THE SERIES 2014 BONDS – Additional Parity Bonds" and "- Springing Amendment" herein and "APPENDIX B – COPY OF RESOLUTION" attached hereto for a more complete description of such amendment.

The principal of, premium, if any, and interest on the Series 2014 Bonds are payable from a pledge of and lien upon the Pledged Revenues (as defined herein), on a parity with the lien in favor of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (the "Series 2004 Bonds") not being refunded with the proceeds of the Series 2014 Bonds of which $1,290,000 in aggregate principal amount and maturing on October 1, 2014, will be outstanding after the issuance of the Series 2014 Bonds (the "Outstanding 2004 Bonds"), the Taxable Communications Services Tax Refunding Revenue Bonds, Series 2013 outstanding as of the date of issuance of the Series 2014 Bonds in the aggregate principal amount of $35,300,000 (the "Series 2013 Bonds") and any Additional Bonds (hereinafter defined) which may hereafter be issued by the City pursuant to the Resolution. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. In addition, the Series 2014 Bonds will be secured by a municipal bond debt service reserve insurance policy to be issued by Assured Guaranty Municipal Corp. (the "Reserve Product Provider" or "AGM") in an amount equal to the Reserve Requirement with respect to the Series 2014 Bonds. The Outstanding 2004 Bonds and the Series 2013 Bonds are sometimes collectively referred to herein as the "Outstanding Parity Bonds." The Outstanding Parity Bonds and the Series 2014 Bonds, together with any Additional Bonds, are collectively referred to herein as the "Bonds."

The lien and pledge of the Water Public Service Tax Revenues (hereinafter defined) is subject to release by the City upon compliance with certain conditions set forth in the Resolution. See "SECURITY FOR THE SERIES 2014 BONDS – Release of the Pledge of the Water Public Service Tax."

For a complete description of the terms and conditions of the Series 2014 Bonds, reference is made to the Resolution, a copy of which is attached hereto as APPENDIX B. All terms defined in the Resolution shall have the same meanings in this Official Statement unless indicated to the contrary or the context expressly requires otherwise. All information included herein has been provided by the City, except where attributed to other sources. The description of the Series 2014 Bonds and the documents authorizing and securing the same and the information from the summaries of all reports, statutes, documents and other instruments referred to herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such report, statute, document or instrument. All references to such documents are qualified in their entirety by reference to the definitive forms thereof. Definitive copies of all reports and documents not reproduced in this Official Statement and further information with regard to the City may be obtained from the City Clerk, 10100 Pines Boulevard, Pembroke Pines, Florida 33026-3900, telephone 954-435-6501.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

THE CITY

The City is located in Broward County, Florida. For general information regarding the City and Broward County, Florida, including statistical and demographic information that may affect the collection of the Communications Services Tax or the Water Public Service Tax, see APPENDIX A hereto.

The City sponsors two single-employer defined benefit plans and also participates, with respect to certain of its employees, in the Florida Retirement System. See APPENDIX A - "General Information Concerning the City of Pembroke Pines, Florida and Broward County, Florida" under the captions "PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS" and "OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)" therein for a description of the pension and OPEB plans and the liabilities of the City associated with such plans.

PURPOSE OF THE SERIES 2014 BONDS

The Series 2014 Bonds are being issued for the purpose of providing moneys, together with other legally available moneys, (i) to refund the City's Taxable Communications Services Tax Revenue Bonds, Series 2004 maturing on and after October 1, 2015 (the "Refunded Bonds"), (ii) to purchase a municipal bond debt service reserve insurance policy, and (iii) to pay the costs of issuing the Series 2014 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

REFUNDING PLAN

The Refunded Bonds will be called for redemption on or about October 1, 2014, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

Upon delivery of the Series 2014 Bonds, the City will enter into an escrow deposit agreement (the "Escrow Deposit Agreement") with U.S. Bank National Association (in such capacity, the "Escrow Holder") pertaining to the Refunded Bonds. The Escrow Deposit Agreement creates an Escrow Account (the "Escrow Account") to be held by the Escrow Holder and funded with proceeds of the Series 2014 Bonds and certain other legally available moneys. The Escrow Account will be held in trust by the Escrow Holder and the money therein will be irrevocably pledged to the payment of the principal of, redemption premiums, if any, and interest on the Refunded Bonds. Cash held in the Escrow Account will be sufficient to pay the principal of and interest on the Refunded Bonds as the same become due or are called for redemption.

Upon delivery of the Series 2014 Bonds, Causey Demgen & Moore Inc. (the "Verification Agent"), will verify the accuracy of the arithmetical computations of the sufficiency of the cash balances held therein, to pay the principal of, redemption premiums, if any, and interest on the Refunded Bonds. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

In reliance upon the above-referenced schedules and verification, at the time of delivery of the Series 2014 Bonds, Bond Counsel shall deliver an opinion to the City to the effect that the pledge of and lien on the Pledged Revenues, in favor of the holders of the Refunded Bonds shall be no longer in effect.

The moneys held under the Escrow Deposit Agreement will be used only to pay the Refunded Bonds and will not be available for payment of debt service on the Outstanding Parity Bonds or the Series 2014 Bonds.

THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be dated their date of issuance and will mature in the years and principal amounts and bear interest at the rates set forth on the inside cover page of this Official Statement. The Series 2014 Bonds will be delivered in registered form in the denominations of $5,000 or any integral multiple thereof. Interest on the Series 2014 Bonds is payable on April 1 and October 1 of each year, commencing on April 1, 2015, by U.S. Bank National Association, Fort Lauderdale, Florida, as registrar and paying agent (the "Registrar" and the "Paying Agent"). Interest on each Series 2014 Bond shall be paid by bank wire transfer, check or draft mailed, or if permitted, direct deposit, to the person in whose name the Series 2014 Bond is registered, at his or her address as it appears on the bond register maintained by the Registrar, at the close of business on the fifteenth day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date"), irrespective of any transfer of such Series 2014 Bond subsequent to such Record Date and prior to such Payment Date, unless the City shall be in default in payment of interest due on such Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the registered owner for the Series 2014 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the person in whose name such Series 2014 Bond is registered at the close of business on the fifth day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of the Resolution and the Series 2014 Bonds and shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public or private debts.

If the date for payment of the principal of, redemption premium, if any, or interest on the Series 2014 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Book-Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2014 Bonds. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Series 2014 Bonds (or each maturity and distinct interest rate), each in the aggregate principal amount of such maturity, and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2014 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2014 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2014 BONDS.

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2014 BONDS, PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2014 BONDS TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2014 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2014 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DTC

PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2014 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants" and together with Direct Participants, the "DTC Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium if any, and interest payments on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent for the Series 2014 Bonds, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) upon compliance by the City with all applicable rules, policies and procedures of DTC regarding the discontinuation of the book-entry only system of registration and the Resolution. In that event, bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City does not have any responsibilities or obligations to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal of and redemption premium, if any, and interest on the Series 2014 Bonds; (c) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to Bondholders; (d) the timely delivery or implementation of any optional or mandatory redemption notices or payments to, among, or between the City, the Registrar and the Paying Agent, DTC, the DTC Participants or the Beneficial Owners; (e) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the Series 2014 Bonds; or (f) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholder.

Registration, Transfer and Exchange

Each Series 2014 Bond shall be transferable only upon the Series 2014 Bond Register of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any such Series 2014 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2014 Bond or Series 2014 Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2014 Bond. The City, the Registrar, and the Paying Agent or fiduciary of the City may deem and treat the person in whose name any Series 2014 Bond shall be registered upon the books of the City as the absolute owner of such Series 2014 Bond, whether such Series 2014 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest due on such Series 2014 Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2014 Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor the Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

All Series 2014 Bonds presented for transfer, exchange, redemption or payment (if so required by the Registrar), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered holder or by his duly authorized attorney in fact or legal representative.

Upon surrender for transfer or exchange of any Series 2014 Bond, the City shall execute and the Registrar shall authenticate and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new fully registered Series 2014 Bond or Series 2014 Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to received at the earliest practicable time in accordance with the provisions of the Resolution. The City or the Registrar may charge the owner of such Series 2014 Bond for every such transfer or exchange an amount sufficient to reimburse them for their reasonable fees and for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before any such new Series 2014 Bond shall be delivered.

All Series 2014 Bonds delivered upon transfer or exchange shall bear interest from the preceding Payment Date so that neither gain nor loss in interest shall result from the transfer or exchange. New Series 2014 Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Series 2014 Bond surrendered, shall be secured by the Resolution and shall be entitled to all of the security and the benefits thereof to the same extent as the Series 2014 Bonds surrendered.

Beneficial ownership interests in the Series 2014 Bonds will be effected through DTC's book-entry system. See "Book-Entry System" above.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Series 2014 Bond shall become mutilated, or be destroyed, stolen or lost, the City may in its discretion issue and deliver a new Series 2014 Bond of like tenor as the Series 2014 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2014 Bond upon surrender and cancellation of such mutilated Series 2014 Bond or in lieu of and substitution for the Series 2014 Bond destroyed, stolen or lost, and upon the holder furnishing the City proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and the payment of such expenses as the City may incur. All Series 2014 Bonds so surrendered shall be canceled by the Registrar. If any of the Series 2014 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2014 Bond, the City may pay the same, upon being indemnified as aforesaid, and if such Series 2014 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2014 Bonds shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Series 2014 Bonds be at any time found by anyone, and such duplicate Series 2014 Bonds shall be entitled to equal and proportionate benefits and rights as to lien on the source and security for payment from the funds, as pledged pursuant to the Resolution to the same extent as all other Series 2014 Bonds issued under the Resolution.

Make-Whole Optional Redemption

Prior to October 1, 2024, the Series 2014 Bonds may be subject to redemption prior to maturity, at the option of the City, on any business day, in whole or in part (and if in part, in denominations of $5,000 or integral multiples thereof) at a redemption price equal to the Make-Whole Redemption Price. The "Make-Whole Redemption Price" of any Series 2014 Bonds to be redeemed is an amount equal to the greater of (i) 100% of the principal amount of such Series 2014 Bonds; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2014 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2014 Bonds are to be redeemed, discounted on a semiannual basis to the date on which such Series 2014 Bonds are to be redeemed, assuming a 360-day year consisting of twelve 30-day months, at a Treasury Rate (as defined below) plus 25 basis points; plus, in each case, accrued and unpaid interest on such Series 2014 Bonds on such redemption date.

The "Treasury Rate" is, as of the redemption date of any Series 2014 Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519)) that has become publicly available at least two business days prior to such redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from such redemption date to the maturity date of such Series 2014 Bonds; provided, however, that if the period from such redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The Make-Whole Redemption Price will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City to calculate such redemption price (the "Calculation Agent"). The determination by the Calculation Agent of the redemption price will be conclusive and binding on the City and the holders of the Series 2014 Bonds.

Par Call Optional Redemption

The Series 2014 Bonds maturing on and after October 1, 2025, are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2024, in whole, or in part, at any time in such order of maturity as the City selects, such redemption to be by lot within a maturity if less than all, at par, plus accrued interest to the date of redemption, but without premium.

Mandatory Sinking Fund Redemption

The Series 2014 Bonds maturing on October 1, 2033 are subject to mandatory sinking fund redemption prior to maturity in part, on a pro rata basis described below, on October 1, 2030 and on each October 1 thereafter to and including October 1, 2033 at a redemption price equal to the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium, from Amortization Installments as set forth below:

Year (October 1)	Principal Amount
2030	$2,645,000
2031	2,775,000
2032	2,905,000
2033*	3,035,000

* Maturity

Selection of Series 2014 Bonds for Redemption; Notice of Redemption

Selection of Series 2014 Bonds for Redemption if Held in Book-Entry Only System. If less than all of the Series 2014 Bonds shall be called for redemption, the City shall notify DTC that the redemption (i) with respect to make-whole optional redemption and mandatory sinking fund redemptions shall be on a pro rata pass-through distribution of principal basis in whole multiples of $5,000, and (ii) with respect to optional par call redemptions occurring on or after October 1, 2024 will be selected by lot by the Paying Agent and Registrar in such manner as the Paying Agent and Registrar deems fair and appropriate. While DTC is the registered owner of the Series 2014 Bonds, partial redemptions of the Series 2014 Bonds of a particular maturity will be determined in accordance with DTC's pro rata pass-through distribution of principal procedures as in effect at the time of any such partial redemption. In any event, the portion of any Series 2014 Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

It is the City's intent that certain redemption allocations made by DTC with respect to the Series 2014 Bonds be made on a pro rata pass-through distribution of principal basis as described above. However, neither the City nor the Underwriters (as defined herein) can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2014 Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of such Series 2014 Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2014 Bonds will be selected for redemption, in accordance with DTC procedures, by lot. So long as the Series 2014 Bonds are held in book-entry form, the Registrar and Paying Agent and the City shall have no responsibility or liability for the redemption of such Series 2014 Bonds, as applicable, including the calculation of the amount of any beneficial owner's redemption payment and ensuring that all owners own such Series 2014 Bonds in authorized denominations, other than delivery to DTC of such notice of redemption and the funds necessary to accomplish the redemption.

Selection of Series 2014 Bonds to be Redeemed if not Held in Book-Entry Only System. If less than all of the Series 2014 Bonds subject to redemption are called for redemption, the Paying Agent shall select the Series 2014 Bonds to be redeemed from the outstanding Series 2014 Bonds subject to redemption and not previously called for redemption (i) with respect to make-whole optional redemption and mandatory sinking fund redemptions shall be on a pro rata pass-through distribution of principal basis in whole multiples of $5,000, and (ii) with respect to optional par call redemptions occurring on or after October 1, 2024 by lot in any manner deemed fair and appropriate by the Registrar and Paying Agent, provided that the unredeemed portion of the principal amount of any Series 2014 Bond shall be not less than $5,000.

Notice of Redemption. Notice of redemption, identifying the Series 2014 Bonds or portions thereof called for redemption (i) shall be filed with the Registrar and Paying Agent and (ii) shall be mailed by the Registrar, first-class mail, postage prepaid, to all registered owners of the Series 2014 Bonds to be redeemed not more than thirty (30) days and not less than twenty (20) days prior to the date fixed for redemption at their addresses as they appear on the registration books to be maintained in accordance with the provisions of the Resolution. Failure to give such notice by mailing to any owner of the Series 2014 Bonds, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Series 2014 Bonds.

On the date designated for redemption, notice having been given in the manner and under the conditions described in the preceding paragraph and moneys for payment of the redemption price being held in separate accounts in trust for the holders of the Series 2014 Bondholders whose Bonds are to be redeemed, all as provided in the Resolution, the Series 2014 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2014 Bonds on such date, interest on the Series 2014 Bonds so called for redemption shall cease to accrue, such Series 2014 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and those Series 2014 Bondholders shall have no rights in respect thereof except to receive payment of the redemption price thereof. While Series 2014 Bonds are held by DTC, all notices of redemption will only be provided to DTC. See "Book-Entry System" herein.

Any notice of optional redemption for the Series 2014 Bonds may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Bondholders of such Series 2014 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

SECURITY FOR THE SERIES 2014 BONDS

Pledged Revenues

The Series 2014 Bonds are payable from and secured by a pledge of and an irrevocable lien on the Pledged Revenues on a parity with the Outstanding Parity Bonds and any Additional Bonds hereafter issued. "Pledged Revenues" means the Communications Services Tax Revenues and until released in accordance with the Resolution, the Water Public Service Tax Revenues, any funds on deposit in any fund or account created under the Resolution and any Qualified Hedge Receipts. See, however, "Release of the Pledge of the Water Public Service Tax" below. The Pledged Revenues shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the City. All deposits into the funds and accounts created under the Resolution shall be deemed to be held in trust by the City by the Finance Director for the purposes provided in the Resolution.

The City has no current plans to enter into a Qualified Hedge Agreement with respect to the Series 2014 Bonds or the Outstanding Parity Bonds and, therefore, does not currently anticipate receiving any Qualified Hedge Receipts that will be included as a part of Pledged Revenues. The City could, however, enter into a Qualified Hedge Agreement in the future.

In addition, the Series 2014 Bonds will be secured by the Reserve Policy in an amount equal to the Reserve Requirement with respect to the Series 2014 Bonds. See "-- Reserve Account" below.

In addition to the other terms defined in this Official Statement or in the Resolution, the following terms shall have the meanings set forth below. For additional terms defined in the Resolution, see "APPENDIX B – COPY OF RESOLUTION."

"Communications Services Tax Revenues" means all revenues and taxes received by the City pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.

"Qualified Hedge Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the City and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated in the second highest rating category or above (without regard to gradations) by at least one major rating agency, which is entered into by the City as a debt management tool with respect to the Bonds or a portion thereof issued under the Resolution, provided that the payments to be made by the counterparty thereunder have been pledged to the payment of the Bonds.

"Qualified Hedge Payments" means the payment obligation of the City arising under a Qualified Hedge Agreement, which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued under the Resolution or a particular Series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Hedge Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example any termination fee, indemnification obligation or other fees payable to the counterparty).

"Qualified Hedge Receipts" means the payment obligations of the counterparty to the City arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bond issued under the Resolution, or a particular series or maturity thereof, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any termination fee, indemnification obligations or other fees payable to the counterparty).

"Water Public Service Tax" means the taxes levied and collected within the corporate limits of the City on the purchase of water service pursuant to Section 166.231, Florida Statutes and Ordinance No. 708, duly enacted by the City on September 19, 1984, as the same has been or may be amended from time to time.

"Water Public Service Tax Revenues" means Water Public Service Tax revenue recognized by the City from time to time.

THE SERIES 2014 BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY BUT ARE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES. THE SERIES 2014 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISIONS OR LIMITATION, AND THE REGISTERED OWNERS THEREOF SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT THEREOF. THE SERIES 2014 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE CITY EXCEPT UPON THE PLEDGED REVENUES.

Release of the Pledge of the Water Public Service Tax

Under the terms of the Resolution, the lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds may, in the sole discretion of the City, 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 amount of Communications Services Tax Revenues recognized for each such Fiscal Year, without taking into consideration any Water Public Service Tax Revenues, was not less than 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding. See "COMMUNICATIONS SERVICES TAX - Historical Communications Services Tax Revenues" herein. As of September 30, 2013, Communications Services Tax Revenues ($7,598,497) equaled 1.18 times the Maximum Bond Service Requirement ($6,413,590) on all Series 2013 Bonds and Series 2004 Bonds then Outstanding.

If the lien and pledge of the Water Public Service Tax Revenues are released by the City, the Series 2014 Bonds will be secured entirely by a pledge and lien on the Communications Services Tax Revenues, any Qualified Hedge Receipts and any funds on deposit in any fund or account available for each specific Series approved in the Resolution.

Flow of Funds

The Resolution requires that the Pledged Revenues shall, upon receipt thereof, be deposited in the Revenue Fund created under the Resolution. All Pledged Revenues at any time remaining on deposit in the Revenue Account shall be disposed of on or before the twentieth day of each month, only in the following manner and in the following order of priority:

(1) Pledged Revenues shall first be applied and allocated to the Sinking Fund created under the Resolution, in such sums as will be sufficient to pay (a) one-sixth (1/6) of all interest becoming due on the Bonds on the next semi-annual interest Payment Date; (b) one-twelfth (1/12) of all principal or Accreted Value maturing annually on the Serial Bonds on the next maturity date, (c) an amount sufficient to pay the fees and charges of the paying agents, and (d) any Qualified Hedge Payments. Such deposits shall be increased or may be decreased as necessary to ensure that sufficient money will be on deposit on each interest and principal Payment Date to pay the then maturing interest on and principal of the Bonds, any applicable fees and charges and all Qualified Hedge Payments. The money in the Sinking Fund shall be used solely to pay such interest, principal, any fees and charges and all Qualified Hedge Payments as and when the same shall become due. (The City has no current plans to enter into a Qualified Hedge Agreement with respect to the Outstanding Parity Bonds or the Series 2014 Bonds and, therefore, does not currently anticipate that it will be required to make any Qualified Hedge Payments. The City could, however, enter into a Qualified Hedge Agreement in the future and could, as a result, incur Qualified Hedge Payment obligations.)

(2) There shall be applied and allocated to a Bond Amortization Account in the Sinking Fund during each Bond Year on a parity with the payments required in paragraph (1) above, an amount equal to one twelfth (1/12) of the Amortization Installment or Accreted Value on a Capital Appreciation Term Bond, if any, becoming due and payable on the next Payment Date, less any amount then on deposit in such Bond Amortization Account and available for such one-twelfth portion of the payment of the next ensuing Amortization Installment. Such payments shall be credited to a separate special account for each Series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds of a Series then into a separate special account in the Bond Amortization Account for each such separate maturity of Term Bonds. The funds and investments in each separate account shall be pledged solely to the payment of principal of the Term Bonds of the Series or maturity within a Series for which it is established and shall not be available for payment, purchase or redemption of Term Bonds of any other Series or within a Series, or for transfer to the Sinking Fund to make up any deficiencies in required payments therein.

Upon the sale of any Series of Term Bonds, the City shall, by resolution or ordinance, establish the amounts and maturities of such Amortization Installments for each Series and if there shall be more than one maturity of Term Bonds within a Series, the Amortization Installments for the Term Bonds of each maturity. In the event the moneys deposited for retirement of a maturity of Term

Bonds are required to be invested in the manner provided below, then the Amortization Installments may be stated in terms of either the principal amount of the investments to be purchased on, or the cumulative amounts of the principal amount of investments required to have been purchased by the Payment Date of such Amortization Installment.

Moneys in each of the separate special accounts in the Bond Amortization Account shall be used for the open market purchase or the redemption of Term Bonds of the Series or maturity of Term Bonds within a Series for which such separate special account is established or may remain in said separate special account and be invested until the stated date of maturity of the Term Bonds. The resolution or ordinance establishing the Amortization Installments for any series or maturity of Term Bonds may limit the use of moneys to any one or more of the uses set forth in the preceding sentence.

(3) Pledged Revenues shall next be applied and allocated to each subaccount in the Reserve Account, created and established in the Sinking Fund, to maintain an amount equal to the applicable Reserve Requirement for each Series of Bonds.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of, Accreted Value or interest on the Bonds, or maturing Amortization Installments, when the other moneys allocated to the Sinking Fund are insufficient therefor, and for no other purpose. However, whenever the moneys applied and allocated to the Reserve Account exceed the Reserve Requirement or the principal, interest and redemption premium, if any, on all then outstanding Bonds becoming due in the current or any ensuing Fiscal Year, such excess may be withdrawn and applied and allocated into the Revenue Fund or the Sinking Fund. See "SECURITY FOR THE SERIES 2014 BONDS - Reserve Account" below.

(4) Upon the issuance of any Additional Bonds under the terms, limitations and conditions as provided in the Resolution, the applications and allocations of the Pledged Revenues into the Reserve Account and the Sinking Fund shall be increased in such amounts as are necessary to make the payments required as described above for the principal of and interest on such Additional Bonds, all on the same basis as hereinabove described with respect to the Bonds.

The City shall not be required to make any further applications or allocations to the Sinking Fund or Reserve Account when the aggregate sums applied and allocated thereto are and remain at least equal to the amounts required pursuant to paragraphs (1) through (4) above.

In lieu of the required deposits of Pledged Revenues into a subaccount in the Reserve Account, the City may cause to be deposited a Reserve Product into the respective subaccount in the Reserve Account. See "Reserve Account" below.

(5) Pledged Revenues shall next be applied and allocated, but only if and to the extent available, to payment of any obligation or indebtedness of the City payable from the Pledged Revenues junior and subordinate to the payments above required for the benefit of the holders of the Bonds, in the manner and upon such priority of payment as may be provided by subsequent resolution or ordinance of the City; provided, however, that the insufficiency of Pledged Revenues to make any required payments described in this paragraph (5) shall not constitute a default under the Resolution.

(6) The balance of any moneys remaining in the Revenue Account after the above required applications and allocations have been made may be used for any other lawful purpose.

Reserve Account

The Resolution provides for the establishment of a Reserve Account in the amount of the Reserve Requirement. Within the Reserve Account, there is a subaccount for each Series of Bonds, and amounts in such a subaccount in the Reserve Account shall be available to make up shortfalls in the payment of maturing principal of, Accreted Value or interest on, or maturing Amortization Installments with respect only to such Series of Bonds.

In lieu of making the required cash deposits of Pledged Revenues into the respective subaccount in the Reserve Account for a Series of Bonds, the City may cause to be deposited into the respective subaccount in the Reserve Account a surety bond, an insurance policy, a letter of credit or other credit facility (a "Reserve Product") issued by a reputable and nationally recognized insurer, bank or other financial institution as provided in the Resolution (the "Reserve Product Provider"), for the benefit of the Bondholders of the applicable Series in an amount equal to the difference between the amount required and the sums then on deposit in the respective subaccount in the Reserve Account, if any. Such Reserve Product shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by funds in any other account held under the Resolution and available for such purpose. The Reserve Product Provider shall be an entity whose debt obligations shall be rated in the "A" category or higher by Fitch, Moody's or S&P. If a disbursement is made from a Reserve Product, the City is obligated to either reinstate the maximum limits of such surety bond or insurance policy immediately following such disbursement or to apply and allocate into the Reserve Account, as provided in the Resolution, for restoration of withdrawals from the Reserve Account, funds in the amount of the disbursement made under such policy or a combination of such alternatives.

The Resolution requires the establishment of a subaccount for the Series 2014 Bonds in the Reserve Account (the "2014 Reserve Account") in an amount equal to the Reserve Requirement. The Reserve Requirement with respect to the Series 2014 Bonds is equal to $3,185,328.60, which is the lesser of (i) ten percent (10%) of the principal amount of the Series 2014 Bonds, (ii) the Maximum Bond Service Requirement on the Series 2014 Bonds, or (iii) one hundred twenty-five percent (125%) of the average annual Bond Service Requirement for the Series 2014 Bonds. The City has received a commitment from the Reserve Product Provider to issue the Reserve Policy in the amount of the 2014 Reserve Requirement. See "DEBT SERVICE RESERVE FUND INSURANCE POLICY" herein for information regarding the Reserve Product Provider.

Funds on deposit in the 2014 Reserve Account may be used only for the purpose of curing deficiencies in the Sinking Fund related to the Series 2014 Bonds and will not be available with respect to any Series of Bonds secured by another subaccount of the Reserve Account and not secured by the 2014 Reserve Account.

In the event the amount on deposit, or credited to the subaccount for the Series 2014 Bonds in the Reserve Account, exceeds the amount of such Reserve Policy, any draw on such Reserve Policy shall be made only after all the funds in the Reserve Account have been expended. In the event that the amount on deposit in, or credited to, such subaccount in the Reserve Account, in addition to the amount available under the Reserve Policy, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on such Reserve Policy and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Resolution provides that the Reserve Account shall be replenished in the following priority: (i) principal and interest on the Reserve Policy and on the Additional Funding Instrument shall be paid from first available Pledged Revenues on a pro rata basis; (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Account to the required level, after taking into account the amounts available under the Reserve Policy and the Additional Funding Instrument shall be deposited from the next available Pledged Revenues.

Additional Parity Bonds

Additional Bonds payable on a parity from the Pledged Revenues with the Series 2014 Bonds and any other Outstanding Bonds may be issued by the City only if, among other requirements, (1) the City shall prepare prior to the issuance of such Additional Bonds and keep on file a certificate: (a) stating that the financial statements of the City have been audited by an independent certified public accountant; (b) setting forth the amount of Pledged Revenues received by the City for the most recent full Fiscal Year for which an audit has been prepared; (c) stating that the Pledged Revenues for such Fiscal Year equal at least 1.20 times the Maximum Bond Service Requirement on (i) all outstanding Bonds and all Additional Bonds, if any, then outstanding, and (ii) the Additional Bonds with respect to which such certificate is made; (2) each ordinance or resolution authorizing the issuance of Additional Bonds must recite that all of the covenants contained in the Resolution will be applicable to such Additional Bonds; and (3) the City must not be in default in performing any of the covenants and obligations contained in the Resolution, and all payments therein required to have been made into the accounts and funds, as provided thereunder, shall have been made to the full extent required.

Springing Amendment

The City desires to implement the Springing Amendment which will modify a provision of the Resolution in the future. Such amendment will only become effective upon the written consent of (a) the Bond Insurer under any insurance policy of the insurer then in force, if any, which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, provided no event of default on the part of the Bond Insurer has occurred and is continuing under the insurance policy and the Bond Insurer is not insolvent at the time, or (b) in the event no such insurer is then providing an insurance policy, which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, the registered owners of two-third (2/3) or more in the principal amount of the Bonds responding to a written request by the City using certified mail for such consent.

The Springing Amendment provides that the City may issue Additional Bonds, without complying with clause (1) described under "Additional Parity Bonds" above to the extent the Additional Bonds to be issued are refunding bonds, if the City shall prepare prior to the issuance of such Additional Bonds and keep on file a certificate stating that the Maximum Bond Service Requirement for all Series of Bonds to be immediately outstanding thereafter is not greater than the Maximum Bond Service Requirement for the Bonds then outstanding. By acceptance of the Series 2014 Bonds, the holders thereof will be deemed to have consented to such Springing Amendment. Upon issuance of the Series 2014 Bonds and the defeasance of the Refunded Bonds, only the consent of the insurer of the Outstanding 2004 Bonds will be required for the Springing Amendment to become effective. Although the City does not intend to solicit the consent of such bond insurer, upon the maturity or earlier redemption of the Outstanding 2004 Bonds such amendment shall become effective. The holders of the Series 2014 Bonds will not be notified as to when such amendment will have become effective, and should assume that it will become effective while the Series 2014 Bonds remain outstanding. PROSPECTIVE PURCHASERS OF THE SERIES 2014 BONDS SHOULD REVIEW THE SPRINGING AMENDMENT IN SECTION 17 PARAGRAPH (D) OF THE 2013 RESOLUTION INCLUDED AS PART OF "APPENDIX B - COPY OF RESOLUTION" ATTACHED HERETO FOR THE COMPLETE TEXT OF THE ABOVE-REFERENCED AMENDMENT.

Defeasance

If, at any time, the City shall have paid, or shall have made provision for payment of, the principal, interest, Accreted Value and redemption premiums, if any, due or to become due on all or any portion of the Series 2014 Bonds at the times and in the manner stipulated in the Resolution, the pledge of and lien on the Pledged Revenues in favor of the Bondholders of such Series 2014 Bonds shall no longer be in effect. For purposes of the preceding sentence, deposit of cash, non-callable Federal Securities, bank certificates of deposit fully secured as to principal and interest by non-callable Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) or non-callable tax-exempt bonds, having a rating in the highest rating category by Fitch, Moody's or S&P, all in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders of such Series 2014 Bonds, the principal and interest on which when received will be sufficient to make timely payments of the principal of, interest, redemption premium, if any, and any other obligations of the City with respect to such Series 2014 Bonds, shall be considered "provision for payment" for such Series 2014 Bonds. For additional information on defeasance requirements see "APPENDIX B – COPY OF RESOLUTION."

No Repeal

The City has covenanted in the Resolution that the levy and pledging of the Communications Services Tax and the Water Public Service Tax in the manner provided in the Resolution shall not be subject to repeal or impairment by any subsequent ordinance, resolution or proceedings of the governing body of the City. See, however, the right of the City to release the pledge of Water Public Service Tax under "Release of the Pledge of the Water Public Service Tax" above.

Other Provisions

Included herein as APPENDIX B is a copy of the Resolution. Reference should be made by prospective purchasers of the Series 2014 Bonds to APPENDIX B for other provisions of the Resolution which affect the rights of the Series 2014 Bondholders, including, but not limited to, provisions regarding the City's right to amend the Resolution with and without the consent of the Bondholders, defaults and remedies, and investment of funds.

DEBT SERVICE RESERVE FUND INSURANCE POLICY

Certain information is provided below concerning AGM, as the provider of the Reserve Policy. No representation is made by the City or the Underwriters as to the accuracy, completeness or adequacy of such information, nor as to the absence of material adverse changes in such information subsequent to the date of this Official Statement. The City has not made any independent investigation of AGM or the Reserve Policy, and reference is made to the information set forth below for a description thereof. A copy of the Reserve Policy is available upon request as described under the caption "INTRODUCTION" herein.

The obligations of AGM are unsecured contractual obligations and in an event of default by AGM, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the City nor the Underwriters has made any independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. See "Assured Guaranty Municipal Corp." below for information regarding AGM, which includes further instructions for obtaining current financial information concerning AGM.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At June 30, 2014, AGM's policyholders' surplus and contingency reserve were approximately $3,654 million and its net unearned premium reserve was approximately $1,850 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd., and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (filed by AGL with the SEC on May 9, 2014); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 (filed by AGL with the SEC on August 8, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2014 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "DEBT SERVICE RESERVE FUND INSURANCE POLICY– Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the Series 2014 Bonds and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Series 2014 Bonds for investment or may sell or otherwise dispose of such Series 2014 Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2014 Bonds or the advisability of investing in the Series 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DEBT SERVICE RESERVE FUND INSURANCE POLICY - Assured Guaranty Municipal Corp."

COMMUNICATIONS SERVICES TAX

General

The Communications Services Tax Simplification Law, codified in part as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, a communications services tax on the sale of "communications services" as defined in the CSTA ("Communications Services"). Section 202.19, Florida Statutes, authorizes counties and municipalities to levy a discretionary communications services tax (the "Communications Services Tax") on Communications Services that originate or terminate in the State of Florida (the "State") and are charged to a service address in the municipality, the revenues from which may be pledged for the repayment of current or future bonded indebtedness. Pursuant to Section 202.20, Florida Statutes, and as a result of the City's election pursuant to Resolution No. 2822 adopted on June 14, 2001, the Communications Services Tax is levied by the City on Communications Services at a rate of 5.42%, commencing October 1, 2002.

Communications Services are defined in the CSTA to include the transmission, conveyance or routing of voice, data, audio, video or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice-over-Internet-protocol services or is classified by the Federal Communications Commission as enhanced or value-added. The term does not include:

(a) Information services;
(b) Installation or maintenance of wiring or equipment on a customer's premises;
(c) The sale or rental of tangible personal property;
(d) The sale of advertising, including, but not limited to, directory advertising;
(e) Bad check charges;
(f) Late payment charges;
(g) Billing and collection services; and
(h) Internet access service, electronic mail service, electronic bulletin board service or similar on-line computer services.

The sale of Communications Services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged, educational institution or any religious institution having an established physical place for worship at which nonprofit religious services are regularly conducted, that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") is exempt from the Communications Services Tax. In addition, the Communications Services Tax does not apply to any direct to home satellite service.

The CSTA provides that, to the extent that a provider of Communications Services is required to pay a tax, charge or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the Communications Services Tax, such provider is entitled to a credit against the amount of such Communications Services Tax payable to the State in the amount of such tax, charge or fee with respect to such service or revenue. The amount of such credit is deducted from the amount that the local taxing jurisdiction is entitled to receive.

Providers of Communications Services collect the local Communications Services Tax revenues and may deduct 0.75% of the tax due and accounted for and remitted to the Florida Department of Revenue (the "FDOR") as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a database that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the Local Communications Tax Clearing Trust Fund (the "Trust Fund"). The FDOR then makes monthly contributions from the Trust Fund to local governments after deducting an administrative fee. The amount deducted for the costs of administration may not exceed 1 percent of the total revenue generated for all municipalities, counties, and school boards levying the Communications Services Tax.

Historical Communications Services Tax Revenues

The following table shows the Communications Services Tax Revenues collected by the City in Fiscal Years 2009 through 2013:

Fiscal Year (ending September 30)	Communications Services Tax Collected
2009	$8,524,622
2010	7,748,084
2011	7,359,807
2012	7,549,654
2013	7,598,497

Source: City of Pembroke Pines Finance Department

The City has estimated that year to date collections of Communications Services Tax revenues for the period of October 1, 2013 through May 30, 2014, based on unaudited numbers, is approximately $4,399,606* (unaudited), compared to $5,170,197 for the same period in the preceding year. Each year, upon the completion of the State's audit of providers of Communications Services, the State refunds (or withholds from future distributions) any additional amounts (or overpayments) that are owed to the eligible counties and municipalities as a result of the audit ("Audit Adjustments"). Included in such period ending May 30, 2014, was an Audit Adjustment deduction by the State in December, 2013, in the amount of approximately $32,975* (unaudited), compared to approximately $215,000 that was received by the City in December, 2012, during the same period in the preceding year. Without the Audit Adjustments, Communications Services Tax revenues would have decreased by 10.55% for the period October 1, 2013 through May 30, 2014 compared to the same period in the preceding fiscal year.

In 2012, pursuant to Chapter 2012-70, Laws of Florida ("Chapter 2012-70"), a number of provisions regarding the Communications Services Tax were modified, including, but not limited to, provisions regarding the manner in which the communications services tax is levied, definitional changes, including the addition of a definition of "internet access service" and the amendment of the definition of "sales price" to expand the existing provisions relating to what charges a Communications Services dealer may exclude from the taxable sales price of communications services (certain charges may now be excluded if they are separately itemized on a customer's bill, or can be reasonably identified in the seller's books and records), and revision of statutory provisions that govern the liability of a Communications Services Tax dealer regarding underpayment resulting from the dealers assignment of customers to local taxing jurisdictions for the purpose of imposing the Communications Services Tax. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the collection of the Communications Services Tax revenues.

The City is unable to determine whether any decrease in collections of the Communications Services Tax revenues is attributable to the changes implemented under Chapter 2012-70 and described above or general trends in the use of Communications Services. The collection of Communications Services Tax revenues has been negatively impacted by increased use of communication services through non-taxed services such as the email, increased use of prepaid cell phone phones which are not subject to the Communications Services Tax and reductions in the use of landlines phones and long distance telephone plans. The amount of Communications Services Tax revenues received by the City is also subject to increase or decrease, the impact of which cannot be predicted, due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could further affect consumer preferences.

Communications Services Tax Prospective Legislation

In the 2012 legislative session, pursuant to Chapter 2012-70, there was established a Communications Services Tax Working Group ("CST Working Group") to study the modernization of the Communications Services Tax revenues and provide a report regarding its findings. In its report dated February 1, 2013, the CST Working Group recommended replacing the existing Communications Services Tax with an increased sales and use tax. The

* Unaudited amounts are subject to adjustment upon completion of the Fiscal Year ending 2014 audit.

CST Working Group conditioned their recommendations upon the option being revenue neutral and emphasized the need to hold the State and each municipality and county harmless by ensuring that the amount of revenues received under this new approach would be at least equal to the revenues that each governmental unit is currently receiving from the Communications Services Tax. The CST Working Group provided that the change to the tax structure must be implemented in a manner that ensures that State and local governments are able to bond the revenue stream and that existing bonds are not impaired. It cannot be determined at this time whether the CSTA will be amended in the future and if enacted, the impact any such amendments may have on the collections of the Communications Services Tax revenues by the City.

WATER PUBLIC SERVICE TAX

General

The City is empowered by Section 166.231, Florida Statutes, to levy a tax on certain public services, including the purchase of water service (the "Public Service Tax"). Pursuant to City Ordinance No. 708 enacted on September 19, 1984, as amended (the "Public Service Tax Ordinance"), the City imposed a 10% tax on the purchase of water within the City (the "Water Public Service Tax"), such tax assessed against the purchase price of the water. The City is permitted to pledge the proceeds of its Water Public Service Tax as security for the payment of the principal of and interest on revenue bonds, or for reserves for such debt service. The levy of the Water Public Service Tax and the pledging of the Water Public Service Tax Revenues may not be repealed or impaired by any subsequent resolution or ordinance, or other proceedings of the City, except as described under "SECURITY FOR THE SERIES 2014 BONDS – Release of the Pledge of the Water Public Service Tax."

Purchases by the United States Government, the State and all counties, school districts and municipalities of the State, by public bodies exempted by law or court order and by any recognized church in the State for use exclusively for church purposes are exempt from the Water Public Service Tax. In addition, the City may exempt the purchase of taxable items by certain public bodies or non-profit corporations or cooperative associations organized under Chapter 617, Florida Statutes, which provide water utility services to no more than 13,500 equivalent residential units, ownership of which will revert to a political subdivision upon retirement of all outstanding indebtedness.

Historical Water Public Service Tax Revenues

The following table shows the Water Public Service Tax collected by the City in Fiscal Years 2009 through 2013:

Fiscal Year (ending September 30)	Water Public Service Tax Collected
2009	$1,675,973
2010	1,640,208
2011	1,829,448
2012	1,863,530
2013	1,918,924

Source: City of Pembroke Pines Finance Department

ESTIMATED SOURCES AND USES OF FUNDS

It is estimated that the proceeds received from the sale of the Series 2014 Bonds, together with other legally available funds of the City, will be applied as follows:

Sources of Funds:	
Principal Amount of Series 2014 Bonds	$41,540,000.00
City Funds[(1)]	1,053,853.13
TOTAL	$42,593,853.13
Uses of Funds:	
Deposit to Escrow Account	$42,128,853.13
Costs of Issuance[(2)]	465,000.00
TOTAL	$42,593,853.13

(1) Funds allocable to the Refunded Bonds.
(2) Includes fees of Bond Counsel, Disclosure Counsel and Financial Advisor, debt service reserve fund policy premium, rating agency fees, underwriters' discount (including fees of Underwriters' Counsel) and miscellaneous costs of issuance.

SEMI-ANNUAL DEBT SERVICE SCHEDULE

	Series 2014 Bonds				Outstanding Parity Bonds*		Combined
Date	Principal	Interest	Semi-Annual Bond Service Requirement	Annual Bond Service Requirement	Semi-Annual Bond Service Requirement	Annual Bond Service Requirement	Annual Bond Service Requirement
4/1/2015	-	$821,676.39	$821,676.39	-	$805,521.70	-	-
10/1/2015	$1,620,000.00	735,829.60	2,355,829.60	$3,177,505.99	2,060,521.70	$2,866,043.40	$6,043,549.39
4/1/2016	-	731,374.60	731,374.60	-	797,069.28	-	-
10/1/2016	1,720,000.00	731,374.60	2,451,374.60	3,182,749.20	2,067,069.28	2,864,138.56	6,046,887.76
4/1/2017	-	722,938.00	722,938.00	-	784,140.68	-	-
10/1/2017	1,735,000.00	722,938.00	2,457,938.00	3,180,876.00	2,079,140.68	2,863,281.36	6,044,157.36
4/1/2018	-	709,543.80	709,543.80	-	766,263.20	-	-
10/1/2018	1,760,000.00	709,543.80	2,469,543.80	3,179,087.60	2,096,263.20	2,862,526.40	6,041,614.00
4/1/2019	-	691,257.40	691,257.40	-	744,910.05	-	-
10/1/2019	1,800,000.00	691,257.40	2,491,257.40	3,182,514.80	2,119,910.05	2,864,820.10	6,047,334.90
4/1/2020	-	668,955.40	668,955.40	-	720,276.93	-	-
10/1/2020	1,845,000.00	668,955.40	2,513,955.40	3,182,910.80	2,145,276.93	2,865,553.86	6,048,464.66
4/1/2021	-	642,719.50	642,719.50	-	692,254.30	-	-
10/1/2021	1,895,000.00	642,719.50	2,537,719.50	3,180,439.00	2,172,254.30	2,864,508.60	6,044,947.60
4/1/2022	-	612,930.10	612,930.10	-	660,301.10	-	-
10/1/2022	1,955,000.00	612,930.10	2,567,930.10	3,180,860.20	2,205,301.10	2,865,602.20	6,046,462.40
4/1/2023	-	580,164.30	580,164.30	-	625,399.55	-	-
10/1/2023	2,025,000.00	580,164.30	2,605,164.30	3,185,328.60	2,235,399.55	2,860,799.10	6,046,127.70
4/1/2024	-	544,200.30	544,200.30	-	587,822.15	-	-
10/1/2024	2,090,000.00	544,200.30	2,634,200.30	3,178,400.60	2,277,822.15	2,865,644.30	6,044,044.90
4/1/2025	-	505,514.40	505,514.40	-	547,110.05	-	-
10/1/2025	2,170,000.00	505,514.40	2,675,514.40	3,181,028.80	2,317,110.05	2,864,220.10	6,045,248.90
4/1/2026	-	463,720.20	463,720.20	-	503,143.25	-	-
10/1/2026	2,250,000.00	463,720.20	2,713,720.20	3,177,440.40	2,363,143.25	2,866,286.50	6,043,726.90
4/1/2027	-	419,260.20	419,260.20	-	455,545.85	-	-
10/1/2027	2,340,000.00	419,260.20	2,759,260.20	3,178,520.40	2,410,545.85	2,866,091.70	6,044,612.10
4/1/2028	-	371,851.80	371,851.80	-	404,539.90	-	-
10/1/2028	2,435,000.00	371,851.80	2,806,851.80	3,178,703.60	2,459,539.90	2,864,079.80	6,042,783.40
4/1/2029	-	321,301.20	321,301.20	-	349,897.45	-	-
10/1/2029	2,540,000.00	321,301.20	2,861,301.20	3,182,602.40	2,514,897.45	2,864,794.90	6,047,397.30
4/1/2030	-	267,300.80	267,300.80	-	287,523.80	-	-
10/1/2030	2,645,000.00	267,300.80	2,912,300.80	3,179,601.60	2,577,523.80	2,865,047.60	6,044,649.20
4/1/2031	-	205,063.95	205,063.95	-	221,548.90	-	-
10/1/2031	2,775,000.00	205,063.95	2,980,063.95	3,185,127.90	2,641,548.90	2,863,097.80	6,048,225.70
4/1/2032	-	139,768.20	139,768.20	-	151,828.70	-	-
10/1/2032	2,905,000.00	139,768.20	3,044,768.20	3,184,536.40	2,711,828.70	2,863,657.40	6,048,193.80
4/1/2033	-	71,413.55	71,413.55	-	78,075.10	-	-
10/1/2033	3,035,000.00	71,413.55	3,106,413.55	3,177,827.10	2,788,075.10	2,866,150.20	6,043,977.30
TOTAL	$41,540,000.00	$18,896,061.39	$60,436,061.39	$60,436,061.39	$54,426,343.88	$54,426,343.88	$114,862,405.27

* Excludes debt service due on October 1, 2014, which is expected to be paid by the City on October 1, 2014. After October 1, 2014 no Series 2004 Bonds will be outstanding.

SCHEDULE OF DEBT SERVICE COVERAGE

Fiscal Year	Pledged Revenues	Maximum Bond Service Requirement*	Coverage
2009	$10,200,595	$6,048,465	1.69x
2010	9,388,292	6,048,465	1.55x
2011	9,189,255	6,048,465	1.52x
2012	9,413,185	6,048,465	1.56x
2013	9,517,421	6,048,465	1.57x

* Includes Maximum Bond Service Requirement on the Series 2013 Bonds and the Series 2014 Bonds as of the date of this Official Statement.

INVESTMENT CONSIDERATIONS

The Series 2014 Bonds are not general obligations of the City but are limited obligations of the City payable solely from the Pledged Revenues. The Series 2014 Bonds shall not be deemed to constitute a debt or pledge of the full faith and credit of the City, Broward County, Florida, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provisions or limitation, and the registered owners thereof shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City, Broward County, Florida, the State of Florida or any political subdivision thereof, or taxation in any form on any real or personal property for the payment thereof. The Series 2014 Bonds shall not constitute a lien upon any property of the City except upon the Pledged Revenues. See "SECURITY FOR THE SERIES 2014 BONDS – Pledged Revenues."

In addition, the lien upon and the pledge of the Water Public Service Tax Revenues are subject to release by the City upon demonstrating certain debt service coverage requirements as described in the Resolution. If the lien and pledge of the Water Public Service Tax Revenues are released by the City, then the Series 2014 Bonds will be secured solely by a pledge and lien on the Communications Services Tax Revenues, Qualified Hedge Receipts, if any, and any funds on deposit in any fund or account available for each specific series. See "SECURITY FOR THE SERIES 2014 BONDS – Release of Pledge of the Water Public Service Tax" herein. There is no obligation on the part of the City to reimpose a lien upon Water Public Service Tax Revenues once it is released in accordance with the terms of the Resolution.

The amount of Communications Services Tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences.

INVESTMENT POLICY AND DERIVATIVE DEBT MANAGEMENT POLICY

Investment Policy. Pursuant to Section 218.415, Florida Statutes, the City is authorized to establish a policy for investment of all funds held by or for the benefit of the City, and the City has, by ordinance, established such a policy. Investment of the moneys held in the funds and accounts created under the Resolution is governed by the terms of the Resolution subject to compliance with such policy. See "APPENDIX B – COPY OF RESOLUTION."

The investment policy currently permits the following 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, 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 S&P, Moody's and/or Fitch 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.

(g) State or local government taxable and tax exempt debt, general obligation and/or revenue bonds rated at least "Aa" by Moody's or "AA" by S&P for long-term debt or rated at least "MIG-2" by Moody's or "SP-2" by S&P 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.

(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: A-, A3, or A-, as rated by S&P, and/or Moody's, and/or Fitch rating services. However, if such obligations are rated by only one rating service, then such rating shall be at least AA-, Aa3, or AA- by S&P, 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 ("REITs") which are properly registered pursuant to applicable Federal and State laws, provided the REITs 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. 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, etc.) The securities may be structured or unstructured pass-through securities.

The stated objectives of the investment policy of the City are safety of capital, liquidity of funds and investment income, in that order. The Investment Policy states that safety of capital will be ensured by establishing minimally acceptable credit ratings and limiting any exception thereto, limiting the portfolio’s maximum and average duration, setting maximum exposure by market sector, and requiring a minimum basket of securities either fully guaranteed by the U.S. Government or issued by an Agency or Instrumentality of the U.S. Government. The City will maintain sufficient liquidity in the Florida State Board of Administration or other short-term investment portfolio to enable the City to meet operating requirements, which might be reasonably anticipated.

To meet the day-to-day operating needs of the City and to provide the ready cash to meet unforeseen temporary cash requirements, the City shall maintain a minimum of $10,000,000 in liquid investments defined as repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, negotiable certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations all having a maturity of 90 days or less, and/or the SBA Local Government Pool, all as purchased under the dictates of the investment policy. The policy also states that, to the extent possible, the City will attempt to match its investments with its overall cash flow requirements, and that the average maturity of the investment portfolio as a whole will not exceed five years. The Finance Director of the City is responsible for investment decisions, under the direction of the City Manager.

The City's investment policy may be modified from time to time. At the May 21, 2014 City Commission meeting, action was deferred on proposed amendments to the City's investment policy that would, among other things, reduce the minimum rating requirements of the permitted investments described in paragraphs (g) and (j) above. The City is unable to determine at this time whether or not such amendments, or different amendments, will be adopted by the City Commission.

Derivative Policy. The City has established a Derivative Debt Management Policy (the "Derivative Policy") to establish guidelines for the use and management of all interest rate exchange agreements ("derivative"), incurred in connection with the incurrence of debt obligations. The Derivative Policy sets forth the manner of execution of derivatives, provides for security and payment provisions, risk considerations and certain other relevant provisions as well as being responsive to the recommended practices of the Government Finance Officers Association regarding the contents of an interest rate swap policy.

Pursuant to the Derivative Policy, derivatives may be used for the following purposes only:

1. To achieve significant savings as compared to a product available in the bond market. Significant savings shall be calculated after adjusting for (a) applicable fees, including takedown, remarketing fees, credit enhancement and legal fees, and (b) call options that may be available on the bonds. Examples may include synthetic fixed rate debt and synthetic variable rate debt. Alternatively, significant savings are deemed to occur if the use of derivatives helps to achieve diversification of a particular bond offering.

2. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the City.

3. To incur variable rate exposure within prudent guidelines, such as entering into a swap in which the City's payment obligation is floating rate.

4. To achieve more flexibility in meeting overall financial objectives that can be achieved in conventional markets.

Derivatives may not be used for speculative purposes outside of prudent risks that are appropriate for the City to take. Also, the City will not enter into derivatives that lack adequate liquidity to terminate and that provide insufficient price transparency to allow reasonable valuation.

The City's Derivative Policy may be modified from time to time.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computations of the adequacy of the moneys in the Escrow Account to pay when due or upon earlier redemption, the principal of, redemption premium, if any, and interest on the Refunded Bonds have been verified by the Verification Agent.

LITIGATION

There is no litigation of any nature now pending or threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2014 Bonds, the pledging of the Pledged Revenues, the imposition of the Communications Services Tax or the Water Public Service Tax or in any way contesting or affecting the validity of the Series 2014 Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. Neither the creation, organization or existence, nor the title of the present members of the Commission or other officers of the City to their respective offices is being contested.

On July 28, 2005 Corrections Corporation of America ("CCA") and the Town of Southwest Ranches, Florida ("SWR") entered into an agreement for CCA to develop, construct and operate a proposed correctional facility on property currently owned by CCA and located within the Town of Southwest Ranches (the "CCA Site"). The CCA Site is outside the jurisdictional boundaries of the City. The SWR and the City subsequently entered into an interlocal agreement dated December 21, 2005 (the "Roadway ILA") relating to roadways and other matters and a second agreement dated June 7, 2011 (the "Emergency Services Agreement") for delivery of emergency medical and fire services relating to the City providing certain emergency services to SWR.

The CCA correctional facility was not constructed on the CCA Site and in June 2011, the Immigration and Customs Enforcement ("ICE"), a division of the Department of Homeland Security, tentatively selected the CCA Site as the proposed site for housing an immigration detention center. The ICE immigration detention center was to be owned by CCA and occupied by the federal government as tenant. The City received an application by CCA to provide water and sewer services in December 2011. The City negotiated with CCA and ICE to provide water and sewer services to the CCA Site, however, an agreement was never approved (nor denied) by the City Commission to provide such services. The City has publicly announced that it was opposed to development of the project and was concerned about the security and safety risks that the project would present if it were developed adjacent to the urban and residential areas of the City. In June 2012, for reasons unknown, ICE determined that it would not build the detention center on the CCA Site. Litigation as described in more detail below has been filed to determine the City's obligation to provide water and sewer services to the CCA Site and claims of damages against the City by CCA and SWR for the City's alleged failure to approve the provision of water and sewer services and other municipal services to the CCA Site.

On March 7, 2012, CCA and CCA Properties of America, LLC filed a lawsuit against the City in the United States District Court for the Southern District of Florida, Case No. 12-CV-60427-WJZ (the "Federal Lawsuit") seeking, among other things, a declaratory judgment regarding whether the City is obligated to provide water and sewer service to the CCA Site, a mandamus action to require the City to provide water and sewer service to the CCA Site and damages. On March 20, 2013 an order was entered in the Federal Lawsuit (the "Federal Stay Order") granting the City's motion for abstention and a stay of the proceedings in the Federal Lawsuit pending the resolution of the related State Lawsuit described below. As discussed below, pursuant to the direction of the state court in the State Lawsuit, on October 2, 2013, the City filed a Motion for Clarification in the Federal Lawsuit as to the Federal Stay Order. On July 21, 2014, the federal court issued an Order on the City's Motion for Clarification, declining jurisdiction over the case and stating that CCA may pursue its counterclaim in state court.

On March 14, 2012, the City filed an action for declaratory judgment and supplemental relief against CCA, Case No. 12-7337(25) in the Circuit Court of the 17th Judicial Circuit, in and for Broward County (the "State Lawsuit") seeking a declaratory judgment that, among other things, the City was not obligated to provide water and sewer services under the Emergency Services Agreement or Florida law. CCA filed a counterclaim for a declaration that the City is obligated to provide water and sewer service to the CCA Site and for purported damages, including alleged lost profits resulting from ICE's decision not to locate the detention center on the CCA Site. On September 11, 2013, at the hearing on the City’s Motion to Dismiss Counterclaims, the state court requested that the parties seek clarification in the Federal Lawsuit as to the scope of the Federal Stay Order. On October 2, 2013, the City filed the Motion for Clarification in the Federal Lawsuit. On July 21, 2014, the federal court issued an Order in the Federal Lawsuit on the City's Motion for Clarification, declining jurisdiction over the case and stating that CCA may pursue its counterclaim in state court. As a result, CCA's counterclaim in the State Lawsuit can proceed. A hearing on the City’s Motion to Dismiss the CCA counterclaim was held on August 18, 2014 and no order has been issued as of the date of this Official Statement. The City's Complaint for Declaratory Relief is currently scheduled for trial in October, 2014. Future proceedings as to the CCA counterclaim will depend on the state court judge's decision on the City's Motion to Dismiss the CCA counterclaim.

On October 11, 2012, SWR filed an action against the City, Case No. 12-028819 in the Circuit Court of the 17th Judicial Circuit, in and for Broward County Florida (the "SWR Lawsuit"), alleging that the City breached its obligations under the Roadway ILA and the Emergency Services Agreement for, among other things, allegedly interfering with CCA's proposed development plans with ICE and allegedly denying essential services to the CCA Site and requesting damages from the City. The parties are currently engaged in discovery. No hearing date has been scheduled.

The City intends to vigorously defend each of the above described lawsuits on numerous grounds. The City has determined that providing water and sewer services to the CCA Site would result in increased revenues for the water and sewer system but it would also utilize the limited capacity of water and sewer system. However, other potential relief if granted to CCA and/ or SWR can not be estimated at this time and could result in damages payable to CCA and/ or SWR in a lump sum or periodically that are not covered by insurance, the payment of which could have a material adverse impact on the City's ability to satisfy its other general fund liabilities or maintain current reserves. Whether or not the City is successful defending the claims, the City does not expect any potential judgment to affect its ability to pay debt service on the Series 2014 Bonds nor to affect the Pledged Revenues.

The City experiences routine litigation and claims incidental to the conduct of its affairs. The City carries insurance for most of these exposures, and many pending claims are defended by and, if necessary, are anticipated to be paid by the insurance carriers less the applicable insurance deductible amounts.

RATINGS

Moody's and S&P have assigned ratings of "A2" (stable outlook) and "A+" (stable outlook), respectively, to the Series 2014 Bonds. The ratings reflect only the respective views of Moody's and S&P, and the City makes no representation as to the appropriateness of the ratings. Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by the rating agencies. An explanation concerning the significance of the ratings given may be obtained from the respective rating agency.

There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. The Underwriters have undertaken no responsibility either to bring to the attention of the owners of the Series 2014 Bonds any proposed revision or withdrawal of the ratings on the Series 2014 Bonds or to oppose any such proposed revision or withdrawal. The Underwriters and the City have undertaken no responsibility after issuance of the Series 2014 Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal. Any such change in or withdrawal of a rating could have an adverse effect on the market price of the Series 2014 Bonds.

TAX MATTERS

General

INTEREST ON THE SERIES 2014 BONDS IS **NOT** EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. Except as described herein, Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2014 Bonds. Holders of the Series 2014 Bonds should consult their tax advisors with respect to the inclusion of interest on Series 2014 Bonds in gross income for federal income tax purposes.

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2014 Bonds by certain persons. The summary is based upon provisions of Internal Revenue Code of 1986, as amended (the "Code"), the regulations promulgated thereunder and rulings and court decisions now in effect, all of which are subject to change. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2014 Bonds, limited to those persons who hold the Series 2014 Bonds as “capital assets” within the meaning of Section 1221 of the Code. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding the Series 2014 Bonds as a hedge against currency risks or as a position in a straddle for tax purposes, foreign investors or persons whose functional currency is not the U.S. dollar. This summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of the Series 2014 Bonds. Potential purchasers of the Series 2014 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2014 Bonds.

As stated above, interest on the Series 2014 Bonds is not excluded from gross income for federal income tax purposes. Purchasers other than those who purchase the Series 2014 Bonds in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2014 Bonds. Generally, interest paid on the Series 2014 Bonds and recovery of accrued original issue and market discount, if any, will be treated as ordinary income to the Bondholder, and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Market Discount. If a bondholder purchases the Series 2014 Bonds in the secondary market for an amount that is less than the adjusted issue price of the Series 2014 Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount. Absent an election to accrue market discount currently, upon a sale, exchange or other disposition of the Series 2014 Bonds, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of the sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense intended to carry a market discount bond is limited. Such bondholders should consult their own tax advisors with respect to whether or not they should elect to accrue market discount currently, the determination and treatment of market discount for federal income tax purposes and the state and local tax consequences of owning such Series 2014 Bonds.

Tax Treatment of Bond Premium for the Series 2014 Bonds. If a bondholder purchases a Series 2014 Bond at a cost greater than its principal amount, the bondholder may elect to treat such excess as amortizable bond premium. As the tax accounting treatment of bond premium is complex, such bondholders should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Sale, Exchange or Redemption. Upon a sale, exchange or redemption of the Series 2014 Bonds, bondholders will generally realize a capital gain or loss on the Series 2014 Bonds equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the bondholder's adjusted tax basis on the Series 2014 Bonds. The bondholder's adjusted tax basis for the Series 2014 Bonds is the price such owner pays for the Series 2014 Bonds plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than qualified periodic interest payments) and any amortized bond premium. The legal defeasance of the Series 2014 Bonds may result in a deemed sale or exchange of such bonds under certain circumstances, in which event an owner of the Series 2014 Bonds will also recognize taxable gain or loss as described above. Owners of such Series 2014 Bonds should consult their tax advisors as to the federal income tax consequences of such an event.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Series 2014 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2014 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2014 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2014 Bonds and proceeds from the sale of Series 2014 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2014 Bonds. This withholding generally applies if the owner of Series 2014 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2014 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Nonresidents. Under the Code, interest and original issue discount income with respect to the Series 2014 Bonds held by nonresident alien individuals, foreign corporations and other non-United States persons ("Nonresidents") may not be subject to withholding. Payments on the Series 2014 Bonds to a Nonresident that has no connection with the United States other than holding the Series 2014 Bonds will generally be made free of withholding tax, as long as such holder has complied with certain tax identification and certification requirements. Nonresidents should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Series 2014 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2014 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code and the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2014 Bonds (including Bond Counsel's approving opinion, See APPENDIX D) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LEGALITY

Certain legal matters incident to the authorization, issuance, delivery and sale of the Series 2014 Bonds are subject to the approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, whose legal fees are contingent on the closing of this offering. The proposed form of such opinion is included herein as APPENDIX D. Certain legal matters will be passed upon for the City by its counsel, Goren, Cherof, Doody & Ezrol, P.A., Fort Lauderdale, Florida, and by Holland & Knight LLP, Fort Lauderdale, Florida, as Disclosure Counsel to the City, and for the Underwriters by their counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida.

UNDERWRITING

J.P. Morgan Securities LLC ("JPMS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated and PNC Capital Markets LLC (collectively, the "Underwriters") have agreed, subject to certain terms and conditions, to purchase the Series 2014 Bonds from the City at a purchase price of $41,360,237.11 (which represents the $41,540,000.00 principal amount of the Series 2014 Bonds, less an Underwriters' discount of $179,762.89). The Underwriters will purchase all of the Series 2014 Bonds if any are purchased, the obligation to make such purchase is subject to certain terms and conditions contained in a Bond Purchase Agreement and the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Series 2014 Bonds to certain dealers, banks and others at prices lower than the respective public offering prices stated herein. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the City, for which they received or will receive customary fees and expenses.

The City intends to use a portion of the proceeds from this offering to redeem the Refunded Bonds. To the extent an Underwriter or an affiliate thereof is an owner of the Refunded Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2014 Bonds contemplated herein in connection with such Refunded Bonds being redeemed by the City.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISOR

Ford & Associates, Inc., Tampa, Florida, is acting as financial advisor to the City in connection with the issuance of the Series 2014 Bonds. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2014 Bonds.

BASIC FINANCIAL STATEMENTS

The basic financial statements of the City of Pembroke Pines, Florida, as of and for the Fiscal Year ended September 30, 2013, included in this Official Statement, have been audited by GLSC & Company PLLC, Miami, Florida, independent accountants, as stated in their report included in APPENDIX C hereto. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and the auditor has not been requested to provide its consent to the use of such financial statements or to perform any other services in association with the offering of the Series 2014 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the City to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975, as provided by rule of the Florida Department of Financial Services (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required that such disclosure include information concerning the dates, amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not, since December 31, 1975, been in default as to the payment of principal of and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of Series 2014 Bondholders to provide certain financial information and operating data relating to the City in each year (the "Annual Report"), to provide notices of the occurrence of certain enumerated events and that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate to be executed by the City and dated as of the date of the Series 2014 Bonds, as such Continuing Disclosure Certificate may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). A form of the Continuing Disclosure Certificate is included as APPENDIX E to this Official Statement. Failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default under the Resolution or the Continuing Disclosure Certificate; however, any Series 2014 Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate. The Annual Report will be filed by the City with the Electronic Municipal Market Access ("EMMA") system operated by the Municipal Securities Rule Making Board. The event notices will be filed by or on behalf of the City with EMMA. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in the Continuing Disclosure Certificate. These covenants have been made to assist the Underwriters in complying with the secondary market disclosure requirements of Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the "Rule").

With respect to the Series 2014 Bonds, no party other than the City is obligated to provide or expected to provide any continuing disclosure information with respect to the Rule. Except as described below, the City has not failed to comply in all material respects with its continuing disclosure undertakings entered into pursuant to the Rule during the last five (5) years. In calendar year 2010, Moody's and Fitch recalibrated their respective long-term U.S. municipal ratings to their respective global rating scale. According to the respective rating agencies, the recalibrations do not reflect a change in the credit quality of the securities being recalibrated. The City determined that the recalibration was not a material event under its existing continuing disclosure agreements and did not file any material event notices pursuant thereto.

Upon a review of the City's continuing disclosure filings in calendar year 2013, it was discovered that the City failed to file notices of ratings changes of certain municipal bond insurers which had issued bond insurance policies securing certain of the City's bonds. Upon realizing its failure to make such filings, the City, without having determined that such ratings downgrades were material, cured such failure to file on August 22, 2013 in accordance with the requirements of its respective continuing disclosure agreements.

The City has retained Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. The City implemented procedures with DAC to ensure compliance with its existing continuing disclosure certificates and fully anticipates satisfying all future disclosure obligations required pursuant to its existing continuing disclosure certificates.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

This delivery of this Official Statement has been authorized by the City. Concurrently with the delivery of the Series 2014 Bonds, the undersigned, Mayor, or other duly authorized officer of the City, will furnish his certificate to the effect that, to the best of his knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Series 2014 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in light of the circumstances in which they were made, not misleading.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2014 Bonds. Payment of all or a portion of the fees of such professionals relating to the issuance of the Series 2014 Bonds and a discount to the Underwriters (which includes the fees of Underwriters' Counsel) are each contingent upon the issuance of the Series 2014 Bonds.

MISCELLANEOUS

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the City from the date hereof.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or the holders of any of the Series 2014 Bonds.

The Appendices hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

This Official Statement has been duly executed and delivered by the authority of the City.

CITY OF PEMBROKE PINES, FLORIDA

By: /s/ Frank C. Ortis
Mayor

APPENDIX A

GENERAL INFORMATION CONCERNING THE CITY OF PEMBROKE PINES, FLORIDA AND BROWARD COUNTY, FLORIDA

[THIS PAGE INTENTIONALLY LEFT BLANK]

CITY OF PEMBROKE PINES, FLORIDA

GENERAL INFORMATION

Introduction

The City of Pembroke Pines, Florida (the "City of Pembroke Pines," "Pembroke Pines" or the "City") 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 Pembroke Pines is currently estimated at 155,565 which is the second largest city in Broward County and the eleventh largest city in Florida. During the year, the City has a mean average annual temperature of 75.8 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.25-square mile residential city is similar to that of other southwestern Broward County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of Pembroke Pines, provide numerous cultural advantages of a larger metropolitan area 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 of Pembroke Pines has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The 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 Pembroke Pines, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in Pembroke Pines 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 Pembroke Pines. 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 of Pembroke Pines operates a year-round comprehensive community recreation program. The hub of the City's athletic, cultural, and social programs for adults and youth are the 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.

Located throughout the City are 31 fully developed recreation facilities covering more than 975 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 Pembroke Pines 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 Broward 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 of Pembroke Pines residents are provided through Memorial Hospital West (located at the northeast corner of Pines Boulevard and Flamingo Road), Memorial Hospital Pembroke (located on the southeast corner of University Drive and Sheridan Street), the Memorial Urgent Care Center (located on the eastern side of Douglas Road, between Pines Boulevard and Pembroke Road), and Memorial Hospital Miramar (located on 172nd Avenue in adjacent Miramar) which serves the western portion of Pembroke Pines. These facilities are all a part of the Memorial Health Care System and offer state of the art diagnostics.

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

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

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University ("FSU"), two charter middle schools and one charter high school that serve approximately 5,620 students. Of this total, the FSU charter school students include 679 in elementary school; the other three elementary schools have 1,910 students; the two middle schools 1,301 students; and the high school 1,730 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 fifteen 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.

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

The City is served by three Broward 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 (the "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.

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. Additionally, the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard, 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. Pembroke Pines is also the administrative headquarters for Decorator Industries, Inc., a publicly-held corporation (Amex: DII) which designs, manufactures and sells various interior furnishings to the recreational vehicle, manufactured housing and hospitality industries. The company has six manufacturing plants and approximately 275 employees across the United States.

The dynamics of the growth of commercial and residential activities in Pembroke Pines 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.

CITY OF PEMBROKE PINES, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2013

Taxpayer	2013 Collection Year Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arium Resort LLC	$156,236,380	1	1.83%
Pembroke Lakes Mall LTD	122,790,100	2	1.44%
JRA HHF Venture LLC	78,611,980	3	0.92%
EQR-SWN Line Financing Limited	53,985,800	4	0.63%
Taplin Falls Ltd.	46,349,960	5	0.54%
WRI JT Pembroke Commons LP	42,334,090	6	0.50%
PR Pembroke Crossing LLC	41,466,370	7	0.49%
Stockbridge Lap LLC	40,212,790	8	0.47%
CP Pembroke Pines LLC	38,170,300	9	0.45%
MIG/Pines Development LTD	36,996,320	10	0.43%
Totals	$657,154,090		7.70%

Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

CITY OF PEMBROKE PINES, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS[1]
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections[2]	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	$47,990,517	$46,244,787	96.4%	$ --	$46,244,787	96.4%
2012	47,419,828	45,698,158	96.4%	--	45,698,158	96.4%
2011	47,748,809	45,707,333	95.7%	(172,464)	45,534,869	95.4%
2010	48,955,611	47,093,237	96.2%	187,645	47,280,882	96.6%
2009	47,574,611	45,833,741	96.3%	77,689	45,911,430	96.5%
2008	49,054,977	47,021,192	95.9%	208,303	47,229,495	96.3%
2007	48,716,300	46,954,319	96.4%	104,413	47,058,732	96.6%
2006	41,283,600	39,684,572	96.1%	105,835	39,790,407	96.4%
2005	36,845,948	35,493,585	96.3%	31,292	35,524,877	96.4%
2004	33,348,014	32,255,971	96.7%	70,944	32,326,915	96.9%

(1) For operating purposes only - excludes taxes levied for voted debt service.
(2) Includes refunds due to reassessments and overpayments.
Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

[Remainder of Page Intentionally Left Blank]

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]
2013	155,565	*	*	*	*	25,834	5.8%
2012	154,508	$4,297,176	$27,812	40.4	34.0%	26,331	7.4%
2011	154,158	4,087,962	26,518	38.9	31.4%	26,478	9.1%
2010	154,019	4,404,943	28,600	39.1	32.9%	25,826	9.5%
2009	151,193	3,895,639	25,766	39.4	31.2%	25,678	7.4%
2008	150,380	3,904,466	25,964	40.8	28.9%	24,907	5.2%
2007	152,888	4,125,224	26,982	39.3	29.8%	23,239	3.0%
2006	151,786	4,307,231	28,377	37.5	30.4%	23,497	2.9%
2005	151,045	4,259,016	28,197	37.8	32.3%	24,759	3.3%
2004	150,435	5,199,034	34,560	37.8	32.2%	24,280	3.5%

(1) Years 2004 - 2006 are estimates from the University of Florida's Statistical Abstract. Years 2007 and 2008 are estimates from the City's Planning Department. Years 2009, 2011 - 2013 are estimates from the University of Florida. Year 2010 is the 2010 U.S. Census. Years 2010 - 2013 were adjusted based on retroactive 2010 U.S. Census.

(2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis. Years 2008 and on are from U.S. Census Bureau, American Community Survey Profile.

(3) U.S. 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 FY 2004 - 2010 represent the average for 12 months ending September 30th. Unemployment rate for FY 2011 and 2012 is obtained from U.S. Census Bureau. FY 2013 was obtained from U.S. Bureau of Labor Statistics.

* Information not available.

Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

[Remainder of Page Intentionally Left Blank]

CITY OF PEMBROKE PINES, FLORIDA
PROPERTY VALUE AND CONSTRUCTION[(1)]
LAST TEN FISCAL YEARS

		Miscellaneous		Residential		Commercial			
Year	Total Permits Issued	Permits Issued[(2)]	Valuation	Number of Units	Valuation	Number of Units	Valuation	Total Value of Construction	Gross Assessed Value[(3)]
2013	7,357	6,732	$273,469,366	579	$298,916,697	46	$ 71,849,779	$644,235,843	$12,559,436,057
2012	6,200	5,434	77,506,551	655	226,091,294	111	226,188,208	529,786,054	12,672,170,184
2011	6,939	6,662	37,295,528	202	18,600,807	75	265,336,362	321,232,697	12,597,755,293
2010	5,274	5,205	64,069,445	66	6,585,866	3	2,409,185	73,064,496	14,727,213,419
2009	6,318	6,289	62,524,850	24	2,106,616	5	4,331,001	68,962,467	17,848,661,534
2008	7,411	7,365	95,057,849	27	1,939,720	19	42,172,649	139,170,218	19,252,698,267
2007	10,837	10,267	161,924,777	554	50,298,274	16	25,169,009	237,392,060	17,145,457,817
2006	16,996	16,853	151,071,862	132	12,850,765	11	19,898,203	183,820,830	13,606,059,092
2005	10,991	10,761	73,078,888	214	17,326,438	16	26,553,469	116,958,795	11,606,680,186
2004	9,457	8,939	52,063,598	505	26,524,490	13	5,664,939	84,253,027	10,220,280,583

(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.
Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

[Remainder of Page Intentionally Left Blank]

CITY OF PEMBROKE PINES, FLORIDA
SCHOOL ENROLLMENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
College/University:(1)										
Broward College										
Pines Center - Academic Village	1,350	1,701	2,610	2,591	1,451	2,369	2,028	2,120	2,454	2,740
South Campus	8,854	9,068	9,938	9,489	12,259	14,267	13,895	13,768	15,605*	13,390
Florida International University - Pines Center	-	-	-	-	-	1,827	1,602	1,482	1,294	1,400
Total College/University Enrollment	10,204	10,769	12,548	12,080	13,710	18,463	17,525	17,370	19,353	17,530
High Schools:(2)										
Pembroke Pines Charter High School	1,578	1,591	1,691	1,703	1,716	1,695	1,721	1,738	1,724	1,730
Flanagan	3,267	3,146	3,063	3,172	3,100	3,212	3,241	3,164	3,106	2,860
Somerset Academy Charter High School	305	477	542	593	552	602	708	751	845	1,051
West Broward High School	-	-	-	-	1,926	2,561	2,695	2,777	2,712	2,772
Somerset Conservatory	-	-	-	-	-	-	-	91	162	113
Total High School Enrollment	5,150	5,214	5,296	5,468	7,294	8,070	8,365	8,521	8,549	8,526
Middle Schools:(2)										
Pines Middle School	1,487	1,463	1,343	1,461	1,542	1,655	1,754	1,519	1,493	1,375
Silver Trail Middle	1,555	1,695	1,785	1,745	1,756	1,695	1,666	1,474	1,508	1,481
Walter C. Young	1,885	1,899	1,874	1,945	1,853	1,707	1,488	1,405	1,268	1,201
Somerset Academy Charter Middle School	620	661	654	604	608	693	798	835	868	870
Pembroke Pines Charter Middle School (West/Central)	1,099	1,204	1,198	1,199	1,203	1,218	1,239	1,287	1,284	1,301
Franklin Academy	-	-	-	-	-	-	-	419	465	428
Broward Charter School of Science & Technology	-	-	-	-	-	-	-	-	-	25
Total Middle School Enrollment	6,646	6,922	6,854	6,954	6,962	6,968	6,945	6,939	6,886	6,681

* Updated from Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Elementary Schools:[2]										
Pembroke Pines	816	803	664	690	653	617	613	594	586	594
Pembroke Lakes	861	854	772	730	720	737	690	622	565	534
Pines Lakes	1,058	965	837	853	823	820	795	733	656	609
Pasadena Lakes	843	837	818	725	722	725	763	719	614	573
Palm Cove	1,136	1,154	1,031	961	908	926	926	857	800	819
Chapel Trail	1,270	1,231	1,153	1,043	1,026	948	927	810	760	751
Silver Palms	1,081	1,067	1,014	912	915	874	816	669	729	662
Panther Run	982	940	791	780	726	724	686	620	599	550
Lakeside	1,057	1,024	958	885	875	858	858	835	760	707
Somerset Academy Charter Elementary	875	932	899	825	801	831	861	886	887	932
Pembroke Pines Charter Elementary (East/West/Central)	1,895	1,799	1,800	1,793	1,872	1,930	1,926	1,924	1,923	1,910
Pembroke Pines/FSU Charter Elementary	610	615	610	620	610	650	655	678	679	679
Dolphin Bay Elementary[3]	-	402	-	-	-	-	-	-	-	-
Franklin Academy	-	-	-	-	-	-	-	792	845	842
Kidz Choice Charter	-	-	-	-	-	-	-	124	103	100
Charter School of Excellence @ Davie 2	-	-	-	-	-	-	-	155	154	106
Atlantic Montessori Charter School	-	-	-	-	-	-	-	-	73	130
Broward Charter School of Science & Technology	-	-	-	-	-	-	-	-	163	129
Total Elementary School Enrollment	12,484	12,623	11,347	10,817	10,651	10,640	10,516	11,018	10,896	10,627
Total All Schools	34,484	35,528	36,045	35,319	38,617	44,141	43,351	43,848	45,684	43,364

(1) Source: Broward College - Registrar's Office and FIU Dean of Partnership Center.
(2) Source: Broward County School Board, Years 2004 - 2012 Twentieth Day Enrollment Report; 2013 First Day Enrollment Count.
(3) Source: For one year, Dolphin Bay Elementary School was temporarily located in the City, it has subsequently moved to the City of Miramar.
Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

[Remainder of Page Intentionally Left Blank]

PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

General

The City sponsors two single-employer defined benefit plans, which are accounted for in separate pension trust funds.

- The Police and Firefighter's Pension Plan (the "CPFFPO")
- The General Employees' Pension Plan (the "GEPP")

The City administers the GEPP, and a nine-person Board of Trustees administers the CPFFPO.

General Employees Pension Plan

The GEPP is a mandatory, contributory defined benefit pension plan for any general or utility employee of the City and certain elected City officials and their beneficiaries. The GEPP was established by Referendum in 1973 (the "Referendum") as restated October 1, 1989, as amended by Ordinance No. 992, enacted by the Commission on April 15, 1992, Ordinance No. 1058, enacted by the Commission on December 15, 1993, Ordinance No. 1297, enacted by the Commission on March 17, 1999, Ordinance No. 1413, enacted by the Commission on June 19, 2002, Ordinance No. 1479, enacted by the Commission on March 17, 2004, Ordinance No. 1515, enacted by the Commission on May 18, 2005, Ordinance No. 1520, enacted by the Commission on August 3, 2005, Ordinance No. 1555, enacted by the Commission on August 16, 2006, Ordinance No. 1614, enacted by the Commission on September 3, 2008, and Ordinance No. 1668, enacted by the Commission on August 4, 2010.

All full time eligible employees were required to participate in the GEPP as a condition of continued employment. However, effective July 1, 2010, bargaining unit members are no longer allowed to participate in the GEPP, and any benefits accrued up to June 30, 2010, were frozen. Bargaining unit members do not accrue any additional benefits. Non-bargaining unit members are still allowed to participate in the GEPP and active members are still accruing benefits.

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.

If a participant becomes totally disabled before termination of employment and prior to reaching normal retirement age, the employee is entitled to receive monthly disability benefits.

Certain general employee members are eligible to receive annual cost of living increases ranging from 2% to 3% to their retirement benefits.

The City is required to contribute an actuarially determined amount that, when combined with participant's contributions, will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the 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 no longer contribute to the GEPP since the GEPP was closed, and the benefits were frozen. In Fiscal Year 2013, employee contributions for active members amounted to $241,209.

On April 1, 2004 the City deposited a portion of the proceeds of its Taxable Communications Services Tax Revenue Bonds, Series 2004 (the "Series 2004 Bonds") in the amount of $19,370,924 into the GEPP as a lump sum contribution. The Series 2004 Bonds were issued primarily to pay for the enhanced benefit of a 2% cost of living adjustment as approved by the Commission, and to maintain the City's Annual Required Contributions ("ARC") at the "pre-cost of living" level for the existing Plan participants.

DROP Plan. Effective March 17, 1999, the City created the Deferred Retirement Option Plan ("GEPP DROP"). This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the GEPP becomes eligible to participate in the GEPP DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the GEPP

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 GEPP DROP participation is five years.

Annual Pension Cost and Net Pension Obligation. The annual pension cost and net pension obligation/ (asset) for the Fiscal Year Ending September 30, 2013 is as follows:

Annual required contribution	$ 6,674,902
Interest on net pension obligation	(797,456)
Adjustment to annual required contribution	1,887,789
Annual pension cost	7,765,235
Contributions made	(7,824,902)
Change in net pension obligation/(asset)	(59,667)
Net pension obligation/(asset), beginning of year	(11,313,071)
Net pension obligation/(asset), end of year	$ (11,372,738)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2013	$7,765,235	$7,824,902	101%	$(11,372,738)
9/30/2012	5,171,085	3,742,942	72%	(11,313,071)
9/30/2011	4,666,653	3,317,988	71%	(12,741,214)

Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

The annual required contribution of the City for Fiscal Year ending September 30, 2013, was $6,674,902 and the total employer contribution was $7,824,902. The increase in the total employer contribution for Fiscal Year ending September 30, 2013, compared to the preceding year ($3,742,942), was a result of the investment performance of GEPP assets. See "- Funded Status and Funding Progress" below.

Funded Status and Funding Progress. The funded status of the GEPP as of the following actuarial valuation dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/(c)
10/1/2012	$121,238,849	$150,061,082	$28,822,233	80.8%	$2,845,067	1013.1%
10/1/2011	118,449,736	147,287,087	28,837,351	80.4%	3,681,877	783.2%
10/1/2010	127,665,129	142,282,483	14,617,354	89.7%	3,537,545	413.2%
10/1/2009*	129,455,600	137,608,183	8,152,583	94.1%	4,088,776	199.4%
10/1/2008	131,976,740	164,002,104	32,025,364	80.5%	22,493,706	142.4%

* Effective July 1, 2010, bargaining unit members were no longer allowed to participate in the GEPP, and any benefits accrued up to June 30, 2010, were frozen. Bargaining unit members do not accrue any additional benefits.

Source: City of Pembroke Pines

[Remainder of Page Intentionally Left Blank]

The information presented in the above schedule was determined as part of the actuarial valuations performed as of the dates indicated. Additional information as of the latest actuarial valuation is as follows:

General Employees Pension

Valuation Date	10/1/2012
Actuarial cost method	Entry age cost
Amortization method[(1)]	N/A - there are no amortization bases as of the beginning of the Plan year
Remaining amortization period[(1)]	N/A - there is no unfunded frozen initial liability as of 10/1/2010
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases[(2)]	S-5 table from the Actuary's Pension Handbook plus a 2.5% add on
Cost of living adjustments	2%

(1) The Aggregate method does not identify or separately amortize unfunded actuarial accrued liabilities; they are amortized through normal cost.
(2) Includes inflation at 3.0%.

City Pension Fund for Firefighters and Police Officers

The CPFFPO is a mandatory, contributory defined benefit pension plan for Police and Firefighter employees of the City and their beneficiaries. The CPFFPO was established by Ordinance No. 557, enacted by the Commission on February 19, 1981, and amended Ordinance No. 829, enacted by the Commission on March 4, 1987, Ordinance No. 967, enacted by the Commission on September 19, 1991, Ordinance No. 1014, enacted by the Commission on November 4, 1992, Ordinance No. 1067, enacted by the Commission on February 16, 1994, Ordinance No. 1091, enacted by the Commission on September 8, 1994, 1131, enacted by the Commission on September 6,1995, Ordinance No. 1198, enacted by the Commission on December 18, 1996, Ordinance No. 1249, enacted by the Commission on January 7, 1998, Ordinance No. 1318, enacted by the Commission on November 17, 1999, Ordinance No. 1321, enacted by the Commission on December 15, 1999, Ordinance No. 1325, enacted by the Commission on January 19, 2000, Ordinance No. 1353, enacted by the Commission on September 20, 2000, Ordinance No. 1360, enacted by the Commission on December 15, 2000, Ordinance No. 1443, enacted by the Commission on June 18, 2003, Ordinance No. 1480, enacted by the Commission on March 17, 2004, Ordinance No. 1509, enacted by the Commission on February 17, 2005, Ordinance No. 1521, enacted by the Commission on August 3, 2005, Ordinance No. 1572, enacted by the Commission on February 21, 2007, Ordinance No. 1581, enacted by the Commission on May 16, 2007, Ordinance No. 1669, enacted by the Commission on August 4, 2010, Ordinance No. 1670, enacted by the Commission on August 4, 2010, Ordinance No. 1693, enacted by the Commission on June 15, 2011, Ordinance No. 1705, enacted by the Commission on October 5, 2011, and Ordinance No. 1709, enacted by the Commission on November 16, 2011.

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

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

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. 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.

During December 1996, the CPFFPO adopted the Deferred Retirement Option Plan ("CPFFPO DROP"). Upon becoming eligible to participate in the CPFFPO DROP, a member may elect to enter that program for a maximum of 5 years. CPFFPO DROP payments contributed to a member's CPFFPO DROP account earn or lose interest at the same rate and frequency as in the CPFFPO, less reasonable and necessary administrative expenses, unless fixed interest rate option below is selected.

Retired Police Officers and disabled Police Officers receiving pension or CPFFPO DROP benefits, prior to October 1, 2006, or their beneficiaries may be eligible to receive a supplemental pension distribution, the amount of which is determined September 30th each year. The amount of the distribution is 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 CPFFPO 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.

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 CPFFPO DROP account earn an annual fixed interest rate of 8% on future payments and on all or any portion of the member's CPFFPO 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 CPFFPO DROP on April 30, 2010, are 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 CPFFPO DROP after April 30, 2010, CPFFPO DROP interest credits is based upon CPFFPO gross return, subject to a minimum 5% to a maximum 8% per annum. For members hired after April 30, 2010 entering the CPFFPO DROP, interest credits will be based upon Plan gross return.

Certain members of the CPFFPO are eligible to receive annual cost of living increases to their retirement benefits ranging from 1.5% to 3% or for certain members 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 Fiscal Year commencing the preceding October 1.

Funding Policy. The City is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State, will fully provide for all benefits as they become payable. 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. 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. The City's contribution, excluding amounts from the State, for Fiscal Year ending 2013 was $22,754,765 or 84.2% of covered payroll. The State contributions for Fiscal Year ending 2013 totaled $2,458,939 or 9.1% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund.

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 or participation in the CPFFPO DROP. Member contributions for the Fiscal Year ending September 30, 2013 amounted to $2,961,526.

On October 17, 2003 the City deposited a portion of the proceeds of its Taxable Communications Service Tax Revenue Bonds, Series 2003A (the "Series 2003 Bonds") in the amount of $36,720,000 to the CPFFPO as a lump sum contribution. The Series 2003 Bonds were issued primarily to finance the enhanced benefits for Firefighter members of the CPFFPO. Benefits included, but were not limited to, a minimum of 2% of 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.

On April 1, 2004 the City deposited a portion of the proceeds of the Series 2004 Bonds in the amount of $26,200,000 to the CPFFPO as a lump sum contribution. The Series 2004 Bonds were issued primarily to finance the enhanced benefits for Police Officer members of the CPFFPO, 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.

Annual Pension Cost and Net Pension Obligation/(Assets). The annual pension cost and net pension obligation (asset) for Fiscal Year ending September 30, 2013 is as follows:

Annual required contribution	$ 25,213,704
Interest on net pension obligation	(3,924,871)
Adjustment to annual required contribution	3,887,551
Annual pension cost	25,176,384
Contributions made (City and State)	(25,213,704)
Change in net pension obligation/(asset)	(37,320)
Net pension obligation/(asset), beginning of year	(49,060,890)
Net pension obligation/(asset), end of year	$(49,098,210)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2013	$25,176,384	$25,213,704	100%	$(49,098,210)
9/30/2012	23,438,326	23,882,116	102%	(49,060,890)
9/30/2011	22,798,202	23,289,867	102%	(48,617,100)

Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

[Remainder of Page Intentionally Left Blank]

Funded Status and Funding Progress. The funded status of the CPFFPO as of the following actuarial valuation dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/(c)
10/1/2012	$316,002,633	$515,935,020	$199,932,387	61.2%	$27,011,016	740.2%
10/1/2011	294,227,027	490,104,162	195,877,135	60.0%	26,857,833	729.3%
10/1/2010	280,775,729	467,205,127	186,429,398	60.1%	27,129,273	687.2%
10/1/2009	261,948,320	434,353,251	172,404,931	60.3%	27,528,175	626.3%
10/1/2008	246,182,224	412,142,825	165,960,601	59.7%	26,616,124	623.5%

Source: City of Pembroke Pines

The information presented in the above schedule was determined as part of the actuarial valuations performed as of the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Firefighters and Police Officers Pension

Valuation Date	10/1/2012
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	21 years
Asset valuation method	5 years smoothed market
Actuarial assumptions:	
Investment rate of return	8.0% compounded annually, net of expenses
Projected salary increases*	3.75% - 12%
Payroll growth	1.2%
Cost of living adjustments:	
Firefighters	0.0%, 1.5%, 2.0% or 3.0%
Police Officers	0.0%, 1.5%, 2.0%, 2.5% or 3.0%

* Includes inflation at 3.5%

Florida Retirement System (FRS) - Charter School Employees

On August 16, 2006, the Commission adopted Resolution No. 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") a cost sharing, multiple-employer, public employee retirement system administered by the State. Beginning in 2002, the FRS became one system with two primary plans, a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan"). Individuals who were members of the existing ICMA-RC Defined Contribution Plan were given a one-time irrevocable election whether or not to participate in the FRS Pension Plan.

The Florida Department of Management Services, Division of Retirement administers the FRS Pension Plan and the Florida State Board of Administration (the "SBA") invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Administration costs of the FRS Pension Plan are funded through investment earnings of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

The SBA administers the FRS Investment Plan, a defined contribution plan available to eligible FRS members as an alternative to the FRS Pension Plan. Retirement benefits are based upon the value of the member's account upon retirement. Regardless of membership class, FRS Investment Plan contributions vest after one year of service. A member vests immediately in all employee contributions paid to the FRS Investment Plan. If a member elects to transfer amounts from the FRS Pension Plan to that member's FRS Investment Plan account, the member must meet the six-year vesting requirement for any such transferred funds and associated earnings. The FRS

Investment Plan is funded by employer contributions that are based on salary. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Administration costs of the FRS Investment Plan are funded through a 0.03% employer contribution and forfeited benefits. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

Benefits are computed on the basis of age, average final compensation and service credit. The FRS provides vesting of benefits after six 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, which are determined based on State law. 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.

Effective July 1, 2011, pursuant to Senate Bill 2100 that was signed into law by the Governor of the State on May 20, 2011, all members of FRS were required to contribute 3% of their gross compensation toward their retirement. In addition, the legislation reduced the required employer contribution rates for each membership class and subclass of the FRS. Additionally, the legislation eliminated the cost of living adjustment for all FRS employees for service earned on or after July 1, 2011, although the legislation does contemplate reinstatement of the adjustment in 2016 under certain circumstances. Additional legislative changes that only apply to employees who initially enroll on or after July 1, 2011, include: (1) the average final compensation upon which retirement benefits are calculated are based on the eight highest (formerly five highest) fiscal years of compensation prior to retirement; (2) the DROP is maintained but the interest accrual rate is reduced from 6.5% to 1.3%; (3) the normal retirement age is increased from 62 to 65; and (4) the years of creditable service is increased from 30 to 33 and the vesting period is increased to eight years (formerly six).

Subject to provisions of Section 121.091, Florida Statutes, the Defined Retirement Option Program (the "FRS DROP") permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the FRS DROP for a period not to exceed 60 months while the member's benefits accumulate in the FRS Trust Fund. Authorized instructional personnel may participate in the FRS DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of FRS DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. As of June 30, 2013, the FRS Trust Fund projected $3,209,149,119 in accumulated benefits and interest for 38,724 current and prior FRS DROP participants.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2012, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, F.S. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The Charter Schools' required contribution rate is established, and may be amended, by Florida law. For the Fiscal Year ended June 30, 2013, the contribution rate increased from 4.91% to 5.18% for Regular Class Members and from 4.42% to 5.44% for DROP Members. The Charter Schools are required to contribute both for full-time and part-time members of the Plan, which amounted to $1,013,184. As of June 30, 2013, there were 513 members in this Plan, which is unchanged from the previous Fiscal Year. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.03%.

Since year 2012, the State mandated that employees contribute 3% of pay to the FRS Pension Plan. This required employee contribution amounted to $578,093 for Fiscal Year 2013.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years and any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. As of June 30, 2013, the balance of legally required reserves for all defined benefit pension plans was $129,852,527,785. Such funds are reserved to provide for total current and future benefits, refunds and administration of the FRS Pension Plan.

During the Florida Legislature's 2014 session, the Florida Legislature passed Senate Bill 2506 ("SB 2506") and Companion House Bill 5005 (together with SB 2506, the "2014 Pension Bill") and approved by the Governor on June 2, 2014, with an effective date of July 1, 2014. The 2014 Pension Bill establishes the contribution rates paid by employers participating in the FRS. These rates are intended to fund the full normal cost and amortization of the unfunded actuarial liability of the FRS based on the 2013 actuarial valuation. While this will increase the amount that the City is required to contribute to the Retiree Health Insurance Trust Fund, the dollar impact of the 2014 Pension Bill on the City's finances cannot be accurately ascertained at this time. The 2014 Pension Bill also increased the contributions paid by employers participating in the HIS Program.

The chart below shows the Annual Required Contribution by the City to the FRS and the percentage of such contribution to the ARC for the past three fiscal years:

Schedule of City Contributions to FRS

Fiscal Year (6/30)	Annual Required Contributions	Total Employer Contributions	Percentage Contributed	Employer Contribution Rates		Employee Contribution Rates
				Regular Class	DROP	
2013	$1,013,184	$1,013,184	100%	5.18%	5.44%	3.0%
2012	930,174	930,174	100%	4.91%	4.42%	3.0%
2011	2,008,405	2,008,405	100%	10.77%	12.25%	-

Source: Comprehensive Annual Financial Report for the City of Pembroke Pines, Florida for the Fiscal Year Ended September 30, 2013.

Funded Status and Funding Progress. The chart below shows the funded status for the FRS which presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress
for the Florida Retirement System[1]
($000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annualized Covered Payroll (c)[2]	UAAL as a % of Covered Payroll (b-a)/c
7/1/13	$131,680,615	$154,125,953	$22,445,338	85.44	$24,568,642	91.36%
7/1/12	127,891,781	148,049,596	20,157,815	86.38	24,491,371	82.31%
7/1/11	126,078,053	145,034,475	18,956,422	86.93	25,686,138	73.80%
7/1/10[4]	120,929,666	139,652,377	18,722,711	86.59	25,765,362	72.67%
7/1/09[3]	118,764,692	136,375,597	17,610,905	87.09	26,573,196	66.27%

(1) Calculations are based on GASB 27 requirements including traditional funding of DROP.
(2) For the plan year beginning on the Actuarial Valuation Date shown, includes payroll for members in DROP, TRS and IFAS.
(3) As reported in July 1, 2009 actuarial valuation report, prior to impact of House Bill 479 (2009).
(4) As reported in July 1, 2010 actuarial valuation report, prior to impact of Senate Bill 2100 (2011).
Source: The Florida Retirement System, Pension Plan & Other State-Administered Systems, Annual Report: 2012-2013.

The information presented in the above schedule was determined as part of the actuarial valuations performed as of the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Florida Retirement System Assumptions

Valuation Date	July 1, 2013
Actuarial cost method	Entry age (ultimate entry age calculation approach)
Amortization method	Level percentage of pay, closed
Remaining amortization period	Weighted average of 28 years[(1)]
Asset valuation method	5-year smoothed method
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases[(2)]	5.85%[(2)]
Includes inflation at	3.00%
Cost-of-living adjustments	3.00%[(3)]

(1) Used for GASB Statement No. 27 reporting purposes.
(2) Includes individual salary growth of 4.00% plus an age-graded merit scale defined by gender and employment class.
(3) Cost-of-living adjustments granted only for pre-July 1, 2011 service.
Source: The Florida Retirement System, Pension Plan & Other State-Administered Systems, Annual Report: 2012-2013.

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, 2013, there were fifty-seven (57) 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 6.95 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2013 Fiscal Year, the City contributed $164,755 to the Charter Schools' Plan, and the members contributed $23,050. Provisions of the Charter Schools' Plan may be amended by the 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.

As described above, effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the FRS. Existing members of the Charter Schools' Plan were given the option to continue with their defined contribution plan or to select the FRS. In Fiscal Year 2006, the City increased its contribution to the defined contribution plan from 5.0% to 10.77% of the Charter Schools members' gross wages, in keeping with the contribution required by the FRS.

The City's Early Development Center employees remain in Charter Schools' Plan with the City continuing to contribute 5.0% of covered payroll.

General Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about demographic, population, investment discount rates, future employment and mortality. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress for present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information, including actuarial assumptions and investment allocations are described and in the City's audited financial statements, attached as APPENDIX C to the Official Statement.

OTHER POST-EMPLOYMENT BENEFIT PLANS ("OPEB")

The City provides health insurance, prescription drug coverage and life insurance benefits to its active and retired employees (the "OPEB Plan"). Like most governments the City historically funded the OPEB Plan on a pay-as-you-go basis as a current operating expense, and reflected the expenses on their financial statements in the Fiscal Year in which payments are made. In Fiscal Year 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" ("GASB 45"). Under GASB 45, local governments who provide other post employment benefits ("OPEB"), which include retiree health insurance and life insurance benefits, are required to show the liabilities associated with their OPEB plans on their financial statements and whether, and to what extent, progress is being made in funding the liability. GASB 45 does not require that the ARC be paid or that the plan be fully or partially funded, only that the government account for its unfunded actuarially accrued liability and its compliance in paying its ARC.

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 on behalf of the City. The life insurance plan is fully insured through Sun Life Financial. The 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 enacted Ordinance No. 1598 creating the Other Post-Employment Benefits Trust Fund.

The City created a retiree health and life insurance program as adopted and amended by Commission by Ordinance No. 990, enacted by the Commission on April 15, 1992, Ordinance No. 1015, enacted by the Commission on November 4, 1992, Ordinance No. 1024, enacted by the Commission on February 17, 1993, Ordinance No. 1144, enacted by the Commission on December 6, 1995, Ordinance No. 1371, enacted by the Commission on April 4, 2001, Ordinance No. 1443, enacted by the Commission on June 18, 2003, Ordinance No. 1480, enacted by the Commission on March 17, 2004, Ordinance No. 1554, enacted by the Commission on August 16, 2006, Ordinance No. 1598, enacted by the Commission on December 3, 2007, Ordinance No. 1670, enacted by the Commission on August 4, 2010 and Ordinance No. 1702, enacted by the Commission on September 20, 2011.

The City is required under Section 112.0801, Florida Statutes to offer retired City employees the option of continuing to participate in the City's group health insurance plan with identical provisions to that offered its active employees. The City is also required by Section 112.0801, Florida Statutes to charge active and retired employees the same premium. Because the true cost of health insurance provided to retired employees is generally significantly higher than that for active employees, the City, as required by Florida law, is providing an indirect subsidy to the retired employees, which is referred to as the "implicit rate subsidy" under GASB 45.

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.

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.

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 are required to contribute an additional $80 per month for EPO and $100 per month for PPO health insurance coverage.

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 Commission. The City has adopted a funding plan that will see annual increases in City contributions within two to three years. The percentage contributed is expected to equal the ARC as determined by the annual actuarial valuation. Administrative costs are financed through investment earnings where available.

Life Insurance. 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 are 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.

Annual OPEB Cost and Net OPEB Obligation

The City's annual required contribution, annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the Fiscal Year ended September 30, 2013 were as follows:

Annual required contribution	$ 9,352,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	9,352,000
Contributions made	(9,356,207)
Change in net OPEB obligation/(asset)	(4,207)
Net OPEB obligation/(asset), beginning of year	-
Net OPEB obligation/(asset), end of year	$ (4,207)

Trend Information

Fiscal Year Ended	**Annual OPEB Cost (APC)**	**Contribution**	**Percentage of APC Contributed**	**Net OPEB Obligation**
9/30/2013	$9,352,000	$9,356,207	100%	$(4,207)
9/30/2012	9,168,787	9,168,787	100%	-
9/30/2011	8,673,001	11,003,647	127%	-

[Remainder of Page Intentionally Left Blank]

Funded Status and Funding Progress

The funded status of the OPEB Plan as of the following actuarial valuation dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/(c)
10/1/2013	$41,148,000	$132,893,000	$ 91,745,000	31%	$67,720,879	135.5%
10/1/2012	34,271,044	132,118,483	97,847,439	25.9%	65,748,426	148.8%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	72,957,410	144.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projection of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and the plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility on actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the actuarial valuation is as follows:

OPEB Assumptions
Retiree Health and Life Insurance Program

Valuation Date	10/1/2012			
Actuarial cost method	Projected Unit Credit Method			
Amortization method	Level percent, open			
Amortization period	30 years			
Asset valuation method	Fair market value			
Actuarial assumptions:				
Investment rate of return[(1)]	8.0%			
Projected salary increases	3.0%			
Healthcare cost trend rate[(2)]		Initial	Ultimate	Current
		9.00%	5.00%	8.00%

(1) Valuation results are developed assuming a discount rate of 8% determined based on the long-term yield on the investments used to finance the payment of benefits.
(2) The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 5% is reached.

Additional information, including actuarial assumptions and investment allocations are described and in the City's audited financial statements, attached as APPENDIX C to the Official Statement.

EXTENSION OF EMPLOYEE BENEFITS

On June 3, 2014 the Commission enacted ordinances extending employee benefits for its active employee healthcare plan, pension plan (CPFFPO and GEPP) and retiree healthcare plan (OPEB Plan) benefits to include domestic partners of City employees (same-sex and opposite sex) and same-sex spouses of City employees. In a report dated March 2014, prepared by Nyhart Actuary & Employee Benefits the estimated annual costs of extending benefits to such groups was $1,159,000, $186,000 and $55,000, respectively. The changes do not affect the FRS plan.

EMPLOYEE RELATIONS

Currently approximately 88% of the City's full-time employees are subject to collective bargaining agreements. Full-time general employees, representing approximately 81% of the City's general employees (262 employees) are members of the National Federation of Public and Private Employees union (the "NFPPE"). The collective bargaining agreement with NFPPE expired September 30, 2013. The City and NFPPE continue to negotiate in good faith over wages and benefits. Currently, approximately 96% of full time employees of the police department (208 employees) are members of the Broward County Police Benevolent Association, Inc. (the "Police Union"). The collective bargaining agreement with the Police Union expires September 30, 2015. Currently, approximately 94% of full time employees of the fire department (203 employees) are members of the Professional Firefighters of Pembroke Pines, IAFF Local 2292 (the "Fire Union"). The collective bargaining agreement with the Fire Union expires September 30, 2015. Currently, all 321 teachers of the Pembroke Pines charter schools are members of the Broward County Teachers Union (the "BCTU"). The collective bargaining agreement with the BCTU expired June 30, 2014 and the City expects to begin negotiations for a new collective bargaining agreement in calendar year 2014. The City expects to enter into new collective bargaining agreements with NFPPE and BCTU without any material adverse effect to the financial condition of the City. Under Florida law public employees and employee organizations are prohibited from conducting a strike or instigating a strike against a public employer.

[Remainder of Page Intentionally Left Blank]

BROWARD COUNTY, FLORIDA

Profile of the Government

Broward County, Florida (the "County" or "Broward County") was incorporated in 1915 and is located along the southeastern coast of the State. With a developable area of 431 square miles and a population of almost 1.8 million people, the County is one of the largest counties in the country. The County is governed by its amended Charter, originally adopted in 1974, and functions as a home rule government under the Florida Constitution and the general laws of the State.

The Board of County Commissioners (the "Board") is the legislative and policy-making body of the County. Each of the nine Commissioners is elected from a separate district. Elections are held every two years for staggered four year terms. Annually, the Board elects a Mayor who serves as its presiding officer. The Board appoints the County Administrator to act as the County's Chief Executive Officer. The Administrator implements policies of the Board, provides organizational leadership, and directs business and administrative procedures. In addition, there are four elected Constitutional Officers: the Clerk of the Circuit and County Courts; the Property Appraiser; the Sheriff; and the Supervisor of Elections. Circuit Court and County Court judges are also elected.

The County provides a broad range of services, including law enforcement and fire rescue protection, maintenance of streets, highways, bridges and traffic signals, parks, libraries, airports, a seaport, a convention center, water and sewer systems, transportation, environmental protection, urban planning, economic development, other community and human services, property assessments and tax collections.

Economy

The County enjoys a diverse economic base thanks to a vibrant tourism industry, an active construction industry, highly efficient and productive airport and seaport facilities, and other dynamic industry sectors. There are approximately 50,000 businesses established in Broward County. Although many of these are classified as small businesses, approximately 100 Fortune 500 companies have facilities in Broward County.

During Fiscal Year 2013, the Civilian Labor Force within the County increased by approximately 34,500 or 3.4% from the prior year. The County's unemployment rate at September 30, 2013 was 5.6% compared with the rate of 7.5% at September 30, 2012. In comparison, the unemployment rates for Florida and the United States were 6.9% and 7.0%, respectively, at September 30, 2013.

Tourism and the related service industries are an important economic factor in the County, employing more than 122 thousand people in travel related jobs. The combination of a favorable climate (an average year-round temperature of 77 degrees Fahrenheit), together with diverse recreational opportunities, including theaters, parks, pristine public beaches, yacht basins, fishing, golf, tennis, thoroughbred racing, jai alai, and water recreational facilities, have made the County a major tourist center. In 2013, Broward County welcomed a record breaking 13 million visitors who spent more than $10 billion.

Building permits for residential construction, a measure of future construction activity, increased from 3,008 units in 2012 to 3,572 in 2013. The County is maturing as an urban area, and little undeveloped property remains available. Redevelopment will be a primary focus of Broward County in the years ahead, but future population growth and new development may depend on national economic recovery trends and employment opportunities.

The net assessed value of real and personal property increased in Fiscal Year 2013 by 0.79%, the first increase since the 2008 Fiscal Year.

Demographic and Economic Statistics

The following table sets forth the demographic and economic statistics of the County during the last ten fiscal years.

BROWARD COUNTY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Population[1]	Total Personal Income[1] (Dollars in Thousands)	Per Capita Personal Income	School Enrollment[2]	Residential Births[3]	Unemployment Rate[1]
2013	1,784,636	[4]	[4]	262,563	23,288	5.6
2012	1,771,099	$78,687,882	$44,429	260,796	23,020	7.5
2011	1,753,142	75,315,293	42,960	258,803	22,766	9.3
2010	1,748,066	72,712,604	41,596	256,872	21,016	9.7
2009	1,744,922	70,090,397	40,168	255,203	21,511	9.8
2008	1,758,494	74,588,165	42,416	255,738	22,523	6.1
2007	1,765,707	75,286,103	42,638	258,905	23,075	3.8
2006	1,753,162	73,075,813	41,682	262,616	23,141	3.1
2005	1,740,987	69,375,144	39,848	270,935	23,036	3.5
2004	1,723,131	63,266,735	36,716	272,691	22,596	4.3%

(1) Broward County Planning and Redevelopment Division.
(2) School Board of Broward County.
(3) Florida Department of Health.
(4) Information unavailable.
Source: Comprehensive Annual Financial Report for Broward County, Florida for the Fiscal Year Ended September 30, 2013.

Employment

The following table sets forth the principal employers of the County during Fiscal Year 2013.

BROWARD COUNTY, FLORIDA
PRINCIPAL EMPLOYERS

	2013		
Employer	Employees	Rank	Percent of Total County
Broward County School Board	26,000	1	2.50%
Broward County Government	11,360	2	1.09
Memorial Healthcare System	10,900	3	1.05
Broward Health	8,190	4	0.79
Nova Southeastern University	4,013	5	0.39
American Express	3,000	6	0.29
The Answer Group	2,800	7	0.27
Kaplan Higher Education	2,500	8	0.24
City of Fort Lauderdale	2,425	9	0.23
BrandsMart U.S.A.	2,000	10	0.19
Totals	73,188		7.05%

Source: Comprehensive Annual Financial Report for Broward County, Florida for the Fiscal Year Ended September 30, 2013.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

COPY OF RESOLUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION NO. 2959

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF COMMUNICATIONS SERVICES TAX REVENUE BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF FUNDING UNFUNDED PENSION OBLIGATIONS OF THE CITY AND OTHER CAPITAL PROJECTS FROM TIME TO TIME; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $45,000,000 TAXABLE COMMUNICATIONS SERVICES TAX REVENUE BONDS, SERIES 2003A; PLEDGING THE CITY'S COMMUNICATIONS SERVICES TAX REVENUES AND PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM SUCH REVENUES; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; APPOINTING A REGISTRAR AND PAYING AGENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

B-1

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA:

SECTION 1. Authority for This Resolution. This Resolution is adopted pursuant to the Florida Constitution, the City Charter, Chapter 166, Part II, and Chapter 159, Part VII, Florida Statutes, and other applicable provisions of law.

SECTION 2. Definitions. The following terms shall have the following meanings herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Payment Date next preceding the date of computation or the date of computation if a Payment Date, such interest to accrue at a rate not exceeding the legal rate, compounded semi-annually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of

computation shall not be a Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Payment Date and the Accreted Value as of the immediately succeeding Payment Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360 day year.

"Act" shall mean Chapter 166, Part II, and Chapter 159, Part VII , Florida Statutes, and other applicable provisions of law.

"Additional Bonds" shall mean Bonds issued subsequent to the Series 2003 Bonds on a parity with the Series 2003 Bonds herein authorized.

"Amortization Installments" with respect to any Term Bonds of a series, shall mean an amount or amounts so designated which is or are established for the Term Bonds of such series, provided that (i) each such installment shall be deemed to be due on such interest or principal maturity date of each applicable year as is fixed by resolution of the Issuer and shall be a multiple of $5,000 principal amount, and (ii) the aggregate of such installments for such series shall equal the aggregate principal amount of Term Bonds of such series authenticated and delivered on original issuance.

"Authorized Investments" shall mean any investments authorized by the City's Investment Policy as amended from time to time.

"BMA Index Rate" means the rate published in The Bond Market Association Municipal Swap Index, produced by Municipal Market Data, a Thomson Financial Services Company, or its successors.

"Bond Insurer" shall mean the provider of a municipal bond insurance policy insuring the payment of principal of or interest on the Series 2003 Bonds or any Additional Bonds.

"Bondholder" shall mean a registered owner of a Bond as shown on the registration books of the Registrar.

"Bond Service Requirement" for any Fiscal Year, as applied to the Bonds of any Series, shall mean the sum of:

(1) the amount required to pay the interest becoming due on the Bonds of such Series during the Fiscal Year (including the accreted interest component of the Accreted Value of Capital Appreciation Bonds maturing during that Fiscal Year), except to the extent that such interest shall have been provided by payments into the Sinking Fund out of Bond proceeds for a specific period of time or by payments of investment income into the Sinking Fund from the Bond Service Account or any subaccounts therein.

(2) the amount required to pay the principal of Serial Bonds of such Series maturing in such Fiscal Year.

(3) the Amortization Installments for the maturities of Term Bonds of such Series for such Fiscal Year.

Notwithstanding the foregoing, for purposes of calculating Bond Service Requirement for any Fiscal Year (i) interest, Accreted Value and principal maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Fiscal Year and (ii) with respect to variable rate bonds, if any, the interest rate used to calculate the Bond Service Requirement shall be assumed to be the highest variable rate borne over the preceding complete twenty-four (24) months by outstanding variable rate bonds issued under this Resolution, or, if no such variable rate bonds are at the time Outstanding under this Resolution, by the highest rate determined by the BMA Index over the preceding complete twenty-four (24) months, and (iii) if Bonds are option bonds, the date or dates of tender shall be disregarded, unless actually tendered and not remarketed, and the stated maturity dates thereof shall be used for purposes of this calculation, if such option bonds are to be retired on such date of maturity.

"Bonds" shall mean the Series 2003 Bonds and any Additional Bonds.

"Bond Year" shall mean, with respect to the Series 2003 Bonds, the twelve-month period ending on the date that corresponds to the day of the year that immediately precedes the final maturity date for the Series 2003 Bonds, and with respect to any Additional Bonds, such period as may be specified by subsequent resolution of the City authorizing such Additional Bonds.

"Capital Appreciation Bonds" shall mean the Bonds of any Series, the interest on which is payable only at maturity or redemption, as determined by subsequent resolution.

"Capital Appreciation Term Bonds" shall mean Capital Appreciation Bonds of a Series all of which shall be stated to mature on one date, which shall be subject to retirement by operation of the Bond Amortization Account, and the interest on which is payable only at maturity or redemption.

"Closing Date" means, with respect to a particular Series of Bonds issued hereunder, the date of issuance and delivery of such Bonds to the original purchaser or purchasers thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Communications Services Tax Revenue" shall mean all revenues and taxes received by the Issuer pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Series 2003 Bonds, as it may be amended from time to time in accordance with the terms thereof.

"Cost of a Project" means those costs described in Section 5 hereof.

"County" shall mean Broward County, Florida, a political subdivision of the State of Florida.

"Dated Date" shall mean, with respect to each Series of Bonds, the date on which interest commences to accrue or accrete on such Series of Bonds.

"Enhanced Pension Benefits" shall mean, with respect to the Series 2003 Bonds, the increased pension benefits to be paid under the Pension Plan, initially as authorized by Ordinance No. 1443, enacted on June 18, 2003, with respect to the Firefighters Pension Fund, and with respect to any Additional Bonds, Enhanced Pension Benefits identified in a subsequent resolution adopted prior to the issuance of such Additional Bonds.

"Federal Securities" shall mean only direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States of America.

"Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period as is at the time prescribed by law.

"Fitch" means Fitch Ratings and its successors.

"Liquidity Facility" means a line of credit, letter of credit or similar enhancement device or arrangement creating a source to be drawn upon by the Issuer to pay the purchase price of one or more Series of Bonds.

"Issuer" or "City" shall mean the City of Pembroke Pines, Florida.

"Maturity Amount" shall mean the amount payable upon the stated maturity of a Capital Appreciation Bond equal to the principal amount thereof plus all accrued interest thereon from the date of issue to the date of maturity.

"Maximum Bond Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Paying Agent" shall mean U.S. Bank National Association, Ft. Lauderdale, Florida, its successors and assigns.

"Payment Date" shall mean, with respect to payment to the Bondholders of principal or interest on the Bonds, or with respect to the mandatory amortization of Term Bonds, the date upon which payment of such principal, interest or Amortization Installment is required to be made to the paying agent.

"Pension Plan" shall mean, separately or collectively, as the case may be, the contributory defined benefit retirement plans of the City known as the Police and Firefighters Pension Fund and the General Employees' Pension Fund.

"Pension Obligation" shall mean the actuarially determined lump sum contribution amount required to be made to the City's Pension Plan to cover Enhanced Pension Benefits payable under such Pension Plan in order to fund the actuarially determined unfunded amount for the Enhanced Pension Benefits and maintain the City's annual contribution amount to such Pension Plan at approximately the same level as before the effective date of the Enhanced Pension Benefits.

"Pledged Revenues" shall mean the Communications Services Tax Revenues, any funds on deposit in any fund or account created under this Resolution, and any Qualified Hedge Receipts.

"Project" or "Projects" means any capital or other project hereafter authorized by the Issuer by ordinance in accordance with Section 9.07 of the City Charter and designated by supplemental resolution adopted prior to the issuance of Additional Bonds the proceeds of which are to fund all or a portion of the costs of such Project and funded, in whole or in part, with the proceeds of Additional Bonds issued pursuant to Section 17(J) hereof.

"Project Fund" means the Project Fund permitted to be created pursuant to Section 16 of this Resolution.

"Qualified Hedge Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Issuer and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated in the single-A category or above (without regard to gradations) by at least one major rating agency, which is entered into by the Issuer as a debt management tool with respect to the Bonds or a portion thereof issued hereunder, provided that the payments to be made by the counterparty thereunder have been pledged to the payment of the Bonds.

"Qualified Hedge Payments" means the payment obligation of the Issuer arising under a Qualified Hedge Agreement, which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder or a particular Series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Hedge

Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example any termination fee, indemnification obligations or other fees payable to the counterparty).

"Qualified Hedge Receipts" means the payment obligations of the counterparty to the Issuer arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any termination fee, indemnification obligations or other fees payable to the counterparty).

"Registrar" shall mean the paying agent for the Series 2003 Bonds, as Bond Registrar, or such other person, firm or corporation as may hereafter be from time to time designated by the Issuer as the Registrar for the Series 2003 Bonds.

"Reserve Product" means bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Account and meeting the terms and conditions of Section 17(B)(4) of this Bond Resolution.

"Reserve Product Provider" means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the date of issuance of the Series of Bonds for which the Reserve Product is to be utilized) being rated in the highest full rating category by S&P, Moody's or Fitch.

"Reserve Requirement" shall mean, with respect to each Series of Bonds, an amount equal to the lesser of (i) ten percent (10%) of the principal amount of such Series of Bonds, (ii) the Maximum Bond Service Requirement on such Series of Bonds or (ii) 125% of the average annual Bond Service Requirement for such Series of Bonds.

"Resolution" shall mean this resolution as from time to time amended or supplemented, in accordance with the terms hereof.

"S&P" means Standard & Poor's Ratings Group and its successors.

"Serial Bonds" shall mean any Bonds for the payment of the principal of which, at the maturity thereof, no Amortization Installments are required to be made prior to the twelve-month period immediately preceding the stated date of maturity of such Serial Bonds.

"Series" means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental ordinance or resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this Bond Resolution.

"Series 2003 Bonds" shall mean the Issuer's Taxable Communications Services Tax Revenue Bonds, Series 2003A issued pursuant to this Resolution.

"Taxable Bonds" shall mean Bonds, the interest on which is not excluded from gross income of the Bondholder for federal income tax purposes by Section 103 of the Code.

"Tax-Exempt Bonds" shall mean Bonds, the interest on which is excluded from gross income of the Bondholders for federal income tax purposes by Section 103 of the Code.

"Term Bonds" shall mean the Bonds of a series all of which shall be stated to mature on one date and which shall be subject to retirement by operation of the Bond Amortization Account.

SECTION 3. Findings. It is hereby ascertained, determined and declared that:

A. The Issuer has determined that it has unfunded Pension Obligations with respect to the City's Pension Plan.

B. The issuance of the Bonds for the purpose of funding all or a portion of the Pension Obligations of the Issuer will serve a public purpose and is in the best interests of the Issuer.

C. The Issuer is authorized and empowered by the Act to issue the Bonds and use the proceeds thereof, together with other funds of the Issuer, if any, to provide for the funding of the Pension Obligations.

D. The principal of, premium, if any, and interest on the Bonds and all required sinking fund and other payments with respect thereto shall be payable from the proceeds of Bonds, the Pledged Revenues and from other moneys deposited in the funds and accounts created by this Bond Resolution, which the Issuer has full authority to irrevocably pledge. The Issuer shall never be required to levy ad valorem taxes on any real or personal property to pay the principal of, interest on or any premium with respect to the Bonds or to make any of the required sinking fund, reserve or other payments required herein, and the Bonds shall not constitute a lien on any real or personal property owned by or situated within the limits of the Issuer.

E. The expenditure of proceeds of the Bonds for the purpose of funding the Pension Obligations is hereby deemed to be made for a public purpose and constitutes a "project" within the meaning and contemplation of Section 166.101(8), Florida Statutes.

SECTION 4. Resolution to Constitute Contract. In consideration of the acceptance of the Bonds by the Bondholders from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Bondholders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 5. Authority for the Funding of the Pension Obligations and the Issuance of the Series 2003 Bonds. The funding of all or a portion of the Pension Obligations and one or more Projects and the issuance of the Bonds, specifically including the Series 2003 Bonds for such purpose is hereby authorized. Subject to the provisions hereof, Bonds to be known as Communications Services Tax Revenue Bonds, Series [to be determined] are authorized to be issued either as Taxable Bonds or Tax-Exempt Bonds in an aggregate principal amount limited only by the operation of Section 17(J) hereof, to finance Pension Obligations and the Cost of a Project, and subject and pursuant to the provisions hereof, Series 2003 Bonds to be known as the "City of Pembroke Pines, Florida, Taxable Communications Services Tax Revenue Bonds, Series 2003A (or such other Series designation as shall be designated by subsequent resolution), are hereby authorized to be issued, in one or more Series, in an aggregate principal amount not to exceed Forty Five Million Dollars ($45,000,000), for the purpose of funding of all or a portion of the Pension Obligations and paying the costs of issuance of the Series 2003 Bonds and funding a debt service reserve. Additional Bonds in excess of the principal amount of the Series 2003 Bonds issued pursuant to this Bond Resolution may be issued from time to time pursuant to Section 17(J) hereof.

For purposes of the Series 2003 Bonds and Additional Bonds that may be issued hereunder from time to time, the Cost of a Project may include, without limiting the items of cost permitted under the Act, the following items to the extent they relate to any such Project: (i) all expenses necessary, appurtenant or incidental to the reimbursement, acquisition, construction and installation of the Project, including without limitation the cost of any land or interest therein or of any fixtures, equipment or personal property necessary or convenient therefor, the cost of labor and materials to complete such construction, architectural, engineering and legal expenses, fiscal expenses, expenses for estimates of costs and of revenues, expenses for plans, specifications and surveys, interest during construction, administrative expenses related solely to the acquisition and construction of the Project; (ii) all costs of issuance of Bonds, including, without limitation, the fees and costs of municipal bond insurance, a Reserve Product, a Liquidity Facility, a Credit Facility, if any, bond counsel, underwriter and/or disclosure counsel, special tax counsel and financial advisors, printing costs, rating agency fees, initial acceptance fees of paying agents, registrars, trustees, depositaries and all fees and costs of financial institutions providing special credit facilities, if any, with respect to one or more Series of Bonds; (iii) the fees of special advisors and consultants associated with one or more aspects of such Project; (iv) all amounts required to be paid by this Bond Resolution, or any ordinance or supplemental resolution authorizing the issuance of a Series of Bonds, into the Reserve Account and into the Sinking Fund Account upon the issuance of any Series of Bonds; (v) the reimbursement to the Issuer of all eligible costs of such Project that have been advanced by the Issuer from its available funds or on behalf of the Issuer before the delivery of a Series of Bonds issued to finance such costs; (vi) the principal, interest, premium, if any, and costs related thereto, payable with respect to any note or other obligation issued by the Issuer to pay any part of the Cost of the Project enumerated in this Section; (vii) all amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds; and (viii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized.

The Issuer may by supplemental resolution specify for each Series of Bonds, including the Series 2003 Bonds, the following: the authorized principal amount of Bonds needed to pay the Pension Obligations and the Cost of the Project for which such Series of Bonds is issued; the date and terms of maturity or maturities of the Bonds and the interest payment dates with respect thereto; the interest rate or rates of the Bonds, which may include variable, dual, convertible or other rates, compound interest, Capital Appreciation Bonds, original issue discount and zero interest rate bonds, provided that the average net interest cost rate on such Bonds shall never exceed the maximum interest rate permitted by law in effect at the time such Bonds are issued; and provided further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds, or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed to be issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder; the denominations, numbering and lettering of such Bonds, provided that the Bonds shall be in the denominations of $5,000, or any integral multiple thereof, or in the case of Capital Appreciation Bonds, $5,000 amount due at maturity or any integral multiple thereof, or any other denomination designated by ordinance or resolution of the Issuer enacted or adopted prior to the issuance of such Bonds; the Paying Agent and place or places of payment of such Bonds; the redemption prices for such Bonds and any terms of redemption or any formula for accretion upon redemption, not inconsistent with the provisions of this Bond Resolution, which may include mandatory redemptions or purchases at the election of the holder or registered owner thereof; the amount and date of each Amortization Installment, if any, for such Term Bonds, provided that each Amortization Installment shall fall due on October 1; the use of proceeds of such Bonds not inconsistent with this Bond Resolution, and any other terms or provisions applicable to the Bonds, not inconsistent with the provisions of this Bond Resolution or the Act. All of the foregoing may be added by supplemental resolution or resolutions adopted at any time and from time to time prior to the issuance of any Series of such Bonds. Unless otherwise so provided, each Bond shall

bear interest from the later of the Dated Date or original issue date shown thereon or the most recent interest payment date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for. The Series 2003 Bonds may be issued in one or more Series and the Series designation of such Bonds may be changed to reflect the date and sequence of issuance, and the particular terms thereof.

Except as otherwise provided by subsequent resolution, all Bonds issued hereunder shall be in registered form, shall be payable in lawful money of the United States of America and shall bear interest from their date, or from such other date as the Issuer may determine, which in the case of Current Interest Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof unless otherwise provided by subsequent ordinance or resolution. Principal, and any Accreted Value on Capital Appreciation Bonds, shall be payable at maturity or earlier redemption thereof upon presentation and surrender of such Bonds at the principal office of the Registrar by check or draft unless otherwise provided by subsequent ordinance or resolution. In addition, notwithstanding the foregoing, if and to the extent permitted by applicable law, the Issuer may establish a system of registration and may issue thereunder uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations, certificated registered public obligations (represented by instruments), combinations thereof, or such other obligations as may then be permitted by law. The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Bonds within a commercially reasonable time according to the then current industry standards and to cause the timely payment of interest, principal and premiums, if any, payable with respect to the Bonds. Registration and registration of transfer of the Series 2003 Bonds shall be subject to the terms set forth in the form of the Series 2003 Bonds in Section 9 hereof. If the Issuer adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a holder of any Bond then outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same. A list of the names and addresses of the registered owners of the Bonds shall be maintained at all times by the Registrar.

SECTION 6. Description of Series 2003 Bonds. The Series 2003 Bonds shall be dated as of a date or dates to be fixed by subsequent resolution of the Issuer, but not later than their date of delivery; shall be designated "R-__" and numbered consecutively from one upward in order of authentication; shall be in such denominations, shall bear interest at such rate or rates not exceeding the maximum legal rate allowable by law to be payable at such times, and shall mature either annually or semi-annually on such dates and in such years and amounts, all as shall be determined by subsequent resolution of the Issuer. The Series 2003 Bonds shall bear interest from their date or from the most recent Payment Date to which interest has been paid, until payment of the principal sum.

The Series 2003 Bonds shall be issued in fully registered form, payable as to principal and premium, if any, upon presentation and surrender thereof on the date fixed for maturity or redemption thereof at the corporate trust office of the Paying Agent hereafter named. Interest on each 2003 Bond shall be paid by check or draft mailed to the person in whose name the 2003 Bond is registered, at his or her address as it appears on the bond register maintained by the Registrar, at the close of business on the 15th day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date"), irrespective of any transfer of such 2003 Bond subsequent to such Record Date and prior to such Payment Date, unless the Issuer shall be in default in payment of interest due on such Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the registered owner of the Series 2003 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the person in whose name such 2003 Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of this Resolution and the Series 2003 Bonds and shall be payable in any coin or currency of the United States of America which, at the time of payment is legal tender for the payment of public or private debts.

No 2003 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the certificate of authentication endorsed on the 2003 Bond shall have been duly signed by the Registrar.

If the date for payment of the principal of, premium, if any, or interest on the Series 2003 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

SECTION 7. Execution of Series 2003 Bonds. The Series 2003 Bonds shall be executed in the name of the Issuer by its Mayor and City Manager and attested by the City Clerk, and approved as to form and correctness by the City Attorney, either manually or with his facsimile signature, and the official seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signature of such officers may be imprinted or reproduced on the Series 2003 Bonds. The Certificate of Authentication of the Registrar shall appear on the Series 2003 Bonds, and no 2003 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such 2003 Bond. The authorized signature for the Registrar shall be either manual or facsimile; provided, however, that at least one of the signatures appearing on the Series 2003 Bonds shall at all times be a manual signature. In case any officer whose signature shall appear on any Bonds shall cease to

be such officer before the delivery of such Series 2003 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2003 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2003 Bonds shall hold the proper office with the Issuer, although at the date of adoption of this Resolution such person may not have held such office or may not have been so authorized.

SECTION 8. Negotiability. Subject to the provisions hereof respecting registration and transfer, the Series 2003 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the Series 2003 Bonds, shall be conclusively deemed to have agreed that the Series 2003 Bonds shall be and have all of such qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities of the State of Florida.

SECTION 9. Registration, Exchange and Transfer. There shall be a Registrar for the Series 2003 Bonds, which may be the Issuer or a designated bank or trust company located within or without the State of Florida. The Registrar shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Series 2003 Bonds. The Issuer shall, prior to the proposed date of delivery of the Series 2003 Bonds, by resolution designate the Registrar. The Registrar shall maintain the books for the registration of the transfer and exchange of the Series 2003 Bonds in compliance with the Florida Registered Public Obligations Act and the system of registration as established by the Issuer pursuant thereto.

Bonds, upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner thereof or such registered owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity of any other authorized denominations.

Each Bond shall be transferable only upon the Bond Register of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with an written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered 2003 Bond. The Issuer, the Registrar and any paying agent or fiduciary of the Issuer may deem and treat the person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any paying agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

Upon surrender for transfer or exchange of any Bond, the Issuer shall execute and the Registrar shall authenticate and deliver in the name of the registered owner or the transferee or transferees, as the case may be, a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution. The Issuer or the Registrar may charge the owner of such Bond for every such transfer or exchange an amount sufficient to reimburse them for their reasonable fees and for any tax, fee, or other governmental charge required to be paid with respect to such transfer, and may require that such charge be paid before any such new Bond shall be delivered.

All Bonds presented for transfer, exchange, redemption or payment (if so required by the Registrar), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered holder or by his duly authorized attorney in fact or legal representative.

All Bonds delivered upon transfer or exchange shall bear interest from the preceding Payment Date so that neither gain nor loss in interest shall result from the transfer or exchange. New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bond surrendered, shall be secured by this Resolution and shall be entitled to all of the security and the benefits hereof to the same extent as the Bonds surrendered.

The Issuer and the Registrar may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bonds shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this section, the Issuer reserves the right, on or prior to the delivery of the Bonds to amend or modify the foregoing provisions relating to the registration of the Bonds by resolution or ordinance in order to comply with all applicable laws, rules, and regulations of the United States and/or the State of Florida relating thereto.

SECTION 10. Book Entry Registration. With respect to any Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), all payments of interest on such Bonds shall be made by the Registrar by check and/or draft or by bank wire transfer to Cede & Co., as Bondholder of such Bonds and the Issuer and the Registrar shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer and the Registrar shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to

any ownership interest on the Bonds, (B) the delivery to any Participant or any other person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal, interest or redemption premium, if any, of the Bonds. The Issuer and the Registrar may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the Bondholder and absolute owner of such Bond for the purpose of payment of principal, interest or redemption premium, if any, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal, interest or redemption premium, if any, of the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal, interest or redemption premium, if any, of the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, interest or redemption premium, if any, pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Resolution with respect to transfers during the 15 days next preceding a payment date or mailing of notice of redemption, the words "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (i) receipt by the Issuer of written notice from DTC (a) to the effect that a continuation of the requirement that any Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds or (b) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (ii) determination by the Issuer, in its sole discretion, that such book-entry only system should be discontinued by the Issuer, such Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names holders shall designate, in accordance with the provisions of this Bond Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Bonds consistent with the terms of this Bond Resolution, in denominations of $5,000 or any integral multiple thereof to the Bondholders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the existing Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal, interest and redemption premium, if any, on such Bonds.

SECTION 11. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on the source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 12. Provisions for Redemption. The Series 2003 Bonds shall be redeemable as provided by subsequent resolution of the Issuer.

Series 2003 Bonds in denominations greater than an authorized denomination (or authorized Maturity Amount in the case of Capital Appreciation Bonds) shall be deemed to be an equivalent number of Bonds in the denomination of an authorized denomination. If a Bond is of a denomination or Maturity Amount larger than an authorized denomination, a portion of such Bond may be redeemed, in the amount of an authorized denomination or Maturity Amount or integral multiples thereof.

Notice of such redemption, identifying the Bonds or portions thereof called for redemption (i) shall be filed with the Paying Agent and any Registrar; and (ii) shall be mailed by the Registrar, first-class mail, postage prepaid, to all registered owners of the Bonds to be redeemed not more than thirty (30) days and not less than fifteen (15) days prior to the date fixed for redemption at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to give such notice by mailing to any owner of Bonds, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds.

If less than all of a Series of Bonds of like maturity are called for redemption, the particular

Bonds or portions thereof to be redeemed will be selected by lot by the Paying Agent and Registrar in such manner as the Paying Agent and Registrar deems fair and appropriate. The portion of any Bonds to be redeemed of a denomination of more than $5,000 will be redeemed in the principal amount of $5,000 or an integral multiple thereof, and, in selecting portions of such Bonds for redemption, the Paying Agent and Registrar will treat each such Bonds as representing that number of Bonds in $5,000 denominations which is obtained by dividing the principal amount of such Bonds to be redeemed in part by $5,000.

Notice having been mailed and filed in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the holders of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the registered owners of such Bonds or portions of Bonds, shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Upon surrender of any Bond for redemption in part only, the Issuer shall issue and deliver to the holder thereof, the costs of which shall be paid by the holder, a new Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion surrendered.

SECTION 13. Form of Series 2003 Bonds. The text of the Series 2003 Bonds, the Certificate of Authentication and the Assignment shall be in substantially the forms attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent ordinance or resolution adopted prior to the issuance thereof.

SECTION 14. Bonds Not Debt of Issuer. The Bonds shall not be or constitute a general indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from and secured by a prior lien upon and pledge of the Pledged Revenues herein provided. No Bondholder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real property therein to pay such Bonds or the interest thereon or be entitled to payment of such principal and interest from any other funds of the Issuer except from the Pledged Revenues and other amounts specifically pledged therefor in the manner provided herein. The Bonds shall not constitute a lien upon the City's Pension Plan or any part thereof, or upon any other property of the Issuer except upon the Pledged Revenues and other amounts specifically pledged therefore in the manner hereinafter provided.

SECTION 15. Pledged Revenues. Until payment has been provided for as herein permitted, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues prior and superior to all other liens or encumbrances on such Pledged Revenues, and the Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Bonds, the reserves therefor, and for all other required payments.

The Pledged Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge, shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer. All deposits into the funds and accounts created herein shall be deemed to be held in trust by the Issuer by the Finance Director for the purposes herein provided.

SECTION 16. Creation of Funds and Accounts. There are hereby created and established (i) the "City of Pembroke Pines Communications Services Tax Revenue Fund" (hereinafter called the "Revenue Fund"), and (ii) the "City of Pembroke Pines Communications Services Tax Sinking Fund" (hereinafter called the "Sinking Fund") and three accounts therein, the "Sinking Fund Account", the "Bond Amortization Account" and the "Reserve Account" (and a subaccount in the Reserve Account shall be created for each Series of Bonds).

The Sinking Fund created hereunder and all accounts and subaccounts therein and the Project Fund, if hereafter created, and any accounts created therein constitute trust funds for the purposes herein and in any subsequent resolution provided, shall be delivered to and held by the Finance Director (or an authorized depository designated by the Finance Director), in each case who shall act as trustee of such funds for the purposes hereof, and shall at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided. Moneys held in the Sinking Fund and the accounts and subaccounts therein shall be subject to a lien and charge in favor of the holders and registered owners of the Bonds as herein provided.

In the event that the Issuer shall issue Additional Bonds hereunder to pay the Cost of a Project, it shall in the resolution authorizing such Bonds create a Project Fund and two accounts therein, an account to be designated to hold the proceeds of such Additional Bonds to pay the Cost of such Project and an account to hold the proceeds to be applied to pay the costs of issuance of such Series of Bonds. Moneys in the Project Fund shall be kept separate and apart from all other funds and accounts of the Issuer.

Any funds on deposit in the Project Fund that in the opinion of the Issuer are not immediately necessary for expenditure, as hereinabove provided, may be invested in Authorized Investments, provided that such investments mature or are redeemable at not less than par on or

before the date such funds are estimated to be needed for the purposes hereof. Except as otherwise provided in this Resolution or a subsequent resolution authorizing Additional Bonds, all income derived from the investment of funds in the respective accounts of the Project Fund shall be deposited into such respective accounts.

Any amounts remaining in an account in the Project Fund from proceeds of any Series of Bonds after funds on deposit therein are no longer needed to be expended for the purpose for which such account was created hereunder and which have not been reserved by the Issuer for the payment of the Cost of a Project or costs of issuance, as the case may be, shall be transferred at the option of the Issuer to the Sinking Fund Account and used to redeem Bonds in the manner described in the subsequent resolution authorizing such Bonds.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

SECTION 17. Covenants of the Issuer. Until all principal of and interest on the Bonds shall have been paid or provided for as herein permitted, the Issuer covenants with the Bondholders as follows:

A. REVENUE FUND. The Pledged Revenues shall, upon receipt thereof by the Issuer, be deposited in the Revenue Fund. Such Revenue Fund shall constitute a trust fund for the purposes herein provided, and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner herein provided.

B. DISPOSITION OF REVENUES. All Pledged Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of on or before the twentieth day of each month, only in the following manner and in the following order of priority:

(1) Pledged Revenues shall be applied and allocated to the Sinking Fund, in such sums as will be sufficient to pay (a) one-sixth (1/6) of all interest becoming due on the Bonds on the next semi-annual interest Payment Date; (b) one-twelfth (1/12) of all principal or Accreted Value maturing annually on the Serial Bonds on the next maturity date, (c) an amount sufficient to pay the fees and charges of the paying agents, and (d) any Qualified Hedge Payments. Such deposits shall be increased or may be decreased as necessary to ensure that sufficient money will be on deposit on each interest and principal Payment Date to pay the then maturing interest on and principal of the Bonds, any applicable fees and charges and all Qualified Hedge Payments. The money in the Sinking Fund shall be used solely to pay such interest, principal, any fees and charges and all Qualified Hedge Payments as and when the same shall become due.

(2) There shall be applied and allocated to a Bond Amortization Account in the Sinking Fund during each Bond Year, on a parity with the payments required in paragraph (1) above, an amount equal to one-twelfth (1/12) of the Amortization Installment or Accreted Value on a Capital Appreciation Term Bond, if any, becoming due and payable on the next Payment Date, less any amount then on deposit in such Bond Amortization Account and available for such one-twelfth portion of the payment of the next ensuing Amortization Installment. Such payments shall be credited to a separate special account for each Series of Term Bonds outstanding, and if there shall be more than one stated maturity for Term Bonds of a Series then into a separate special account in the Bond Amortization Account for each such separate maturity of Term Bonds. The funds and investments in each separate account shall be pledged solely to the payment of principal of the Term Bonds of the Series or maturity within a Series for which it is established and shall not be available for payment, purchase or redemption of Term Bonds of any other Series or within a Series, or for transfer to the Sinking Fund to make up any deficiencies in required payments therein.

Upon the sale of any Series of Term Bonds, the Issuer shall, by resolution or ordinance, establish the amounts and maturities of such Amortization Installments for each Series and if there shall be more than one maturity of Term Bonds within a Series, the Amortization Installments for the Term Bonds of each maturity. In the event the moneys deposited for retirement of a maturity of Term Bonds are required to be invested in the manner provided below, then the Amortization Installments may be stated in terms of either the principal amount of the investments to be purchased on, or the cumulative amounts of the principal amount of investments required to have been purchased by the payment date of such Amortization Installment.

Moneys in each of the separate special accounts in the Bond Amortization Account shall be used for the open market purchase or the redemption of Term Bonds of the Series or maturity of Term Bonds within a Series for which such separate special account is established or may remain in said separate special account and be invested until the stated date of maturity of the Term Bonds. The resolution or ordinance establishing the Amortization Installments for any Series or maturity of Term Bonds may limit the use of moneys to any one or more of the uses set forth in the preceding sentence.

(3) Pledged Revenues shall next be applied and allocated to each subaccount in the Reserve Account, created and established in the Sinking Fund, to maintain an amount equal to the applicable Reserve Requirement for each Series of Bonds.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of, Accreted Value or interest on the Bonds, or maturing Amortization Installments, when the other moneys allocated to the Sinking Fund are insufficient therefor, and for no other purpose. However, whenever the moneys applied and allocated to the Reserve Account exceed the principal, interest and redemption premium, if any, on all then outstanding Bonds

becoming due in the current or any ensuing Fiscal Year, or exceed the amount required to be on deposit pursuant to the first paragraph of this subsection (3), such excess may be withdrawn and applied and allocated into the Revenue Fund or the Sinking Fund.

(4) Upon the issuance of any Additional Bonds under the terms, limitations and conditions as provided herein, the applications and allocations into the Reserve Account and the Sinking Fund shall be increased in such amounts as are necessary to make the payments required above for the principal of and interest on such Additional Bonds, all on the same basis as provided herein.

The Issuer shall not be required to make any further applications or allocations to the Sinking Fund or the Reserve Account when the aggregate sums applied and allocated thereto are and remain at least equal to the amounts required pursuant to subsections (1) - (4) hereof.

Notwithstanding the foregoing provisions, in lieu of the required deposits of Pledged Revenues into the respective subaccount in the Reserve Account for a Series of Bonds, the Issuer may cause to be deposited into the respective subaccount in the Reserve Account a Reserve Product issued by a reputable and recognized Reserve Product Provider for the benefit of the Bondholders of such Series in an amount equal to the difference between the amount required and the sums then on deposit in the respective subaccount in the Reserve Account, if any, which Reserve Product shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose. The Reserve Product Provider shall be an entity whose debt obligations are rated in the highest rating category by Fitch, Moody's or S&P, or their successors. If a disbursement is made from a Reserve Product provided pursuant to this paragraph, the Issuer shall be obligated to either reinstate the maximum limits of such surety bond or insurance policy immediately following such disbursement or to apply and allocate into the Reserve Account, as herein provided in this paragraph for restoration of withdrawals from the Reserve Account, funds in the amount of the disbursement made under such policy, or a combination of such alternatives.

(5) Pledged Revenues shall next be applied and allocated, but only if and to the extent available, to payment of any obligations or indebtedness of the Issuer payable from the Pledged Revenues junior and subordinate to the payments above required for the benefit of the holders of the Bonds, in the manner and upon such priority of payment as may be provided by subsequent resolution or ordinance of the Issuer; provided, however, that the insufficiency of Pledged Revenues to make any required payments under this paragraph (5) shall not constitute a default hereunder.

(6) The balance of any moneys remaining in the Revenue Fund after the above required applications and allocations have been made may be used for any other lawful purpose.

C. INVESTMENT OF FUNDS. The Sinking Fund, the Reserve Account, the Revenue Fund, the Project Fund and any other special funds or accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the same manner as state and municipal deposits are required to be secured by the laws of the State of Florida. Moneys on deposit in any of such funds and accounts may be invested and reinvested in Authorized Investments.

Investments made with moneys in the Revenue Fund, the Project Fund and the Sinking Fund (except the Bond Amortization Account), and the Revenue Fund must mature not later than the date that such moneys will be needed. Investments made with moneys in the accounts in the Bond Amortization Account and in each subaccount in the Reserve Account must mature, in the case of the accounts in the Bond Amortization Account not later than the stated date of maturity of the Term Bonds to be retired from the sub-accounts in the Bond Amortization Account from which the investment is made, and in the case of the Reserve Account not later than the final maturity of the respective Series of Bonds secured by such subaccount in the Reserve Account. Any and all income received by the Issuer from all such investments may be used for any lawful purpose.

The cash required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

D. COMMUNICATIONS SERVICES TAX REVENUES NOT SUBJECT TO REPEAL. The Issuer has full power to levy and irrevocably pledge the Communications Services Tax Revenues to the payment of the principal of and interest on the Bonds, and the levy and pledging of the Communications Services Tax Revenues in the manner provided herein shall not be subject to repeal or impairment by any subsequent ordinance, resolution or other proceedings of the governing body of the Issuer.

E. ENFORCEMENT OF COLLECTIONS. The Issuer will diligently enforce and collect the Pledged Revenues herein pledged; will take steps, actions and proceedings for the enforcement and collection of such Pledged Revenues as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All Pledged Revenues shall, as collected, be held in trust to be applied as herein provided and not otherwise.

F. BOOKS AND RECORDS. The Issuer shall keep books and records of the Pledged Revenues, which such books and records shall be kept separate and apart from all other books, records and accounts of the Issuer, and Bondholders shall have the right at all reasonable times to

inspect all records, accounts and data of the Issuer relating thereto.

G. REMEDIES. Any Bondholder, or any trustee acting for the Bondholders may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any Bondholders any lien on any real property of the Issuer.

Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders under this Resolution, and the Bond Insurer shall also be entitled to approve all waivers of events of default so long as the Bond Insurer is fully performing under its municipal bond insurance policy.

H. EVENTS OF DEFAULT. It shall be an event of default under this Resolution if the Issuer shall:

(1) fail to deposit with the Paying Agent on the due date thereof sufficient funds to pay maturing principal and interest on the Bonds;

(2) fail to deposit or pay within ten (10) days after the due date thereof any other required deposit or payment under this Resolution; or

(3) fail to comply with any other covenant made in this Resolution, which failure shall continue for more than thirty (30) days.

I. ISSUANCE OF OTHER OBLIGATIONS. Except under the conditions and in the manner provided herein the Issuer will not issue any other obligations payable from the Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Bonds and the interest thereon, upon the Pledged Revenues. All other obligations issued by the Issuer, other than the Bonds herein authorized and Additional Bonds provided for in Subsection J below, payable from the Pledged Revenues shall be, and shall contain an express statement that such obligations are, junior and subordinate in all respects to the Bonds, as to lien on and source and security for payment from the Pledged Revenues.

J. ISSUANCE OF ADDITIONAL BONDS. Additional Bonds, payable on a parity from the Pledged Revenues with the Series 2003 Bonds and any Additional Bonds then outstanding issued pursuant to this Resolution, shall be issued only upon the conditions and in the manner herein provided:

(1) The Issuer shall prepare prior to the issuance of such Additional Bonds and keep on file a certificate: (a) stating that the financial statements of the Issuer have been audited by an independent certified public accountant; (b) setting forth the amount of Pledged Revenues received by the Issuer for the most recent full Fiscal Year for which an audit has been prepared; (c) stating that the Pledged Revenues for such Fiscal Year equal at least 1.20 times the Maximum Bond Service Requirement on (i) all outstanding Bonds and all Additional Bonds, if any, then outstanding and (ii) the Additional Bonds with respect to which such certificate is made.

(2) Each ordinance or resolution authorizing the issuance of Additional Bonds must recite that all of the covenants contained herein and will be applicable to such Additional Bonds.

(3) The Issuer must not be in default in performing any of the covenants and obligations contained in this Resolution, and all payments therein required to have been made into the accounts and funds, as provided hereunder, shall have been made to the full extent required.

SECTION 18. Application of Proceeds of the Series 2003 Bonds. All moneys received from the sale of the Series 2003 Bonds shall be deposited by the Issuer in a special account in a bank, trust company or the State Board of Administration and applied by the Issuer as follows:

(A) All accrued and capitalized interest shall be deposited in the Sinking Fund and used solely for the purpose of paying interest on the Series 2003 Bonds.

(B) A sum equal to the Reserve Requirement for the Series 2003 Bonds shall be deposited into the Reserve Account or a sum equal to the premium for a Reserve Product for the Series 2003 Bonds shall be paid to the Reserve Product Provider.

(C) To the extent not reimbursed or paid by the original purchaser of the Series 2003 Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2003 Bonds, including the premium for a municipal bond insurance policy and a debt service reserve fund surety policy or similar insurance or credit enhancement product.

(D) The balance of the proceeds of the Series 2003 Bonds shall be deposited in the respective Pension Plan to fund the Pension Obligation.

SECTION 19. Sale of the Series 2003 Bonds. The Series 2003 Bonds shall be issued and sold in such manner and at such price or prices consistent with the provisions of the Act and the requirements of this Resolution, all at one time or in installments, from time to time, as the Issuer

shall hereafter determine by resolution; provided, that no installment after the first installment shall be sold unless, at the time of sale, the Issuer complies with all of the requirements of this Resolution treating such installment then being sold as if it constituted Additional Bonds.

SECTION 20. Capital Appreciation Bonds. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable under the provisions of the Resolution, or (iii) computing the amount of the Maximum Bond Service Requirement and of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Issuer or the Paying Agent any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 21. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate will not be considered an Event of Default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section. Bondholders shall not be entitled to any damages for failure of the Issuer to comply with the terms of the Continuing Disclosure Certificate.

SECTION 22. Modification or Amendment. No material modification or amendment of this Resolution or of any ordinance or resolution amendatory hereof or supplemental hereto may be made without the consent in writing of (i) the Bond Insurer under any insurance policy of the insurer then in force, if any, which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, provided no event of default on the part of the Bond Insurer has occurred and is continuing under the insurance policy and the Bond Insurer is not insolvent at the time, or (ii), in the event no such insurer is then providing an insurance policy which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, the registered owners of two-thirds (2/3) or more in the principal amount of the Bonds responding to a written request by the Issuer using certified mail for such consent; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on the Bonds as the same shall become due from the Pledged Revenues or reduce the percentage of registered owners required to consent to any material modification or amendment hereof without the consent in writing of any Bond Insurer of such Bonds and of all registered owners; provided further, however, that no such modification or amendment shall allow or permit any acceleration of the payment of principal of or interest on the Bonds upon any default in the payment thereof whether or not the insurer and registered owners consent thereto.

SECTION 23. Defeasance and Subrogation.

(a) If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest, Accreted Value and redemption premiums, if any, with respect to the Bonds or any Series of Bonds, then, and in that event, the pledge of and lien on the Pledged Revenues and all covenants herein in favor of the Bondholders of such Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of non-callable Federal Securities, bank certificates of deposit fully secured as to principal and interest by non-callable Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) or non-callable tax-exempt bonds, having a rating in the highest rating category by Fitch, Moody's or S&P (and including any additional , all in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, in respect to which such Federal Securities, certificates of deposit or tax exempt bonds, the principal and interest received will be sufficient to make timely payment of the principal of, interest on, redemption premium, if any, and any other obligations of the Issuer incurred with respect to the outstanding Bonds, shall be considered "provision for payment." Nothing herein shall be deemed to require the Issuer to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

(b) in the event any of the principal and redemption premium, if applicable, and interest due on the Bonds shall be paid by a Bond Insurer pursuant to an insurance policy which insures against non-payment thereof, the pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the registered owners to whom or for the benefit of whom the Bond Insurer has made such payments, shall continue to exist and the Bond Insurer shall be subrogated to the rights of such registered owners to the full extent of such payments.

SECTION 24. Preliminary Official Statement. The City Manager is authorized and directed to cause a Preliminary Official Statement to be prepared and to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for "permitted omissions," as defined in such Rule.

SECTION 25. Registrar and Paying Agent. U.S. Bank National Association, Ft. Lauderdale, Florida is hereby appointed to serve as Registrar and Paying Agent for the Bonds. The Registrar and Paying Agent shall act as agent for the Issuer and shall pay principal and interest on the Bonds and maintain registration books in accordance with this Resolution, as supplemented from time to time and in accordance with the laws of the State of Florida and the United States.

SECTION 26. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law

or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 27. Repealing Clause. All ordinances or resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

B-14

SECTION 28. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, THIS 17 DAY OF SEPTEMBER 2003.

CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA

(SEAL)

By: ______________________
Mayor

ATTEST:

____
EILEEN M. TESH,
CITY CLERK

FEKETE	AYE
ARMSTRONG	AYE
FIORENDINO	AYE
KATZ	AYE
ORTIS	AYE

I HEREBY CERTIFY that I have approved the form of this Resolution.

______________________ 9/17/03
SAMUEL S. GOREN,
CITY ATTORNEY

RESOLUTION NO. 2980

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA SUPPLEMENTING AND AMENDING RESOLUTION NO. 2959 AUTHORIZING THE ISSUANCE OF COMMUNICATIONS SERVICES TAX REVENUE BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF FUNDING UNFUNDED PENSION OBLIGATIONS OF THE CITY AND OTHER PROJECTS FROM TIME TO TIME; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $53,000,000 TAXABLE COMMUNICATIONS SERVICES TAX REVENUE BONDS, SERIES 2004; PLEDGING THE CITY'S COMMUNICATIONS SERVICES TAX REVENUES AND WATER PUBLIC SERVICE TAX REVENUES AND PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM SUCH REVENUES; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA:

SECTION 1. Authority for This Resolution. This Resolution is adopted pursuant to the Florida Constitution, the City Charter, Chapter 166, Part II, and Chapter 159, Part VII, Florida Statutes, Resolution No. 2959 adopted on September 17, 2003 (the "Original Resolution") and as supplemented by Resolution No. 2960 adopted on September 17 2003, and other applicable provisions of law.

SECTION 2. Definitions. The following definitions set forth in the Original Resolution are hereby amended to read as follows:

"Enhanced Pension Benefits" shall mean, with respect to the Series 2003 Bonds, the increased pension benefits to be paid under the Pension Plan, initially as authorized by Ordinance No. 1443, enacted on June 18, 2003, with respect to the Firefighters Pension Fund, and with respect to the Series 2004 Bonds, the increased pension benefits to be paid under the Pension Plan, initially as authorized by Ordinance No. 1480, enacted on March 17, 2004, with respect to the Police and Firefighter's Pension Fund, and Ordinance No. 1479 enacted on March 17, 2004 with respect to the General Employee's Pension Fund.

"Original Resolution" shall mean Resolution No. 2959 adopted by the City Commission of the Issuer on September 17, 2003.

"Pledged Revenues" shall mean the Communications Services Tax Revenues, any funds on deposit in any fund or account created under this Resolution, any Qualified Hedge Receipts and, until released in accordance with Section 10 of this Resolution, the Water Public Service Tax Revenues.

"Qualified Hedge Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Issuer and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated in the second highest rating category or above (without regard to gradations) by at least one major rating agency, which is entered into by the Issuer as a debt management tool with respect to the Bonds or a portion thereof issued hereunder, provided that the payments to be made by the counterparty thereunder have been pledged to the payment of the Bonds.

"Series 2004 Bonds" shall mean the Issuer's Taxable Communications Services Tax Revenue Bonds, Series 2004 issued pursuant to this Resolution.

"Water Public Service Tax" shall mean the taxes levied and collected within the corporate limits of the Issuer on the purchase of water service pursuant to Section 166.231 (formerly Section 167.431), Florida Statutes, and Ordinance No. 708, duly enacted by the Issuer on September 19, 1984, as the same has been or may be amended from time to time.

"Water Public Service Tax Revenues" shall mean Water Public Service Tax revenue recognized by the Issuer from time to time.

(B) Any capitalized terms not defined herein shall have the meaning assigned to such term in the Original Resolution.

SECTION 3. Authority for the Funding of the Pension Obligations and the Issuance of the Series 2004 Bonds. Subject and pursuant to the provisions hereof and the Original Resolution, Series 2004 Bonds to be known as the "City of Pembroke Pines, Florida, Taxable Communications Services Tax Revenue Bonds, Series 2004 (or such other Series designation as shall be designated by subsequent resolution), are hereby authorized to be issued, in one or more Series, in an aggregate principal amount not to exceed Fifty-three Million Dollars ($53,000,000), for the purpose of funding all or a portion of the Pension Obligations, paying the costs of issuance of the Series 2004 Bonds and funding a debt service reserve.

SECTION 4. Description of Series 2004 Bonds. The Series 2004 Bonds shall be dated as of a date or dates to be fixed by subsequent resolution of the Issuer, but not later than their date of delivery; shall be designated "R-___" and numbered consecutively from one upward in order of authentication; shall be in such denominations, shall bear interest at such rate or rates not exceeding the maximum legal rate allowable by law to be payable at such times, and shall mature either annually or semi-annually on such dates and in such years and amounts, all as shall be determined by subsequent resolution of the Issuer. The Series 2004 Bonds shall bear interest from their date or

from the most recent Payment Date to which interest has been paid, until payment of the principal sum.

The Series 2004 Bonds shall be issued in fully registered form, payable as to principal and premium, if any, upon presentation and surrender thereof on the date fixed for maturity or redemption thereof at the corporate trust office of the Paying Agent hereafter named. Interest on each Series 2004 Bond shall be paid by check or draft mailed to the person in whose name the Series 2004 Bond is registered, at his or her address as it appears on the bond register maintained by the Registrar, at the close of business on the 15th day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date"), irrespective of any transfer of such Series 2004 Bond subsequent to such Record Date and prior to such Payment Date, unless the Issuer shall be in default in payment of interest due on such Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the registered owner of the Series 2004 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the person in whose name such Series 2004 Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of this Resolution and the Series 2004 Bonds and shall be payable in any coin or currency of the United States of America which, at the time of payment is legal tender for the payment of public or private debts.

No Series 2004 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the certificate of authentication endorsed on the 2004 Bond shall have been duly signed by the Registrar.

If the date for payment of the principal of, premium, if any, or interest on the Series 2004 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

SECTION 5. Execution of Series 2004 Bonds. The Series 2004 Bonds shall be executed in the name of the Issuer by its Mayor and City Manager and attested by the City Clerk, and approved as to form and correctness by the City Attorney, either manually or with his facsimile signature, and the official seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signature of such officers may be imprinted or reproduced on the Series 2004 Bonds. The Certificate of Authentication of the Registrar shall appear on the Series 2004 Bonds, and no Series 2004 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Series 2004

Bond. The authorized signature for the Registrar shall be either manual or facsimile; provided, however, that at least one of the signatures appearing on the Series 2004 Bonds shall at all times be a manual signature. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Series 2004 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2004 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2004 Bonds shall hold the proper office with the Issuer, although at the date of adoption of this Resolution such person may not have held such office or may not have been so authorized.

SECTION 6. Negotiability. Subject to the provisions hereof respecting registration and transfer, the Series 2004 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the Series 2004 Bonds, shall be conclusively deemed to have agreed that the Series 2004 Bonds shall be and have all of such qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities of the State of Florida.

SECTION 7. Registration, Exchange and Transfer. The Registrar for the Series 2004 Bonds shall be U.S. Bank National Association. The Registrar shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Series 2004 Bonds. The Issuer shall, prior to the proposed date of delivery of the Series 2004 Bonds, by resolution designate the Registrar. The Registrar shall maintain the books for the registration of the transfer and exchange of the Series 2004 Bonds in compliance with the Florida Registered Public Obligations Act and the system of registration as established by the Issuer pursuant thereto.

Series 2004 Bonds, upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner thereof or such registered owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Series 2004 Bonds of the same maturity of any other authorized denominations.

Each Series 2004 Bond shall be transferable only upon the Bond Register of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any such Series 2004 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2004 Bond or Series 2004 Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2004 Bond. The Issuer, the Registrar and any paying agent or fiduciary of the Issuer may deem and treat the person in whose name any Series 2004 Bond shall be registered upon the books of the Issuer as the

absolute owner of such Bond, whether such Series 2004 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Series 2004 Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2004 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any paying agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

SECTION 8. Provisions for Redemption. The Series 2004 Bonds shall be redeemable as provided by subsequent resolution of the Issuer.

Series 2004 Bonds in denominations greater than an authorized denomination (or authorized Maturity Amount in the case of Capital Appreciation Bonds) shall be deemed to be an equivalent number of Bonds in the denomination of an authorized denomination. If a Bond is of a denomination or Maturity Amount larger than an authorized denomination, a portion of such Bond may be redeemed, in the amount of an authorized denomination or Maturity Amount or integral multiples thereof.

SECTION 9. Form of Series 2004 Bonds. The text of the Series 2004 Bonds, the Certificate of Authentication and the Assignment shall be in substantially the forms attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent ordinance or resolution adopted prior to the issuance thereof.

SECTION 10. Pledge of Water Public Service Tax Revenues; Water Public Service Tax Not Subject To Repeal. The Issuer has full power to levy the Water Public Service Tax and pledge the Water Public Service Tax Revenues to the payment of the principal of and interest on the Bonds, and does hereby pledge the Water Public Service Tax Revenues to the Bonds. The levy of the Water Public Service Tax and pledging of the Water Public Service Tax Revenues in the manner provided herein shall not be subject to repeal or impairment by any subsequent ordinance, resolution or other proceedings of the governing body of the Issuer, except as set forth in the following paragraph.

The pledge of the Water Public Service Tax Revenues to the Bonds is intended to constitute the granting of an additional revenue pledge for the repayment of the Bonds, including the Series 2003 Bonds, the Series 2004 Bonds and any Additional Bonds issued while this additional pledge remains in effect. Notwithstanding the foregoing, the lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released from the lien of this Resolution and the Original Resolution, upon demonstrating that, based on the Issuer's annual audited financial statements for the two Fiscal Years immediately preceding such release, the Communications Services Tax Revenues recognized by the Issuer have been not less than 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding, without taking into consideration any

Water Public Service Tax Revenues.

Notwithstanding the foregoing, the addition of the pledge of the Water Public Service Tax Revenues and the concurrent amendment of the Original Resolution shall only become effective upon receipt by the Issuer of the written consent to such amendment by the Bond Insurer.

SECTION 11. Issuance of Series 2004 Bonds. Series 2004 Bonds, payable on a parity from the Pledged Revenues with the Series 2003 Bonds and any Additional Bonds then outstanding issued pursuant to the Original Resolution, shall be issued only upon the conditions and in the manner herein provided and further provided in the Original Resolution.

SECTION 12. Application of Proceeds of the Series 2004 Bonds. All moneys received from the sale of the Series 2004 Bonds shall be deposited by the Issuer in an account of a financial institution or the State Board of Administration and applied by the Issuer as follows:

(A) All accrued and capitalized interest shall be deposited in the Sinking Fund and used solely for the purpose of paying interest on the Series 2004 Bonds.

(B) A sum equal to the Reserve Requirement for the Series 2004 Bonds shall be deposited into a separate subaccount in the Reserve Account for the Series 2004 Bonds or a sum equal to the premium for a Reserve Product for the Series 2004 Bonds shall be paid to the Reserve Product Provider.

(C) To the extent not reimbursed or paid by the original purchaser of the Series 2004 Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2004 Bonds, including the premium for a municipal bond insurance policy and a debt service reserve fund surety policy or similar insurance or credit enhancement product.

(D) The balance of the proceeds of the Series 2004 Bonds shall be deposited in the respective Pension Plan to fund the Pension Obligation.

SECTION 13. Sale of the Series 2004 Bonds. The Series 2004 Bonds shall be issued and sold in such manner and at such price or prices consistent with the provisions of the Act and the requirements of this Resolution, all at one time or in installments, from time to time, as the Issuer shall hereafter determine by resolution; provided, that no installment after the first installment shall be sold unless, at the time of sale, the Issuer complies with all of the requirements of this Resolution treating such installment then being sold as if it constituted Additional Bonds.

SECTION 14. Applicability and Amendment of the Original Resolution. The Series 2004 Bonds are subject to all the covenants, terms and conditions of the Original Resolution, the provisions of which are incorporated herein by reference and are fully applicable to the Series 2004

Bonds, except to the extent modified by Section 10 hereof through the additional pledge of the Water Public Service Tax Revenues.

SECTION 15. Repealing Clause. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Proposed Resolution No. 2004-R-13

RESOLUTION NO. 2980

SECTION 16. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, THIS 17 DAY OF MARCH, 2004.

CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA

(SEAL)

By: _______________
MAYOR, SUSAN B. KATZ
BY: VICE MAYOR BEN FIORENDINO

ATTEST:

KATZ	AYE
ARMSTRONG	AYE
CASTILLO	AYE
FIORENDINO	AYE
ORTIS	AYE

____
EILEEN M. TESH, CITY CLERK
BY: JUDITH NEUGENT, DEPUTY CITY CLERK

APPROVED AS TO FORM:

_______________ 3/17/04
OFFICE OF THE CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD
I HEREBY CERTIFY that the above and foregoing is a true and correct copy of Resolution No. 2980 as recorded in the Office of the City Clerk.
WITNESS my hand and official seal this 31 day of March A.D., 2004
CITY OF PEMBROKE PINES
By: _______________
Eileen Tesh, City Clerk

Proposed Resolution No. 2013-R-31

RESOLUTION NO. 3389

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA SUPPLEMENTING AND AMENDING RESOLUTION NO. 2959, AS AMENDED; AUTHORIZING THE ISSUANCE OF COMMUNICATIONS SERVICES TAX REVENUE BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF FUNDING OR REFUNDING UNFUNDED PENSION OBLIGATIONS OF THE ISSUER AND OTHER PROJECTS FROM TIME TO TIME; AUTHORIZING THE NEGOTIATED SALE OF NOT TO EXCEED $40,000,000 CITY OF PEMBROKE PINES, FLORIDA TAXABLE COMMUNICATIONS SERVICES TAX REFUNDING REVENUE BONDS, SERIES 2013; AWARDING THE SALE THEREOF TO THE UNDERWRITERS, AS DEFINED HEREIN, SUBJECT TO THE TERMS AND CONDITIONS OF A BOND PURCHASE AGREEMENT; DELEGATING TO THE MAYOR, THE VICE MAYOR OR THEIR DESIGNEE THE AUTHORITY TO EXECUTE THE BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE DELIVERY OF THE BONDS; DELEGATING TO THE CITY MANAGER OR HIS DESIGNEE THE AUTHORITY TO INSURE ALL, A PORTION OF OR NONE OF THE BONDS WITH A BOND INSURANCE POLICY, WHICHEVER IS IN THE BEST FINANCIAL INTEREST OF THE ISSUER; DELEGATING TO THE CITY MANAGER OR HIS DESIGNEE THE AUTHORITY TO PURCHASE A RESERVE PRODUCT IF IN THE BEST FINANCIAL INTEREST OF THE ISSUER; AUTHORIING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA:

SECTION 1. Authority for This Resolution. This Resolution is adopted pursuant to the Florida Constitution, the City Charter, Chapter 166, Part II, and Chapter 159, Part VII, Florida Statutes, Resolution No. 2959 adopted by the City Commission of the Issuer on September 17, 2003, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2960 adopted by the City Commission on September 17, 2003, and Resolution No. 2980 and Resolution No. 2981, each adopted by the City Commission on March 17, 2004 (collectively, the

"Original Resolution" and, together with this Resolution the "Bond Resolution"), and other applicable provisions of law.

SECTION 2. Definitions.

(A) The following definitions set forth in the Original Resolution are hereby amended to read as follows:

"Original Resolution" shall mean Resolution No. 2959 adopted by the City Commission of the Issuer on September 17, 2003, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2960 adopted by the City Commission on September 17, 2003, and Resolution No. 2980 and Resolution No. 2981, each adopted by the City Commission on March 17, 2004.

"Reserve Product Provider" means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the date of issuance of the Series of Bonds for which the Reserve Product is to be utilized) being rated in the highest full rating category by S&P, Moody's or Fitch. For Additional Bonds issued on or after September 3, 2013, the Reserve Product Provider shall be rated in the "A" category or higher by S&P, Moody's or Fitch.

"Series 2004 Bonds" shall mean the Issuer's Taxable Communications Services Tax Revenue Bonds, Series 2004 issued pursuant to the Original Resolution.

"Series 2013 Bonds" shall mean the Issuer's Taxable Communications Services Tax Refunding Revenue Bonds, Series 2013 issued pursuant to this Resolution.

(B) Any capitalized terms not defined herein shall have the meaning assigned to such term in the Original Resolution.

SECTION 3. Findings. It is hereby ascertained, determined and declared that:

(A) The Issuer has by the Original Resolution authorized the issuance of the City of Pembroke Pines, Florida Communications Services Tax Revenue Bonds, in one or more series, to be payable from certain Pledged Revenues (as defined in the Original Resolution).

(B) The Issuer issued its Taxable Communications Services Tax Revenue Bonds, Series 2003A (the "Refunded Bonds") to fund a portion of the estimated unfunded accrued actuarial

liability with respect to certain increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers.

(C) The Issuer desires by this Resolution to authorize the issuance of not to exceed $40,000,000 City of Pembroke Pines, Florida Taxable Communications Services Tax Refunding Revenue Bonds, Series 2013 payable from the Pledged Revenues.

(D) The Issuer deems it necessary, desirable and in the best interest of the Issuer and its citizens and to serve a paramount public purpose to refund all or a portion of the Refunded Bonds in order to achieve debt service savings with respect to the Refunded Bonds.

(E) The Issuer expects to receive an offer from Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and RBC Capital Markets, LLC (collectively, the "Underwriters") to purchase the Series 2013 Bonds subject to the terms and conditions set forth in a bond purchase agreement (the "Purchase Agreement"), the form of which is attached hereto as Exhibit B.

(F) Due to the present instability in the market for revenue obligations the interest on which is not excluded from federal gross income, the critical importance of the timing of the sale of the Series 2013 Bonds, and the willingness of the Underwriters to purchase the Series 2013 Bonds at interest rates favorable to the Issuer, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Series 2013 Bonds at a negotiated sale and delegate to the Mayor, the Vice Mayor or their designee the authority to fix the final details of the Series 2013 Bonds, based upon the advice of the Financial Advisor, and accept the offer of the Underwriters to purchase the Series 2013 Bonds at a negotiated sale pursuant to the terms of the Purchase Agreement if certain conditions set forth in this Resolution are satisfied.

(G) The Issuer now desires to sell the Series 2013 Bonds pursuant to the Purchase Agreement and authorize distribution of a Preliminary Official Statement and an Official Statement in connection with the issuance of the Series 2013 Bonds.

(H) Prior to acceptance by the Issuer of the offer of the Underwriters to purchase the Series 2013 Bonds, the Underwriters will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes, to be attached to, or otherwise included as part of, the Purchase Agreement.

(I) Due to the current volatile market conditions and conditions surrounding the current credit ratings of the various municipal bond insurance companies, the Issuer desires to (i) insure some, all or none of the Series 2013 Bonds with a municipal bond insurance policy (the "Bond Insurance Policy") and/or purchase a debt service reserve fund surety policy (the "Series 2013

Reserve Product") in satisfaction of the Reserve Requirement for the Series 2013 Bonds, whichever is in the best financial interests of the Issuer based on the advice of the Financial Advisor; and (ii) authorize the City Manager or his designee, based on the advice of the Financial Advisor, to take any actions and do all things necessary in order to accept the Bond Insurance Policy and/or purchase the Series 2013 Reserve Product in connection with the issuance of the Series 2013 Bonds.

SECTION 4. Authority for the Refunding of the Refunded Bonds and the Issuance of the Series 2013 Bonds. Subject and pursuant to the provisions hereof and the Original Resolution, Series 2013 Bonds to be known as the "City of Pembroke Pines, Florida, Taxable Communications Services Tax Refunding Revenue Bonds, Series 2013," are hereby authorized to be issued in an aggregate principal amount not to exceed Forty Million Dollars ($40,000,000), for the purpose of refunding all or a portion of the Refunded Bonds, paying the costs of issuance of the Series 2013 Bonds, including the premium for the Bond Insurance Policy, if any, and the Series 2013 Reserve Product, if any.

SECTION 5. Description of Series 2013 Bonds. The Series 2013 Bonds shall be dated as of their date of delivery; shall be designated "R-__" and numbered consecutively from one upward in order of authentication; shall be in such denominations, shall bear interest at such rate or rates not exceeding the maximum legal rate allowable by law to be payable at such times, shall be subject to redemption and shall mature either annually or semi-annually on such dates and in such years and amounts, all as set forth in the Purchase Agreement. The Series 2013 Bonds shall bear interest from their date or from the most recent Payment Date to which interest has been paid, until payment of the principal sum.

The Series 2013 Bonds shall be issued in fully registered form, payable as to principal and premium, if any, upon presentation and surrender thereof on the date fixed for maturity or redemption thereof at the corporate trust office of the Paying Agent hereafter named. Interest on each Series 2013 Bond shall be paid by check or draft mailed to the person in whose name the Series 2013 Bond is registered, at his or her address as it appears on the bond register maintained by the Registrar, at the close of business on the 15th day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date"), irrespective of any transfer of such Series 2013 Bond subsequent to such Record Date and prior to such Payment Date, unless the Issuer shall be in default in payment of interest due on such Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Series 2013 Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the registered owner of the Series 2013 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Series 2013 Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of this Resolution and the Series 2013 Bonds and shall be payable in any coin or currency of

the United States of America which, at the time of payment is legal tender for the payment of public or private debts.

No Series 2013 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the certificate of authentication endorsed on the Series 2013 Bond shall have been duly signed by the Registrar.

If the date for payment of the principal of, premium, if any, or interest on the Series 2013 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

SECTION 6. Execution of Series 2013 Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by its Mayor and City Manager and attested by the City Clerk, and approved as to form and correctness by the City Attorney, either manually or with their facsimile signature, and the official seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signature of such officers may be imprinted or reproduced on the Series 2013 Bonds. The Certificate of Authentication of the Registrar shall appear on the Series 2013 Bonds, and no Series 2013 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such certificate shall have been duly executed on such Series 2013 Bond. The authorized signature for the Registrar shall be either manual or facsimile. In case any officer whose signature shall appear on any Series 2013 Bonds shall cease to be such officer before the delivery of such Series 2013 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2013 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2013 Bonds shall hold the proper office with the Issuer, although at the date of adoption of this Resolution such person may not have held such office or may not have been so authorized.

SECTION 7. Negotiability. Subject to the provisions hereof respecting registration and transfer, the Series 2013 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the Series 2013 Bonds, shall be conclusively deemed to have agreed that the Series 2013 Bonds shall be and have all of such qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities of the State of Florida.

SECTION 8. Registration, Exchange and Transfer. The Registrar and Paying Agent for the

Series 2013 Bonds shall be U.S. Bank National Association. The Registrar shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Series 2013 Bonds. The Registrar shall maintain the books for the registration of the transfer and exchange of the Series 2013 Bonds in compliance with the Florida Registered Public Obligations Act and the system of registration as established by the Issuer pursuant thereto.

Series 2013 Bonds, upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner thereof or such registered owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Series 2013 Bonds of the same maturity of any other authorized denominations.

Each Series 2013 Bond shall be transferable only upon the bond register of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any such Series 2013 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2013 Bond or Series 2013 Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2013 Bond. The Issuer, the Registrar and any paying agent or fiduciary of the Issuer may deem and treat the person in whose name any Series 2013 Bond shall be registered upon the books of the Issuer as the absolute owner of such Series 2013 Bond, whether such Series 2013 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Series 2013 Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2013 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any paying agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

SECTION 9. Form of Series 2013 Bonds. The text of the Series 2013 Bonds, the Certificate of Authentication and the Assignment shall be in substantially the forms attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent ordinance or resolution adopted prior to the issuance thereof.

SECTION 10. Issuance of Series 2013 Bonds. The Series 2013 Bonds, payable on a parity from the Pledged Revenues with the Series 2004 Bonds and any Additional Bonds then outstanding issued pursuant to the Original Resolution, shall be issued only upon the conditions and in the manner herein provided and as further provided in the Original Resolution.

SECTION 11. Application of Proceeds of the Series 2013 Bonds. All moneys received from the sale of the Series 2013 Bonds shall be applied by the Issuer as follows:

(A) To the extent not reimbursed or paid by the Underwriters of the Series 2013 Bonds, all costs and expenses in connection with the preparation, issuance and sale of the Series 2013 Bonds, including the premium for the Bond Insurance Policy, or the Series 2013 Reserve Product or similar insurance or credit enhancement product, if any or to fund the subaccount in the Reserve Account to satisfy the Reserve Requirement for the Series 2013 Bonds.

(B) A sum specified in the Escrow Deposit Agreement which, together with other legally available funds of the Issuer, if any, is equal to the principal of and interest and redemption premiums, if any, on the Refunded Bonds to be defeased, redeemed and prepaid simultaneously with the issuance of the Series 2013 Bonds shall be deposited into the escrow account created under the Escrow Deposit Agreement (the "Escrow Account"). Simultaneously with the delivery of the Series 2013 Bonds, the Issuer is authorized to transfer or cause to be transferred to the Escrow Account, moneys, if any, accumulated in any sinking fund and/or reserve funds which were intended to be used to pay debt service on the Refunded Bonds.

SECTION 12. Sale of the Series 2013 Bonds. Due to the present instability in the market for revenue obligations the interest on which is not excluded from federal gross income, the critical importance of the timing of the sale of the Series 2013 Bonds, and the willingness of the Underwriters to purchase the Series 2013 Bonds at interest rates favorable to the Issuer, it is hereby determined that (i) it is in the best interest of the public and the Issuer to sell the Series 2013 Bonds at a negotiated sale, and (ii) such sale to the Underwriters pursuant to the terms and conditions contained in the Purchase Agreement and herein is hereby authorized and approved, subject to full satisfaction of the conditions set forth in this Section. The Purchase Agreement in the form of Exhibit B hereto is hereby approved and the Mayor, Vice Mayor or their designee is hereby authorized and directed to execute and deliver the Purchase Agreement with such changes and completions as are approved by the signors thereof, with such signatures as evidence of their acceptance of such changes and completions, provided however, such Purchase Agreement shall not be executed by the Mayor, the Vice Mayor or their designee until such time as all of the following conditions have been satisfied:

(A) Receipt by the Mayor, the Vice Mayor or their designee of a written offer to purchase the Series 2013 Bonds by the Underwriters substantially in the form of the Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding $40,000,000 aggregate principal amount of Series 2013 Bonds, (ii) an underwriting discount (excluding original issue discount) not to exceed one percent (1.00%) or $10 per $1,000 of the principal amount of the Series 2013 Bonds, (iii) the final maturity of the Series 2013 Bonds to be not later than October 1, 2033,

(iv) the true interest costs on the Series 2013 Bonds not to be greater than 7.25%; and (v) the present value savings on the Refunded Bonds to be no less than 3.0% in the aggregate.

(B) With respect to any redemption terms for the Series 2013 Bonds, the Series 2013 Bonds shall be subject to such redemption terms and provisions as are set forth in the Purchase Agreement. With respect to the Series 2013 Bonds, the notice of optional redemption described in Section 12 of the Original Resolution shall be mailed by the Registrar, first-class mail, postage prepaid, to all registered owners of the Series 2013 Bonds to be redeemed not more than thirty (30) and not less than twenty (20) days prior to the date fixed for redemption at their addresses as they appear on the registration books to be maintained in accordance with the Bond Resolution. Any notice of optional redemption for the Series 2013 Bonds may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Bondholders of such Series 2013 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

(C) Receipt by the Mayor, Vice Mayor or their designee from the Underwriters of all applicable disclosure information required by Section 218.385, Florida Statutes.

Notwithstanding the foregoing, the Mayor, the Vice-Mayor or their designee may, within their discretion, reject the sale of the Series 2013 Bonds, if the sale to the Underwriters is not in the best interest and welfare of the Issuer.

SECTION 13. Approval of Distribution of Preliminary Official Statement and Authorization of Final Official Statement. The distribution by the Underwriters of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the Series 2013 Bonds in the form attached hereto as Exhibit C is hereby approved, confirmed and ratified and the distribution thereof by the Underwriters is hereby approved, together with a final Official Statement to be in substantially the form of the Preliminary Official Statement and reflecting the terms of the Series 2013 Bonds set forth in the Purchase Agreement with such additional changes, insenions and omissions as do not change the substance thereof and as may be made and approved by officers of the Issuer executing the same, such execution to be conclusive evidence of any such approval. The Preliminary Official Statement is hereby deemed "final" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission.

SECTION 14. Appointment of Escrow Agent; Authorization of Execution and Delivery of Escrow Deposit Agreement. U.S. Bank National Association is hereby appointed to serve as Escrow

Agent with respect to the Refunded Bonds. The Escrow Agent shall perform such duties as are more fully described in the Original Resolution and the Escrow Deposit Agreement in connection with the Refunded Bonds. The Escrow Agent shall fulfill such functions with respect to the Escrow Deposit Agreement until a qualified successor shall have been designated by the Issuer and accepts such duties, such designation to be subject to written notice to the Escrow Agent, or until the Refunded Bonds have been paid in full pursuant to the Original Resolution.

The Escrow Deposit Agreement in the form of Exhibit D hereto is hereby approved and the Mayor or Vice Mayor is hereby authorized and directed to execute and deliver the Escrow Deposit Agreement with such changes and completions as are approved by the signors thereof, with such signatures as evidence of their acceptance of such changes and completions.

SECTION 15. Continuing Disclosure. The Issuer hereby covenants and agrees that, in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule with respect to the Series 2013 Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Series 2013 Bonds to the Underwriters, as may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Bond Resolution. Any rights of the Series 2013 Bondholders to enforce the provisions of the Continuing Disclosure Certificate shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder.

The Mayor or Vice Mayor is hereby authorized and directed to execute and deliver, on behalf of the Issuer, the Continuing Disclosure Certificate substantially in the form of Exhibit E hereto, with such changes and completions as are acceptable to the signors thereof, with such execution to be conclusive evidence of the approval of such changes and completions.

SECTION 16. Optional Bond Insurance Policy and Reserve Product.

(A) The Issuer is hereby authorized to insure all, some or none of the Series 2013 Bonds with the Bond Insurance Policy, whichever is determined by the Issuer to be in its best interests based on the advice of the Financial Advisor, and further authorizes the City Manager or his designee to take any actions and do all things necessary in order to accept the Bond Insurance Policy in connection with the issuance of the Series 2013 Bonds. The Mayor and City Manager are authorized to execute and the Clerk is authorized to attest upon the approval thereof as to form and legal sufficiency by the City Attorney, a financial guaranty agreement or similar agreement with the Bond Insurer as required by the Bond Insurer's commitment to issue the Bond Insurance Policy.

(B) The Issuer is hereby authorized to purchase the Series 2013 Reserve Product in satisfaction of the Reserve Requirement for the Series 2013 Bonds, if determined by the Issuer to be in its best interests based on the advice of the Financial Advisor, and further authorizes the City Manager or his designee to take any actions and do all things necessary in order to accept the Series 2013 Reserve Product in connection with the Reserve Requirement for the Series 2013 Bonds. The Mayor and City Manager are authorized to execute and the Clerk is authorized to attest upon the approval thereof as to form and legal sufficiency by the City Attorney, a financial guaranty agreement with the Bond Insurer as required by the Bond Insurer's commitment to issue the Series 2013 Reserve Product.

(C) In the event the Issuer is required to utilize any funds on deposit in the Reserve Account for the Series 2013 Bonds, the funds on deposit therein shall be used prior to making a draw under the Series 2013 Reserve Product, if any, and in the event the Issuer subsequently replaces the funds on deposit in the Reserve Account with another surety or similar policy, then such other surety or reserve policy shall be drawn upon prior to drawing upon the Series 2013 Reserve Product, if any.

SECTION 17. Applicability and Amendment of the Original Resolution.

(A) The Series 2013 Bonds are subject to all the covenants, terms and conditions of the Original Resolution, the provisions of which are incorporated herein by reference and are fully applicable to the Series 2013 Bonds, except to the extent amended herein.

(B) The Issuer hereby authorizes the amendment of the last paragraph of Section 17.B of the Original Resolution, which such amendment shall take effect upon the effective date of this Resolution, as follows (words in underscored type are additions):

> Notwithstanding the foregoing provisions, in lieu of the required deposits of Pledged Revenues into the respective subaccount in the Reserve Account for a Series of Bonds, the Issuer may cause to be deposited into the respective subaccount in the Reserve Account a Reserve Product issued by a reputable and recognized Reserve Product Provider for the benefit of the Bondholders of such Series in an amount equal to the difference between the amount required and the sums then on deposit in the respective subaccount in the Reserve Account, if any, which Reserve Product shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose. The Reserve Product Provider shall be an entity whose debt obligations are rated in the highest rating category by Fitch, Moody's or S&P, or their successors; provided, however, for Additional Bonds issued on or after September 3, 2013, the Reserve Product Provider shall be rated in the "A" category or higher by S&P, Moody's or Fitch. If a disbursement is made from a Reserve Product provided pursuant to this

B-23

> paragraph, the Issuer shall be obligated to either reinstate the maximum limits of such surety bond or insurance policy immediately following such disbursement or to apply and allocate into the Reserve Account, as herein provided in this paragraph for restoration of withdrawals from the Reserve Account, funds in the amount of the disbursement made under such policy, or a combination of such alternatives.

(C) The Issuer hereby authorizes the amendment of the second paragraph of Section 10 of Resolution 2980, which such amendment shall take effect upon the effective date of this Resolution, as follows (words in underscored type are additions):

> The pledge of the Water Public Service Tax Revenues to the Bonds is intended to constitute the granting of an additional revenue pledge for the repayment of the Bonds, including the Series 2003 Bonds, the Series 2004 Bonds, the Series 2013 Bonds and any Additional Bonds issued while this additional pledge remains in effect. Notwithstanding the foregoing, the lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds ~~shall~~ may, in the sole discretion of the City, be released from the lien of this Resolution and the Original Resolution, upon demonstrating that, based on the Issuer's annual audited financial statements for the two Fiscal Years immediately preceding such release, the Communications Services Tax Revenues recognized by the Issuer have been not less than 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding, without taking into consideration any Water Public Service Tax Revenues.

(D) The following amendment to Section 17.J of the Original Resolution shall take effect at such time as the written consent of (i) the Bond Insurer under any insurance policy of the insurer then in force, if any, which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, provided no event of default on the part of the Bond Insurer has occurred and is continuing under the insurance policy and the Bond Insurer is not insolvent at the time, or (ii) in the event no such insurer is then providing an insurance policy, which insures against nonpayment of principal of and redemption premium, if applicable, and interest on, the Bonds, the registered owners of two-third (2/3) or more in the principal amount of the Bonds responding to a written request by the Issuer using certified mail for such consent. The purchasers of the Series 2013 Bonds and any Additional Bonds thereafter issued, by acceptance thereof, will be deemed to have irrevocably consented to the following amendment (words in underscored type are additions):

> ISSUANCE OF ADDITIONAL BONDS. Additional Bonds, payable on a parity from the Pledged Revenues with the Series 2003 Bonds and any Additional Bonds then outstanding issued pursuant to this Resolution, shall be issued only upon the conditions and in the manner herein provided:

(1) The Issuer shall prepare prior to the issuance of such Additional Bonds and keep on file a certificate: (a) stating that the financial statements of the Issuer have been audited by an independent certified public accountant; (b) setting forth the amount of Pledged Revenues received by the Issuer for the most recent full Fiscal Year for which an audit has been prepared; (c) stating that the Pledged Revenues for such Fiscal Year equal at least 1.20 times the Maximum Bond Service Requirement on (i) all outstanding Bonds and all Additional Bonds, if any, then outstanding and (ii) the Additional Bonds with respect to which such certificate is made.

(2) Each ordinance or resolution authorizing the issuance of Additional Bonds must recite that all of the covenants contained herein and will be applicable to such Additional Bonds.

(3) The Issuer must not be in default in performing any of the covenants and obligations contained in this Resolution, and all payments therein required to have been made into the accounts and funds, as provided hereunder, shall have been made to the full extent required.

<u>(4) The Issuer need not comply with the provisions of paragraph (1) of this Section 17(J) if and to the extent the Additional Bonds to be issued are refunding bonds, if the Issuer shall prepare prior to the issuance of such Additional Bonds and keep on file a certificate setting forth the Maximum Bond Service Requirement (i) for the Bonds then outstanding and (ii) for all Series of Bonds to be immediately outstanding thereafter and stating that the Maximum Bond Service Requirement pursuant to (ii) above is not greater than that set forth pursuant to (i) above.</u>

SECTION 18. <u>General Authority</u>. The Mayor or Vice Mayor, the City Manager, the City Attorney, the Finance Director, their designee or any other appropriate officers of the Issuer are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Bond Resolution, the Purchase Agreement, the Preliminary Official Statement, the Escrow Deposit Agreement, the Continuing Disclosure Certificate or any other document referred to above as a prerequisite or precondition to the issuance of the Series 2013 Bonds and any such representation made therein shall be deemed to be made on behalf of the Issuer. All action taken to date by the officers of the Issuer in furtherance of the issuance of the Series 2013 Bonds is hereby approved, confirmed and ratified.

SECTION 19. <u>Repealing Clause.</u> All prior resolutions or other actions of the Issuer inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 20. <u>Effective Date</u>. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, THIS 3RD DAY OF SEPTEMBER, 2013.

CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA

(SEAL)

By: ______________________
MAYOR, FRANK C. ORTIS

ATTEST:

9/24/13

____
JUDITH A. NEUGENT, CITY CLERK

ORTIS	AYE
CASTILLO	AYE
SCHWARTZ	AYE
SHECHTER	AYE
SIPLE	AYE

APPROVED AS TO FORM:

____
OFFICE OF THE CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD
I HEREBY CERTIFY that the above foregoing is a true and correct copy of
Resolution No. 3389
as recorded in the Office of the City Clerk.
Witness my hand and official seal this 30 day of September A.D., 2013.
CITY OF PEMBROKE PINES
By: ______________________
Judith A. Neugent, City Clerk

RESOLUTION NO. 3424

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA SUPPLEMENTING RESOLUTION NO. 2959, AS AMENDED; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $45,000,000 CITY OF PEMBROKE PINES, FLORIDA TAXABLE COMMUNICATIONS SERVICES TAX REFUNDING REVENUE BONDS, SERIES 2014; AUTHORIZING THE NEGOTIATED SALE OF SUCH BONDS; AWARDING THE SALE THEREOF TO THE UNDERWRITERS, AS DEFINED HEREIN, SUBJECT TO THE TERMS AND CONDITIONS OF A BOND PURCHASE AGREEMENT; DELEGATING TO THE MAYOR, THE VICE MAYOR OR THEIR DESIGNEE THE AUTHORITY TO EXECUTE THE BOND PURCHASE AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE DELIVERY OF THE BONDS; DELEGATING TO THE CITY MANAGER OR HIS DESIGNEE THE AUTHORITY TO INSURE ALL, A PORTION OF OR NONE OF THE BONDS WITH A BOND INSURANCE POLICY, WHICHEVER IS IN THE BEST FINANCIAL INTEREST OF THE ISSUER; DELEGATING TO THE CITY MANAGER OR HIS DESIGNEE THE AUTHORITY TO PURCHASE A RESERVE PRODUCT IF IN THE BEST FINANCIAL INTEREST OF THE ISSUER; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AND REGISTRAR AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA:

SECTION 1. Authority for This Resolution. This Resolution is adopted pursuant to the Florida Constitution, the City Charter, Chapter 166, Part II, and Chapter 159, Part VII, Florida Statutes, the Original Resolution (as defined herein), and other applicable provisions of law.

RESOLUTION NO. 3424

SECTION 2. Definitions.

(A) The following definitions set forth in the Original Resolution are hereby amended to read as follows:

"Bond Resolution" shall mean, collectively, the Original Resolution and this Resolution.

"Original Resolution" shall mean Resolution No. 2959 adopted by the City Commission of the Issuer on September 17, 2003, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2960 adopted by the City Commission on September 17, 2003, Resolution No. 2980 and Resolution No. 2981, each adopted by the City Commission on March 17, 2004, and Resolution No. 3389 adopted by the City Commission on September 3, 2013.

"Refunded Bonds" shall mean all or a portion of the Issuer's Taxable Communications Services Tax Revenue Bonds, Series 2004 to be selected by the Mayor or the Vice Mayor, or their designee, based upon the advice of the Financial Advisor, to be defeased to their maturity or redemption date, as the case may be, of October 1, 2014.

"Series 2014 Bonds" shall mean the Issuer's Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 issued pursuant to this Resolution.

(B) Any capitalized terms not defined herein shall have the meaning assigned to such term in the Original Resolution.

SECTION 3. Findings. It is hereby ascertained, determined and declared that:

(A) The Issuer has by the Original Resolution authorized the issuance of the City of Pembroke Pines, Florida Taxable Communications Services Tax Revenue Bonds, in one or more series, to be payable from certain Pledged Revenues.

(B) The Issuer issued its Taxable Communications Services Tax Revenue Bonds, Series 2004 to fund a portion of the estimated unfunded accrued actuarial liability with respect to certain increased benefits for police officers under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and certain increased benefits for general employees under the contributory defined benefit retirement plan known as the General Employees' Pension Plan.

(C) The Issuer desires by this Resolution to authorize the issuance of not to exceed $45,000,000 City of Pembroke Pines, Florida Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 payable from the Pledged Revenues.

(D) The Issuer deems it necessary, desirable and in the best interest of the Issuer and its citizens and to serve a paramount public purpose to refund all or a portion of the Refunded Bonds in order to achieve debt service savings with respect to the Refunded Bonds.

(E) The Issuer expects to receive an offer from J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and PNC Capital Markets LLC (collectively, the "Underwriters") to purchase the Series 2014 Bonds subject to the terms and conditions set forth in a bond purchase agreement (the "Purchase Agreement"), the form of which is attached hereto as Exhibit B.

(F) Due to the present instability in the market for revenue obligations the interest

on which is not excluded from federal gross income, the critical importance of the timing of the sale of the Series 2014 Bonds and the refunding of the Refunded Bonds, and the willingness of the Underwriters to purchase the Series 2014 Bonds at interest rates favorable to the Issuer, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Series 2014 Bonds at a negotiated sale and delegate to the Mayor, the Vice Mayor or their designee the authority to fix the final details of the Series 2014 Bonds and select the Refunded Bonds to be refunded, each based upon the advice of the Financial Advisor, and accept the offer of the Underwriters to purchase the Series 2014 Bonds at a negotiated sale pursuant to the terms of the Purchase Agreement if certain conditions set forth in this Resolution are satisfied.

(G) The Issuer now desires to sell the Series 2014 Bonds pursuant to the Purchase Agreement and authorize distribution of a Preliminary Official Statement, the form of which is attached hereto as Exhibit C and an Official Statement in connection with the issuance of the Series 2014 Bonds.

(H) Prior to acceptance by the Issuer of the offer of the Underwriters to purchase the Series 2014 Bonds, the Underwriters will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes, to be attached to, or otherwise included as part of the Purchase Agreement.

(I) Due to the current volatile market conditions and conditions surrounding the current credit ratings of the various municipal bond insurance companies, the Issuer desires to (i) insure some, all or none of the Series 2014 Bonds with a municipal bond insurance policy (the "Bond Insurance Policy") and/or purchase a debt service reserve fund surety policy (the "Series 2014 Reserve Product") in satisfaction of the Reserve Requirement for the Series 2014 Bonds, whichever is in the best financial interests of the Issuer based on the advice of the Financial Advisor; and (ii) authorize the City Manager or his designee, based on the advice of the Financial Advisor, to take any actions and do all things necessary in order to accept the Bond Insurance Policy and/or purchase the Series 2014 Reserve Product in connection with the issuance of the Series 2014 Bonds, including, but not limited to, entering into agreements regarding the Bond Insurance Policy and/or the Series 2014 Reserve Product.

SECTION 4. Authority for the Refunding of the Refunded Bonds and the Issuance of the Series 2014 Bonds. The Issuer does hereby authorize the refunding of all or a portion of the Refunded Bonds.

Subject and pursuant to the provisions hereof and the Original Resolution, Series 2014 Bonds to be known as the "City of Pembroke Pines, Florida, Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014," are hereby authorized to be issued in an aggregate principal amount not to exceed Forty Five Million Dollars ($45,000,000), for the purpose of refunding the Refunded Bonds, funding an amount equal to the Reserve Requirement for the Series 2014 Bonds (to the extent not provided by the Series 2014 Reserve Product, if any), and paying the costs of issuance of the Series 2014 Bonds, including the premium for the Bond Insurance Policy, if any, and the Series 2014 Reserve Product, if any.

SECTION 5. Description of Series 2014 Bonds. The Series 2014 Bonds shall be dated as of their date of delivery; shall be designated "R-__" and numbered consecutively from one upward in order of authentication; shall be in such denominations, shall bear interest at such rate or rates not exceeding the maximum legal rate allowable by law to be payable at such times, shall be subject to redemption and shall mature either annually or semi-annually on such dates and in such years and amounts, all as set forth in the Purchase Agreement. The Series 2014 Bonds shall bear interest from their date or from the most recent Payment Date to which interest has been paid, until payment of the principal sum.

The Series 2014 Bonds shall be issued in fully registered form, payable as to principal and premium, if any, upon presentation and surrender thereof on the date fixed for maturity or redemption thereof at the corporate trust office of the Paying Agent hereafter named. Interest on each Series 2014 Bond shall be paid by bank wire transfer or check or draft mailed, or, if permitted, direct deposit to the person in whose name the Series 2014 Bond is registered, at his or her address as it appears on the bond register maintained by the Registrar, at the close of business on the 15th day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date"), irrespective of any transfer of such Series 2014 Bond subsequent to such Record Date and prior to such Payment Date, unless the Issuer shall be in default in payment of interest due on such Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Series 2014 Bond is registered at the close of business on a special record date for the payment of defaulted interest as established by notice mailed by the Registrar to the registered owner of the Series 2014 Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Series 2014 Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing. All payments shall be made in accordance with and pursuant to the terms of this Resolution and the Series 2014 Bonds and shall be payable in any coin or currency of the United States of America which, at the time of payment is legal tender for the payment of public or private debts.

If the date for payment of the principal of, premium, if any, or interest on the Series 2014 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

SECTION 6. Series 2014 Reserve Account. There is hereby created and established a separate subaccount in the Reserve Account to be held by the Issuer designated the "City of Pembroke Pines, Florida Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 Reserve Account" (the "Series 2014 Reserve Account") for the benefit of the Series 2014 Bonds. The Issuer shall maintain in the Series 2014 Reserve Account an amount equal to the Reserve Requirement for the Series 2014

Bonds. Funds on deposit in the Series 2014 Reserve Account may be used only for the purpose of curing deficiencies in the Sinking Fund related to the Series 2014 Bonds and shall not be available with respect to any Series of Bonds secured by another subaccount of the Reserve Account and not secured by the Series 2014 Reserve Account.

SECTION 7. Execution of Series 2014 Bonds. The Series 2014 Bonds shall be executed in the name of the Issuer by its Mayor or, in his absence, the Vice Mayor, and City Manager, and attested by the City Clerk, and approved as to form and correctness by the City Attorney, either manually or with their facsimile signature, and the official seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signature of such officers may be imprinted or reproduced on the Series 2014 Bonds. The Certificate of Authentication of the Registrar shall appear on the Series 2014 Bonds, and no Series 2014 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless such Certificate of Authentication shall have been duly executed on such Series 2014 Bond. The authorized signature for the Registrar shall be a manual signature. In case any officer whose signature shall appear on any Series 2014 Bonds shall cease to be such officer before the delivery of such Series 2014 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2014 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Series 2014 Bonds shall hold the proper office with the Issuer, although at the date of adoption of this Resolution such person may not have held such office or may not have been so authorized.

SECTION 8. Negotiability. Subject to the provisions hereof respecting registration and transfer, the Series 2014 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the Series 2014 Bonds, shall be conclusively deemed to have agreed that the Series 2014 Bonds shall be and have all of such qualities and incidents of negotiable instruments under the Uniform Commercial Code - Investment Securities of the State of Florida.

SECTION 9. Registration, Exchange and Transfer. The Registrar and Paying Agent for the Series 2014 Bonds shall be U.S. Bank National Association. The Registrar shall maintain the registration books of the Issuer and be responsible for the transfer and exchange of the Series 2014 Bonds. The Registrar shall maintain the books for the registration of the transfer and exchange of the Series 2014 Bonds in compliance with the Registered Public Obligations Act of Florida (Chapter 279, Florida Statutes) and the system of registration as established by the Issuer pursuant thereto.

Series 2014 Bonds, upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner thereof or such registered owner's attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Series 2014 Bonds of the same maturity of any other authorized denominations.

Each Series 2014 Bond shall be transferable only upon the bond register of the

Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the registered owner or such registered owner's duly authorized attorney. Upon the transfer of any such Series 2014 Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Series 2014 Bond or Series 2014 Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2014 Bond. The Issuer, the Registrar and any paying agent or fiduciary of the Issuer may deem and treat the person in whose name any Series 2014 Bond shall be registered upon the books of the Issuer as the absolute owner of such Series 2014 Bond, whether such Series 2014 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Series 2014 Bond and for all other purposes, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2014 Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any paying agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

SECTION 10. Form of Series 2014 Bonds. The text of the Series 2014 Bonds, the Certificate of Authentication and the Assignment shall be in substantially the forms attached hereto as Exhibit A with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent ordinance or resolution adopted prior to the issuance thereof.

SECTION 11. Issuance of Series 2014 Bonds. The Series 2014 Bonds, payable on a parity from the Pledged Revenues with the Series 2004 Bonds not refunded with the proceeds of the Series 2014 Bonds, the Series 2013 Bonds and any Additional Bonds then outstanding issued pursuant to the Original Resolution, shall be issued only upon the conditions and in the manner herein provided and as further provided in the Original Resolution.

SECTION 12. Application of Proceeds of the Series 2014 Bonds. All moneys received from the sale of the Series 2014 Bonds shall be applied by the Issuer as follows:

(A) To the extent not reimbursed or paid by the Underwriters of the Series 2014 Bonds, all costs and expenses in connection with the preparation, issuance and sale of the Series 2014 Bonds, including the premium for the Bond Insurance Policy, if any, or the Series 2014 Reserve Product or similar insurance or credit enhancement product, if any, or to fund the subaccount in the Reserve Account to satisfy the Reserve Requirement for the Series 2014 Bonds.

(B) If applicable, an amount equal to the Reserve Requirement for the Series 2014 Bonds shall be deposited to the Series 2014 Reserve Account.

A sum specified in the Escrow Deposit Agreement which, together with other legally available funds of the Issuer, if any, is equal to the principal of and interest and redemption premiums, if any, on the Refunded Bonds to be defeased, redeemed and prepaid simultaneously with the issuance of the Series 2014 Bonds, shall be deposited into the

escrow account created under the Escrow Deposit Agreement (the "Escrow Account"). Simultaneously with the delivery of the Series 2014 Bonds, the Issuer is authorized to transfer or cause to be transferred to the Escrow Account, moneys, if any, accumulated in any sinking fund and/or reserve funds which were intended to be used to pay debt service on the Refunded Bonds.

SECTION 13. Sale of the Series 2014 Bonds. Due to the present instability in the market for revenue obligations the interest on which is not excluded from federal gross income, the critical importance of the timing of the sale of the Series 2014 Bonds and the refunding of the Refunded Bonds, and the willingness of the Underwriters to purchase the Series 2014 Bonds at interest rates favorable to the Issuer, it is hereby determined that (i) it is in the best interest of the public and the Issuer to sell the Series 2014 Bonds at a negotiated sale, and (ii) such sale to the Underwriters pursuant to the terms and conditions contained in the Purchase Agreement and herein is hereby authorized and approved, subject to full satisfaction of the conditions set forth in this Section. The Purchase Agreement in the form of Exhibit B hereto is hereby approved and the Mayor or Vice Mayor and attested by the City Clerk, or their designee, and approved as to form and correctness by the City Attorney, is hereby authorized and directed to execute and deliver the Purchase Agreement with such changes and completions as are approved by the signor thereof, with such signature as evidence of the acceptance of such changes and completions, provided however, such Purchase Agreement shall not be executed by the Mayor or the Vice Mayor or their designee until such time as all of the following conditions have been satisfied:

(A) Receipt by the Mayor, the Vice Mayor or their designee of a written offer to purchase the Series 2014 Bonds by the Underwriters substantially in the form of the Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding $45,000,000 aggregate principal amount of Series 2014 Bonds, (ii) an underwriting discount (excluding original issue discount) not to exceed one percent (1.00%) or $10 per $1,000 of the principal amount of the Series 2014 Bonds, (iii) the final maturity of the Series 2014 Bonds to be not later than October 1, 2033, (iv) the true interest costs on the Series 2014 Bonds not to be greater than 7.25%; and (v) the net present value savings on the Refunded Bonds to be no less than 3.0% in the aggregate.

(B) With respect to any redemption terms for the Series 2014 Bonds, the Series 2014 Bonds shall be subject to such redemption terms and provisions as are set forth in the Purchase Agreement. With respect to the Series 2014 Bonds, the notice of optional redemption described in Section 12 of the Original Resolution shall be mailed by the Registrar, first-class mail, postage prepaid, to all registered owners of the Series 2014 Bonds to be redeemed not more than thirty (30) and not less than twenty (20) days prior to the date fixed for redemption at their addresses as they appear on the registration books to be maintained in accordance with the Bond Resolution. Any notice of optional redemption for the Series 2014 Bonds may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at

any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Bondholders of such Series 2014 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

(C) Receipt by the Mayor, Vice Mayor or their designee from the Underwriters of all applicable disclosure information required by Section 218.385, Florida Statutes.

Notwithstanding the foregoing, the Mayor, the Vice-Mayor or their designee may, within their discretion, reject the sale of the Series 2014 Bonds, if the sale to the Underwriters is not in the best interest and welfare of the Issuer.

SECTION 14. Book-Entry-Only Registration System. It is in the best interest of the Issuer and the residents and inhabitants thereof that the Series 2014 Bonds be issued utilizing a book-entry-only system of registration. For so long as the Series 2014 Bonds remain in such book-entry-only system of registration, in the event of a conflict between the provisions of the Bond Resolution and the provisions of the Blanket Letter of Representations between the Issuer and the Depository Trust Company as previously executed and delivered, the terms and provisions of the Blanket Letter of Representations shall prevail.

SECTION 15. Approval of Distribution of Preliminary Official Statement and Authorization of Final Official Statement. The distribution by the Underwriters of the Preliminary Official Statement (the "Preliminary Official Statement") relating to the Series

2014 Bonds in the form attached hereto as Exhibit C is hereby approved, confirmed and ratified and the distribution thereof by the Underwriters is hereby approved, together with a final Official Statement to be in substantially the form of the Preliminary Official Statement and reflecting the terms of the Series 2014 Bonds set forth in the Purchase Agreement with such additional changes, insertions and omissions as do not change the substance thereof and as may be made and approved by officers of the Issuer executing the same, such execution to be conclusive evidence of any such approval. The Mayor or Vice Mayor is hereby authorized and directed to execute and deliver the final Official Statement. For purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), the City Manager or the Finance Director or their designee is hereby authorized to approve and deem final the Preliminary Official Statement in accordance with the Rule prior to the printing thereof and to execute a certificate to that effect.

SECTION 16. Appointment of Escrow Agent; Authorization of Execution and Delivery of Escrow Deposit Agreement. U.S. Bank National Association is hereby appointed to serve as Escrow Agent with respect to the Refunded Bonds. The Escrow Agent shall perform such duties as are more fully described in the Original Resolution and the Escrow Deposit Agreement in connection with the Refunded Bonds. The Escrow Agent shall fulfill such functions with respect to the Escrow Deposit Agreement until a qualified successor shall have been designated by the Issuer and accepts such duties, such designation to be subject to written notice to the Escrow Agent, or until the Refunded Bonds have been paid in full pursuant to the Original Resolution. The Escrow Deposit

Agreement in the form of Exhibit D hereto is hereby approved and the Mayor or Vice Mayor and attested by the City Clerk, or their designee, and approved as to form and correctness by the City Attorney, are hereby authorized and directed to execute and deliver the Escrow Deposit Agreement with such changes and completions as are approved by the signors thereof, with such signatures as evidence of their acceptance of such changes and completions.

SECTION 17. Appointment of Paying Agent and Registrar; Authorization of Execution and Delivery of Paying Agent and Registrar Agreement. U.S. Bank National Association is hereby appointed to serve as Paying Agent and Registrar with respect to the Series 2014 Bonds. The Paying Agent and Registrar shall perform such duties as are more fully described in the Bond Resolution and the Paying Agent and Registrar Agreement in connection with the Series 2014 Bonds. The Paying Agent and Registrar Agreement in the form of Exhibit E hereto is hereby approved and the Mayor or Vice Mayor and attested by the City Clerk, or their designee, and approved as to form and correctness by the City Attorney, are hereby authorized and directed to execute and deliver the Paying Agent and Registrar Agreement with such changes and completions as are approved by the signors thereof, with such signatures as evidence of their acceptance of such changes and completions.

SECTION 18. Continuing Disclosure. The Issuer hereby covenants and agrees that, in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule with respect to the Series 2014 Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Series 2014 Bonds to the Underwriters, as may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an event of default under the Bond Resolution. Any rights of the Series 2014 Bondholders to enforce the provisions of the Continuing Disclosure Certificate shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder. The Mayor or Vice Mayor is hereby authorized and directed to execute and deliver, on behalf of the Issuer, the Continuing Disclosure Certificate substantially in the form of Exhibit F hereto, which is hereby approved, with such changes and completions as are acceptable to the signors thereof, with such execution to be conclusive evidence of the approval of such changes and completions.

SECTION 19. Optional Bond Insurance Policy and Reserve Product.

(A) The Issuer is hereby authorized to insure all, some or none of the Series 2014 Bonds with the Bond Insurance Policy, whichever is determined by the Issuer to be in its best interests based on the advice of the Financial Advisor, and further authorizes the City Manager or his designee to take any actions and do all things necessary in order to accept the Bond Insurance Policy in connection with the issuance of the Series 2014 Bonds. The Mayor, Vice Mayor and City Manager, or their designee, are authorized to execute and the Clerk is authorized to attest upon the approval thereof as to form and

correctness by the City Attorney, a financial guaranty agreement or similar agreement with the Bond Insurer as required by the Bond Insurer's commitment to issue the Bond Insurance Policy.

(B) The Issuer is hereby authorized to purchase the Series 2014 Reserve Product in satisfaction of the Reserve Requirement for the Series 2014 Bonds, if determined by the Issuer to be in its best interests based on the advice of the Financial Advisor, and further authorizes the City Manager or his designee to take any actions and do all things necessary in order to accept the Series 2014 Reserve Product in connection with the Reserve Requirement for the Series 2014 Bonds. The Mayor, Vice Mayor and City Manager, or their designee, are authorized to execute and the Clerk is authorized to attest upon the approval thereof as to form and legal sufficiency by the City Attorney, a financial guaranty agreement with the Bond Insurer as required by the Bond Insurer's commitment to issue the Series 2014 Reserve Product.

(C) In the event the Issuer is required to utilize any funds on deposit in the Reserve Account for the Series 2014 Bonds, the funds on deposit therein shall be used prior to making a draw under the Series 2014 Reserve Product, if any, and in the event the Issuer subsequently replaces the funds on deposit in the Reserve Account with another surety or similar policy, then such other surety or reserve policy shall be drawn upon prior to drawing upon the Series 2014 Reserve Product, if any.

SECTION 20. Applicability of the Original Resolution. The Series 2014 Bonds are subject to all the covenants, terms and conditions of the Original Resolution, the provisions of which are incorporated herein by reference and are fully applicable to the Series 2014 Bonds, except to the extent amended herein.

SECTION 21. General Authority. The Mayor or Vice Mayor, the City Manager, the City Attorney, the Finance Director, their designee or any other appropriate officers of the Issuer are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Bond Resolution, the Purchase Agreement, the Preliminary Official Statement, the Escrow Deposit Agreement, the Continuing Disclosure Certificate or any other document referred to above as a prerequisite or precondition to the issuance of the Series 2014 Bonds and any such representation made therein shall be deemed to be made on behalf of the Issuer. All action taken to date by the officers of the Issuer in furtherance of the issuance of the Series 2014 Bonds is hereby approved, confirmed and ratified.

SECTION 22. Repealing Clause. All prior resolutions or other actions of the Issuer inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 23. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, THIS 6 DAY OF AUGUST, 2014.

CITY OF PEMBROKE PINES, FLORIDA

ATTEST:

MARLENE D. GRAHAM, CITY CLERK

BY:

MAYOR FRANK C. ORTIS

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

ORTIS	AYE
CASTILLO	AYE
SCHWARTZ	AYE
SHECHTER	AYE
SIPLE	AYE

EXHIBIT A

FORM OF BONDS

No. R-__ $__________

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PEMBROKE PINES
TAXABLE COMMUNICATIONS SERVICES TAX
REFUNDING REVENUE BOND, SERIES 2014

Rate of Interest	Maturity Date	Dated Date	CUSIP

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Pembroke Pines, Florida, a municipal corporation of the State of Florida (hereinafter called "Issuer"), for value received, hereby promises to pay to the Registered Holder identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount shown above, solely from the revenues hereinafter mentioned, and to pay solely from such revenues, interest on said sum from the date of this Bond or from the most recent Payment Date to which interest has been paid, at the Rate of Interest per annum set forth above until the payment of such principal sum, such interest being payable on April 1, 2015, and semiannually thereafter on October 1 and April 1 of each year. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof on the date fixed for maturity or redemption at the designated office of U.S. Bank National Association (the "Paying Agent") in Ft. Lauderdale, Florida, or at the office designated for such payment of any successor thereof. The interest on this Bond, when due and payable, shall be paid by bank wire transfer or check or draft mailed, or, if permitted, direct deposit to the Registered Holder, at his address as it appears on the bond register, at the close of business on the 15th day of the month (whether or not a business day) next preceding the Payment Date (the "Record Date") or, in the case of payment after default, a special record date, as provided in the Bond Resolution hereinafter mentioned. All amounts due hereunder shall be payable in any coin or currency of the United States which is at the time of payment legal tender for the payment of public or private debts.

This Bond is one of a duly authorized issue of Bonds of the Issuer designated "Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014" in the aggregate principal

amount of $__________, of like tenor and effect, except as to number, date, maturity, interest rate and redemption provisions, issued to refund [all or a portion] of the City's Taxable Communications Services Tax Revenue Bonds, Series 2004 pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, Chapter 159, Part VII, Florida Statutes, and other applicable provisions of law, Resolution No. 2959 adopted by the City Commission of the Issuer on September 17, 2003, as amended and supplemented, and as particularly amended and supplemented by Resolution No. 2960 adopted by the City Commission on September 17, 2003, Resolution No. 2980 and Resolution No. 2981, each adopted by the City Commission on March 17, 2004, Resolution No. 3389 adopted by the City Commission on September 3, 2013, and as further supplemented by Resolution No. _____ adopted on __________, 2014 (collectively, the "Bond Resolution"), and is subject to all the terms and conditions of such Resolution, the provisions of which are incorporated herein by reference. (All terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in the Bond Resolution.)

This Bond and the issue of Bonds of which it is a part are special obligations of the Issuer payable solely from and secured by a prior lien upon and pledge of the Communications Services Tax Revenues, consisting of that portion of the proceeds of the local government Communications Services Tax Revenues on deposit from time to time in the Local Government Communications Services Tax Revenues Clearing Trust Fund in the State Treasury of the State of Florida, allocated for and as distributed monthly to the City pursuant to Chapter 218, Part VI, Florida Statutes and the Water Public Service Tax Revenues (collectively, the "Pledged Revenues"), all in the manner provided in the Bond Resolution. The lien and pledge of the Water Public Service Tax Revenues is subject to release by the City upon demonstrating certain debt service coverage requirements set forth in the Bond Resolution.

This Bond does not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida or any political subdivision thereof, within the meaning of any constitutional or statutory provision or limitation. Neither the State of Florida nor any political subdivision thereof, nor the Issuer shall be obligated (1) to exercise its ad valorem taxing power or any other taxing power in any form on any real or personal property in the Issuer to pay the principal of the Bonds, the interest thereon or other costs incident thereto or (2) to pay the same from any other funds of the Issuer, except from the Pledged Revenues, in the manner provided herein and in the Bond Resolution. It is further agreed between the Issuer and the Registered Holder of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien on the City's Pension Plan or any other property of the Issuer, but shall constitute a lien only on the Pledged Revenues, in the manner provided in the Bond Resolution.

(INSERT REDEMPTION PROVISIONS)

Bonds in denominations greater than $5,000 Principal Amount shall be deemed to be an equivalent number of Bonds of the denomination of $5,000 Principal Amount. Notice of redemption identifying the Bonds or portions thereof to be redeemed will be given by the Registrar as provided in the Bond Resolution. Any notice of optional redemption for the Bonds may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the Paying Agent to affected Bondholders of such Bonds as promptly as practicable upon the failure of such condition or occurrence of such other event, and the affected Bonds shall remain outstanding. All Bonds so called for redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time.

The Issuer has covenanted that it will not repeal the ordinances now in effect under which it levies the Communications Services Tax and the Water Public Service Tax and will not amend or modify said ordinance or resolutions imposing the Communications Services Tax and the Water Public Service Tax in any manner so as to impair or adversely affect its power and obligation to receive the Communications Services Tax or the Water Public Service Tax or impair or adversely affect in any manner the pledge of such Communications Services Tax or the Water Public Service Tax made in the Bond Resolution or the rights of the Registered Holders of the Bonds and the pledging of the Pledged Revenues shall not be subject to repeal or impairment by any subsequent ordinance or other proceedings of the Issuer. The lien on and the pledge of the Water Public Service Tax Revenues are subject to release by the Issuer, when the Issuer demonstrating that, based on the Issuer's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized by the Issuer were not less than 1.30 times the Maximum Bond Service Requirement on all Bonds then outstanding without taking into consideration any Water Public Service Tax Revenue. The Issuer has entered into certain other covenants and agreements respecting the Bonds, as to which reference is made to the Bond Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds of this issue does not violate any constitutional or statutory limitations or provisions.

Subject to the provisions of the Bond Resolution respecting registration, this Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities of the State of Florida.

Subject to the limitations and upon payment of the charges provided in the Bond Resolution, Bonds may be exchanged for a like aggregate Principal Amount of Bonds of the same maturity and interest rate of other authorized denominations, and are transferable by the Registered Holder in person or by his attorney duly authorized in writing at the above-mentioned office of the Registrar.

The Issuer shall deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer shall not be affected by any notice to the contrary.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the certificate of authentication endorsed hereon shall have been duly signed by the Registrar.

IN WITNESS WHEREOF, the City of Pembroke Pines, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Mayor and City Manager, and attested by the manual or facsimile signature of its City Clerk, and its official seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, as of ________________, 2014.

CITY OF PEMBROKE PINES, FLORIDA

(SEAL)

ATTEST:

____
Mayor

____
City Clerk

____
City Manager

Approved as to Form
and Correctness:

____
City Attorney

CERTIFICATE OF AUTHENTICATION OF REGISTRAR

This Bond is one of the issue of the within described Bonds. The Rate of Interest, Maturity Date, Registered Holder and Principal Amount shown above are correct in all respects and have been recorded, along with the applicable federal taxpayer identification number and the address of the Registered Holder, in the bond register maintained at the principal offices of the undersigned.

U.S. BANK NATIONAL ASSOCIATION
Registrar

Date of Registration and
Authentication:

____

By:____________________________
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned (the "Transferor"), hereby sells, assigns, and transfers

unto ________________________________

________________________________ (Please insert name and Social Security or Federal Employer Identification number of assignee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints __________________ (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:
Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

RESOLUTION NO. ______

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIF MIN ACT - (Cust.)
TEN ENT - as tenants by the entireties	Custodian for (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of (State)

Additional abbreviations may also be used though not in list above

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

BASIC FINANCIAL STATEMENTS OF THE CITY FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013

[THIS PAGE INTENTIONALLY LEFT BLANK]

Independent Auditors' Report

GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glsccpa.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pembroke Pines, Florida as of and for the year ended September 30, 2013, and the related notes to the 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 represents 65% of the net position, 66% of additions, and 59% of deductions of 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, 2013, 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, schedule of contributions and funding progress, and budgetary comparison information on pages 4 - 22 and 134 - 139, respectively, 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' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget to 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 financial assistance projects and local awards is presented for purposes of additional analysis as required by U.S. office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, schedule of revenues, expenditures, and changes in fund balances – budget to actual on pages 140 through 155 and the schedule of expenditures of federal awards, state financial assistance projects and local awards on pages 197 through 199 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 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. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of revenues, expenditures, and changes in fund balances – budget to actual, and the schedule of federal awards, state financial assistance 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 March 17, 2014, on our consideration of the City of Pembroke Pines, Florida's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the City's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
March 17, 2014

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, 2013. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to x of this report.

Financial Highlights

- The assets 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 $363.1 million *(net position),* as compared with $357.4 million for the previous fiscal year. Of this amount, $96.6 million *(unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $5.7 million (1.6%) during the current fiscal year. Included in the total net position is the governmental net position which increased by $1.3 million (0.9%), and the business-type net position, which increased by $4.4 million (2.0%).

- At the end of the current fiscal year, unrestricted net position of the City's governmental activities had a surplus of $21.5 million, or 9.3% of total governmental activities expenses. The unrestricted net position of the business-type activities was $75.1 million, or 178.8% 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 $104.3 million, a decrease of 1.9 million (-1.8%) in comparison with the prior year. Approximately $42.1 million (40.4%) 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.

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 140-143 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 136-139. 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 29-33 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 34-35 of this report.

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

The notes to the basic financial statements can be found on pages 36-133 of this report.

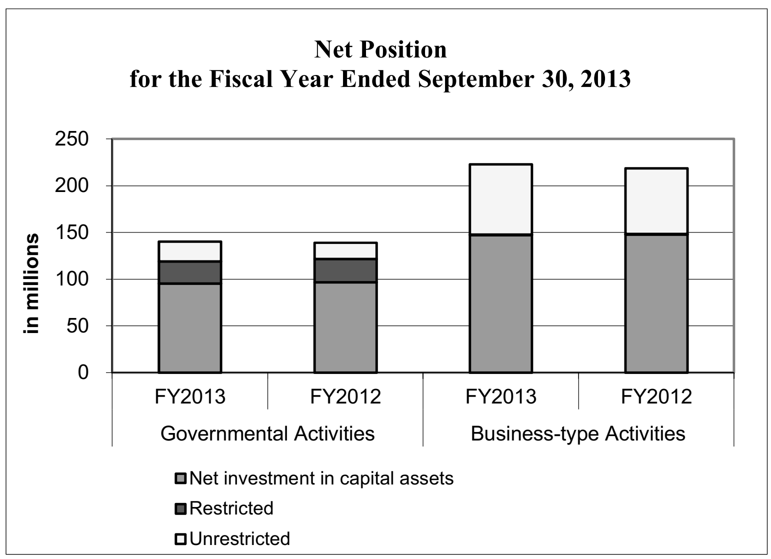
Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes information concerning the City's progress in funding its obligation to provide pension benefits to its employees and the budgetary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

Required supplementary information can be found on pages 134-139 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 140-143 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 $363.1 million at the close of the most recent fiscal year, which represents a 1.6% increase compared to last year's net position of $357.4 million. By far the largest portion of the City's net position, $242.3 million (66.7%), 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, $24.2 million (6.7%), represents resources that are subject to external restrictions on how they may be used. This balance decreased by approximately $1.5 million (-5.8%), which was mainly attributable to a $0.9 million decrease in the governmental activities restricted net position related to the charter schools and a $0.6 million decrease related to the restricted net position for the Florida Department of Law Enforcement (FDLE) confiscated fund.

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

Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current and other assets	$ 105.0	$ 94.7	$ 73.1	$ 67.8	$ 178.1	$ 162.5
Restricted assets	42.8	43.9	10.5	10.4	53.3	54.3
Negative net pension obligation	58.2	58.0	2.3	2.4	60.5	60.4
Unamortized bond issue costs	4.5	4.9	-	-	4.5	4.9
Capital assets, not being depreciated	70.2	66.1	11.3	10.5	81.5	76.6
Capital assets, being depreciated, net	272.4	282.5	140.4	142.3	412.8	424.8
Total assets	553.1	550.1	237.6	233.4	790.7	783.5
Total Deferred outflows of resources	6.6	13.4	-	-	6.6	13.4
Long-term liabilities	381.0	388.7	11.4	12.2	392.4	400.9
Other liabilities	31.9	22.5	3.3	2.7	35.2	25.2
Total liabilities	412.9	411.2	14.7	14.9	427.6	426.1
Total Deferred inflows of resources	6.6	13.4	-	-	6.6	13.4
Net investment in capital assets	95.2	96.4	147.1	147.7	242.3	244.1
Restricted	23.5	25.0	0.7	0.7	24.2	25.7
Unrestricted	21.5	17.5	75.1	70.1	96.6	87.6
Total net position	**$ 140.2**	**$ 138.9**	**$ 222.9**	**$ 218.5**	**$ 363.1**	**$ 357.4**

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

In both fiscal year 2013 and 2012, the City continued to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate business-type activities.

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

Governmental activities. Net position of the City's governmental activities increased by $1.3 million (0.9%) from $138.9 million in the last fiscal year to $140.2 million in the current fiscal year.

Changes in Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues:						
Charges for services	$118.2	$118.0	$43.2	$41.9	$161.4	$159.9
Operating grants & contributions	5.3	6.7	-	-	5.3	6.7
Capital grants & contributions	0.6	1.6	2.1	1.0	2.7	2.6
General Revenues:						
Property taxes	51.8	51.1	-	-	51.8	51.1
Utility taxes	11.7	11.2	-	-	11.7	11.2
Communications services tax	7.6	7.5	-	-	7.6	7.5
Insurance premium taxes	2.5	2.3	-	-	2.5	2.3
Local option gas tax	2.7	2.7	-	-	2.7	2.7
Franchise fees	14.9	14.6	-	-	14.9	14.6
Local business tax	3.2	3.2	-	-	3.2	3.2
Intergovernmental - unrestricted	13.4	12.5	-	-	13.4	12.5
Investment earnings (losses) - not restricted	(0.3)	2.1	1.1	1.5	0.8	3.6
Other miscellaneous	1.1	0.7	-	-	1.1	0.7
Total revenues	232.7	234.2	46.4	44.4	279.1	278.6
Expenses:						
General government services	20.5	18.2	-	-	20.5	18.2
Public safety	99.2	91.0	-	-	99.2	91.0
Physical environment	8.5	2.5	-	-	8.5	2.5
Transportation	7.6	8.8	-	-	7.6	8.8
Economic environment	10.2	11.4	-	-	10.2	11.4
Human services	55.6	52.0	-	-	55.6	52.0
Culture/recreation	12.1	17.0	-	-	12.1	17.0
Interest on long-term debt	17.7	17.8	-	-	17.7	17.8
Water utility services	-	-	5.1	4.7	5.1	4.7
Sewer/wastewater services	-	-	12.7	12.6	12.7	12.6
Water-sewer combined service	-	-	24.2	23.6	24.2	23.6
Total expenses	231.4	218.7	42.0	40.9	273.4	259.6
Increase in net position before transfers	1.3	15.5	4.4	3.5	5.7	19.0
Transfers	-	2.7	-	(2.7)	-	-
Increase in net position	1.3	18.2	4.4	0.8	5.7	19.0
Net position, beginning	138.9	120.7	218.5	217.7	357.4	338.4
Net position, ending	**$140.2**	**$138.9**	**$222.9**	**$218.5**	**$363.1**	**$357.4**

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

City of Pembroke Pines, Florida

Management's Discussion and Analysis

Revenues and Transfers:
Revenues from Governmental activities decreased by approximately $1.5 million (-0.6%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, decreased overall by $2.2 million (-1.7%), and general revenues increased by $0.7 million (0.6%).

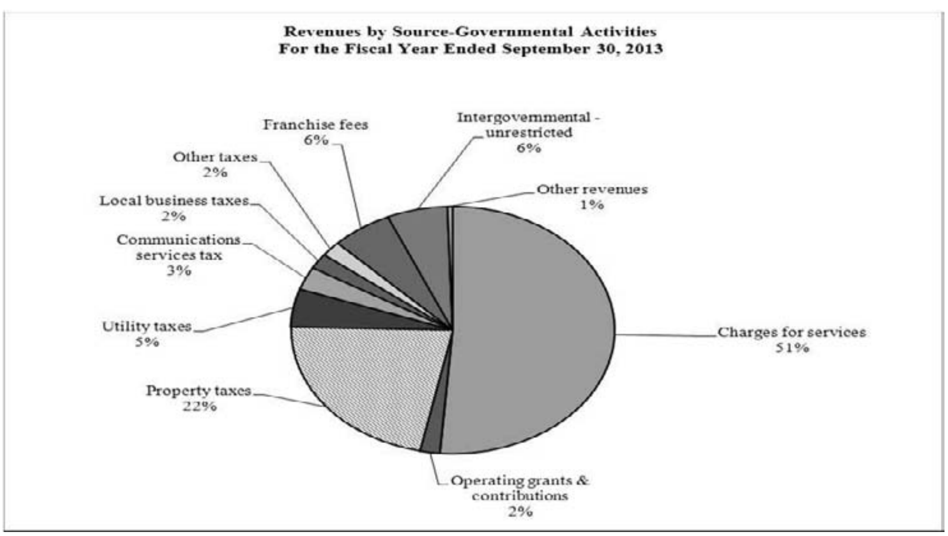
Program revenues showed a slight $0.2 million increase in charges for services, a $1.4 million decrease in operating grants and contributions, and a $1.0 million decrease in capital grants and contributions.

Operating grants and contributions decreased by $1.4 million. This decrease a result of a $0.7 million Federal Disaster Relief grant that was received and expended in fiscal year 2012, but was not available in fiscal year 2013. There was also a $0.6 million decrease in the State Housing Initiative Partnership (SHIP) grant. These funds are received in advance and only recognized as revenues as funds are expended for eligible purposes. In fiscal year 2013, the City also eliminated the ADA Paratransit Grant program which reduced revenues by $0.3 million.

Capital grants and contributions decreased by $1.0 million, mainly as a result of a contribution in aid of construction to the Capital Projects Fund that was made last fiscal year.

General revenues, not including transfers, increased by $0.7 million (0.6%). Overall, all revenue categories, with the exception of investment earnings (loss) –unrestricted experienced an increase over last year as the economy experienced positive growth. Property taxes increased by $0.7 million as a result an increase in property tax values and intergovernmental revenues-unrestricted also increased by $0.9 million due to increased state-shared sales tax proceeds. However, increases in general revenues were offset by a $2.4 million decrease investment earnings (loss) –unrestricted, due to a rise in interest rates. As interest rates rose, the market value on longer-term fixed income declined. The City has since taken steps to shorten the duration of its bond portfolio to minimize any further reductions.

There were no transfers in fiscal year 2013, but in the prior year governmental activities had a transfer of $2.7 million from the business-type activities. This comprised of a $3.5 million of capital transfer from the Utility Fund to the Road & Bridge and was offset by a $0.8 million transfer from the Community Development Block Grant (CDBG) fund to the Utility Fund.

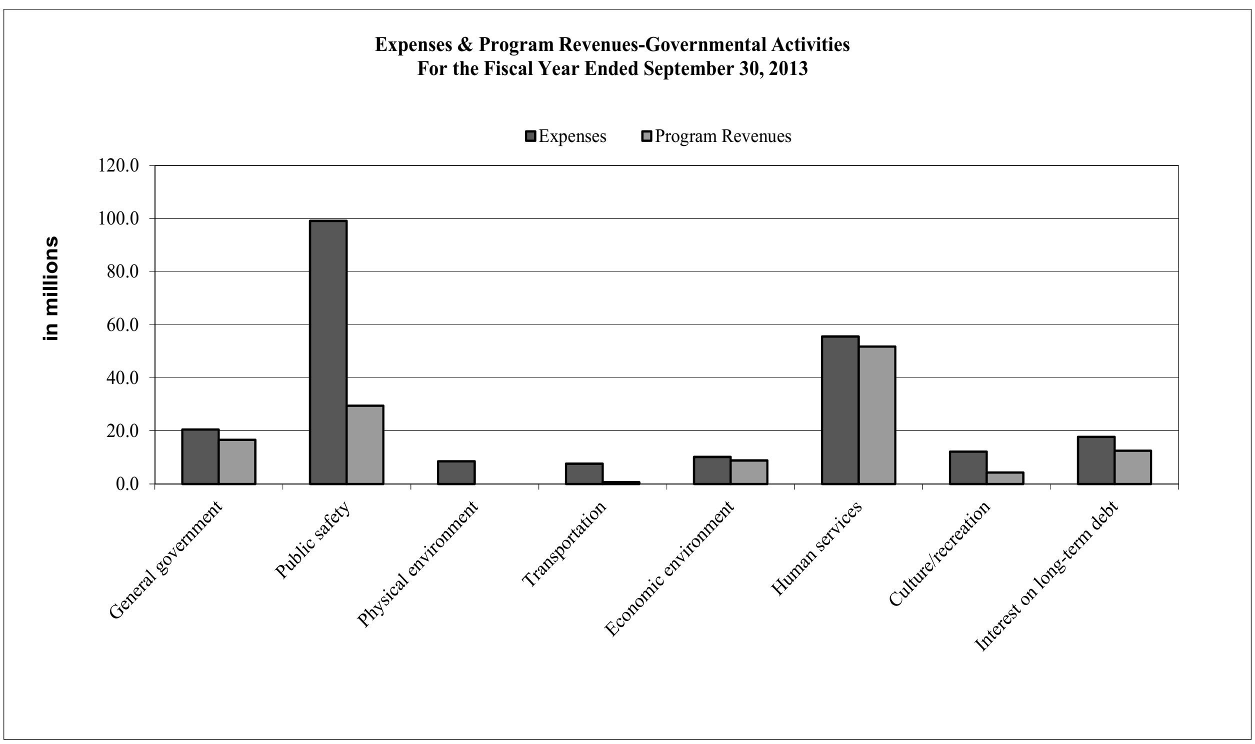


Expenses:
Governmental activity expenses increased by $12.7 million (5.8%) over last year. This increase took place in all governmental functions/programs except transportation, economic environment, culture/recreation and interest on long-term debt.

Culture and recreation had a $4.9 million (-28.8%) decrease. This was mainly attributable to the fact that the maintenance of the City's parks was transitioned to the public services department, which also explains the $6.0 million (240.0%) increase in physical environment. This transition was done to achieve organizational efficiencies in personnel as well as equipment utilization.

Public safety also increased significantly by $8.2 million (9.0%). This was mainly attributable to a $2.6 million increase in pension costs, and a $5.2 million increase in health, life and workers' compensation benefits. There was also a $1.2 million increase in expenses attributable to a repayment to the Federal Emergency Management Agency (FEMA).

Overall, the $12.7 million increase resulted from an $11.5 million increase in benefits, a $1.0 million increase in salaries, a $1.1 million increase in other charges, which is mainly attributable to the repayment to the Federal Emergency Management Agency (FEMA). These increases were offset by a $0.9 million decrease in operating expenses. Of the $11.5 million increase in benefits, pension costs increased by $5.0 million, $3.6 million attributable the General Employees' pension and $1.3 million for the Police Officers & Firefighters pension plan. Additionally, there was a $4.0 million increase in workers' compensation benefits, and a $2.9 million increase in health insurance costs.

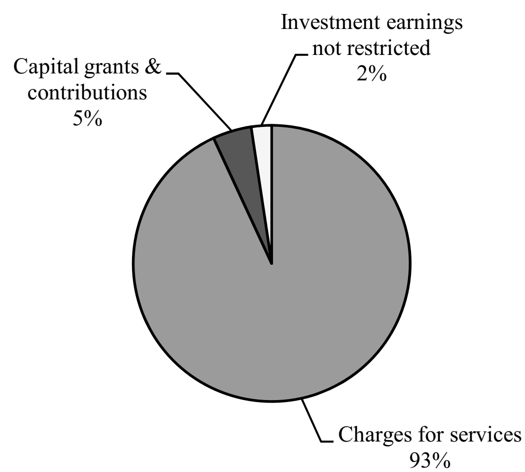


Business-type activities. The net position of the City's business-type activities increased by $4.4 million (2.0%) from $218.5 million in the last fiscal year to $222.9 million in the current fiscal year.

Revenues and Transfers:
Revenues from business-type activities excluding transfers increased over last year by $2.0 million (4.5%). The main factor contributing to this was an increase of $1.3 million in charges for services and a $1.1 million increase in capital grants and contributions.

Charges for services increased by $1.3 million (3.1%) as a result of a 2.30% increase in water and sewer rates for all residential and commercial properties in accordance with the annual Consumer Price Index (CPI) adjustment.
Additionally, the Mill Creek Residential Development was completed during fiscal year 2013, which included approximately 400 multi-family rental units, and related amenities such as a clubhouse, pool and outdoor playground. This development contributed to the increase in both charges for services and capital contributions.

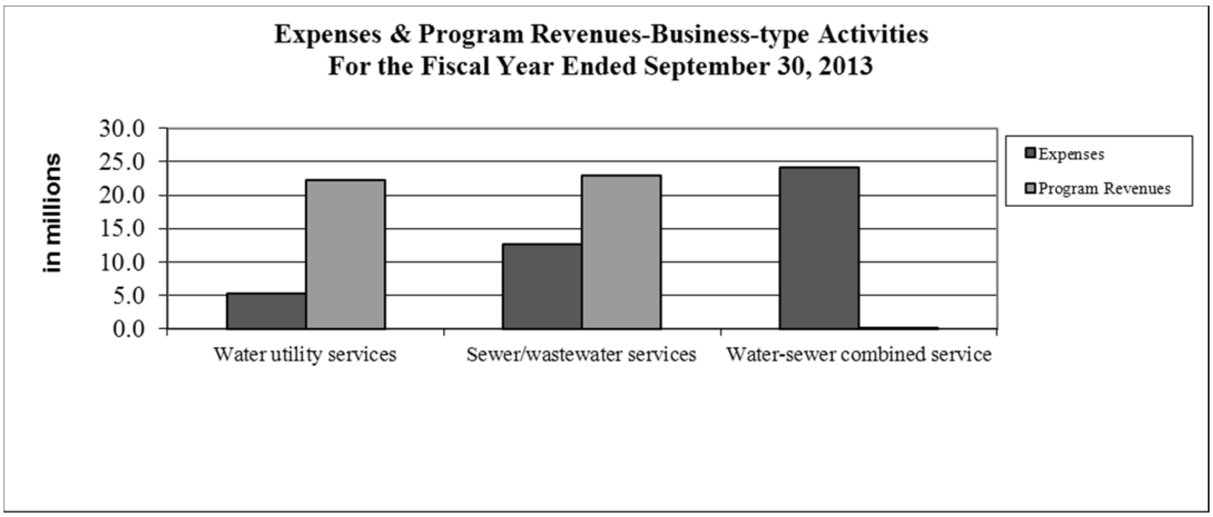
Revenues by Source- Business-type Activities
For the Fiscal Year Ended September 30, 2013



Expenses:

Expenses of the business-type activities increased by $1.1 million (2.7%) to $42.0 million. This was attributable to a $0.4 million increase in water utility services, a $0.1 million increase in sewer/wastewater services and a $0.6 million increase in water-sewer combined services.

Overall, for the business-type activities, personnel costs including benefits increased by $0.6 million mainly as a result of a $0.3 million increase in the City's pension contribution, and $0.2 million increase in workers' compensation costs. Operating costs increased by $0.5 million which was mainly due to a $0.6 million increase in the services related to the City of Hollywood contract.



Financial Analysis of the City's Governmental Funds

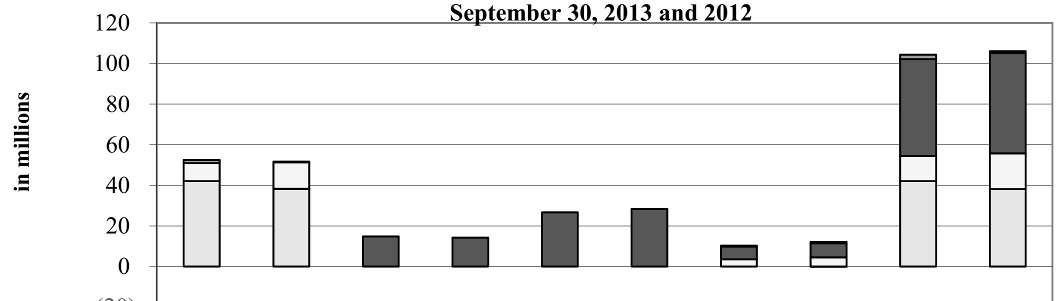
As noted earlier, the City of Pembroke Pines uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 $104.3 million, a decrease of $1.9 million in comparison with the $106.2 million prior year balance. Overall, governmental funds assets and liabilities decreased by $3.3 million and $1.4 million, respectively compared to last year.

Approximately $42.1 million (40.4%) 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.

Governmental Funds
Components of Fund Balance **
for the Fiscal Years Ended
September 30, 2013 and 2012



	General Fund FY '13	General Fund FY '12	Debt Service FY '13	Debt Service FY '12	Capital Projects FY '13	Capital Projects FY '12	Nonmajor Governmental Funds FY '13	Nonmajor Governmental Funds FY '12	Total Governmental Funds FY '13	Total Governmental Funds FY '12
Nonspendable Fund Balance	$1.6	$0.4	$-	$-	$-	$-	$0.5	$0.6	$2.1	$1.0
Restricted	-	-	14.8	14.2	26.7	28.3	6.3	7.0	47.8	49.5
Assigned Fund Balance	8.8	13.0	-	-	-	-	3.5	4.5	12.3	17.5
Unassigned Fund Balance	42.1	38.3	-	-	-	-	-	(0.1)	42.1	38.2

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

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 $42.1 million, as compared with $38.3 million in the prior year. For fiscal year 2013, unassigned fund balance represents 28.1% of total general fund expenditures, excluding transfers. Assigned fund balance decreased from $13.0 million to $8.8 million, the majority of which is assigned for the subsequent year's budget for technology upgrades.

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:

General Fund Revenues (in millions) **

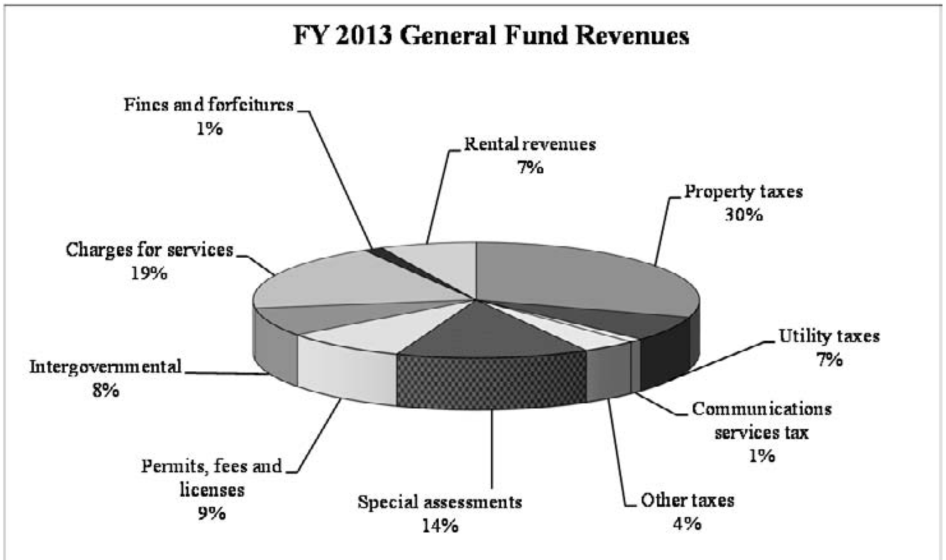
Revenue Sources:	2013 Amount	Percent of Total	2012 Amount	Percent of Total	Increase (Decrease) From 2012	% Increase (Decrease) From 2012
Property taxes	$46.3	30%	$45.7	30%	$0.6	1%
Utility taxes	9.9	7%	9.4	6%	0.5	5%
Communications services tax	1.1	1%	1.1	1%	-	-%
Other taxes	5.7	4%	5.5	3%	0.2	4%
Special assessments	20.8	14%	20.8	14%	-	-%
Permits, fees and licenses	13.5	9%	11.6	8%	1.9	16%
Intergovernmental	12.6	8%	11.8	8%	0.8	7%
Charges for services	28.6	19%	31.3	20%	(2.7)	(9)%
Fines and forfeitures	2.1	1%	2.5	2%	(0.4)	(16)%
Investment income(loss)	(0.3)	0%	1.2	1%	(1.5)	(125)%
Rental revenues	11.3	7%	11.1	7%	0.2	2%
Other revenues	0.3	0%	0.7	0%	(0.4)	(57)%
Total revenues	$151.9	100%	$152.7	100%	($0.8)	(1)%

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

Compared to the prior fiscal year, total General Fund revenues decreased by $0.8 million or -1.0% in fiscal year 2013. This was mainly attributable to a $2.7 million decrease in charges for services, and a $1.5 million decrease in investment income. These declines were offset by increases in permits, fees and licenses of $1.9 million, and a combined increase in taxes of $1.3 million.

Charges for services decreased by $2.7 million mainly as a result of a of $2.5 million contract with the Town of Southwest Ranches to provide fire services that was in place in fiscal year 2012, but which has subsequently been terminated. The City is currently in litigation with the Town of Southwest Ranches as a result of the termination of this contract. The final outcome on this matter has not yet been determined. Investment earnings also decreased by $1.5 million as compared to last year. The City lost approximately $0.3 million in fiscal year 2013 as interest rates increased due to the Federal Reserve's announcement of it tapering. As interest rates increase, the market value of fixed income securities decline. The City has taken steps to shorten the duration of its fixed income portfolio.

Property tax revenues increased by $0.6 million as the City maintained the same operating millage rate of 5.6368 mills. However, the City benefited from an increase in taxable values of approximately 1.2% as compared with a 0.2% increase in the previous year.



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

General Fund Expenditures (in millions) **

Expenditures:	2013 Amount	Percent of Total	2012 Amount	Percent of Total	Increase (Decrease) From 2012	% Increase (Decrease) From 2012
General government services	$ 19.8	13%	$ 17.7	13%	$ 2.1	12%
Public safety	100.0	67%	93.2	66%	6.8	7%
Physical environment	8.1	5%	2.4	2%	5.7	238%
Economic environment	7.3	5%	7.0	5%	0.3	4%
Human services	5.5	4%	5.2	4%	0.3	6%
Culture/Recreation	9.2	6%	13.3	10%	(4.1)	(31)%
Total expenditures	$ 149.9	100%	$ 138.8	100%	$ 11.1	8%

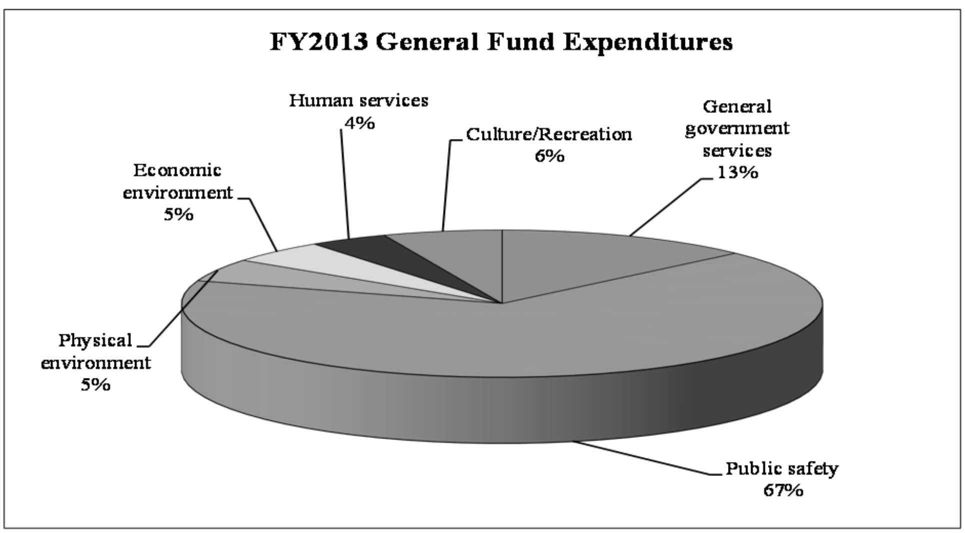
** Amounts may differ from the Fund Financial Statements due to rounding.

In fiscal year 2013, total General Fund expenditures increased $11.1 million, the first increase since fiscal year 2010. General Fund expenditures declined in fiscal years 2012, 2011 and 2010 by $1.6 million, $6.2 million, and a $1.0 million respectively.

Overall, the main contributing factor to the $11.1 million increase in General Fund expenditures is attributable to a $7.1 million increase in benefits. Retirement contributions to the General Employees' pension increased by $3.5 million, of this amount $2.5 million represents an increase in the Annual Required Contribution (ARC) as determined by the actuary, and $1.0 million represents an additional contribution to reduce the unfunded liability of the plan. The City's contribution to the Police Officers and Firefighters pension also increased by $1.3 million all relating to an increase in the ARC. There was also a $2.0 million increase in health and workers' compensation benefits.

The City's capital expenditures also contributed to the overall increase by $1.3 million. This was mainly to replace law enforcement vehicles. The City has been postponing capital expenditure since the economic downturn. There was also a $1.2 million increase in expenditures relating to a repayment agreement with the Federal Emergency Management Agency (FEMA). The City signed a two-year repayment agreement with FEMA but the full amount of the repayment was accrued in fiscal year 2013.

In addition, salaries for both full-time and part-time increased by $0.6 million. This was mainly attributable to a one-time payment to both full-time and part-time employees of 4% to 6% of base pay, which amounted to $1.4 million. This was offset by an overall decline in other salaries of $0.8 million as positions continued to be transitioned to contractual.



Other Major Governmental Funds:

Debt Service Fund
The fund balance in the Debt Service Fund increased by $0.6 million (4.1%) as compared with 2012 mainly as a result of sinking fund and reserve balance requirements for the City's bond issues. Additional information can be found in the Capital Assets and Debt Administration section on pages 18-20.

Capital Projects Fund
Total fund balance of $26.7 million in the Capital Projects Fund is restricted. The $1.6 million decrease from last year is mainly attributable to an increase in spending related to the General Obligation Bonds and various other construction projects being undertaken by the City. In January 2013, the City also sold for $3.1 million "Raintree", a parcel of land that was previously purchased with bond proceeds.

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 $74.6 million compared to $69.6 million in the prior year. Other factors concerning the finances of this major fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Revenues
Actual revenues were $1.1 million or 0.7% above the final budget due mostly to overages and shortfalls in the following categories:

- **Taxes -** $1.1 million positive budget variance consisted primarily of $0.6 million in property tax resulting from only some property owners taking advantage of the early payment discount.

- **Intergovernmental -** $0.5 million positive budget variance mainly relates to sales taxes resulting from sales being more robust than anticipated.

- **Fines and forfeitures -** $1.1 million positive budget variance was largely attributable to $0.9 million of unbudgeted red zone infractions.

- **Miscellaneous -** $1.8 million negative budget variance due principally to a $0.9 million underperformance in investments income as a result of the economy and a $0.7 million shortage in rental income from the State Hospital Site.

Expenditures
Actual expenditures excluding transfers to other funds were $4.2 million or 2.7% above the final budget due largely to budget savings in the following functions:

- **General government services -** $1.8 million budget savings consisted primarily of $1.8 million in non-personnel related operating expenses in a myriad of accounts (mainly $0.4 million each in repairs and maintenance, contractual services, and contingency as well as $0.2 million in property/liability insurance) and $0.2 million in capital. These savings were partially offset by a shortfall of $0.2 million in compensation and benefits, mainly contribution to general employees' pension.

- **Human services -** $0.7 million budget savings included $0.2 million in unspent appropriations for the transitional housing grant, which was carried forward to fiscal year 2014. In addition, there was $0.5 million in unexpended appropriations for the Early Development Centers (EDCs), with salaries and benefits accounting for $0.4 million of that amount. The savings in the EDCs were due mainly to unmet enrollment expectations.

- **Physical environment -** $0.7 million budget savings included principally $0.4 million in non-personnel operating expenses (primarily contractual services) and $0.4 million in capital expenses of which $0.2 million was carried forward to fiscal year 2014. These were partially offset by a $0.2 budget overrun in compensation and benefits, mainly contribution to general employees' pension.

- **Culture and recreation** - $0.6 million budget savings consisted mainly of $0.5 million in numerous non-personnel operating line items, with $0.2 million in repairs and maintenance being the largest, and $0.1 million in capital.

- **Public Safety** - $0.1 million budget savings with $1.2 million in the Fire Department being almost entirely offset by a $1.1 million unbudgeted repayment to the Federal Emergency Management Agency in connection with Hurricane Wilma. The Fire Department savings included $0.6 million in compensation and benefits (mainly health insurance), $0.3 million in several non-personnel operating line items, and $0.3 million in capital, which was carried forward to fiscal year 2014.

Fund balance was originally projected to decrease by $3.6 million; subsequent budget amendments increased the unfavorable change to $4.4 million. However, the actual change in fund balance was a favorable $0.9 million, which resulted in a $5.3 million favorable variance from the final budget. This variance consisted of favorable revenue budget variances of $1.1 million and expenditure budget savings of $4.2 million. Details of these variances are provided above.

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2013, amounted to $494.3 million (net of accumulated depreciation), compared with $501.4 million last fiscal year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was $7.1 million (-1.4%).

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital assets, not being depreciated:						
Land	$63.0	$65.6	$3.0	$3.0	$66.0	$68.6
Construction in progress	7.2	0.5	8.3	7.5	15.5	8.0
Total capital assets, not being depreciated	70.2	66.1	11.3	10.5	81.5	76.6
Capital assets, being depreciated, net						
Buildings	187.8	192.7	29.4	30.2	217.2	222.9
Improvements other than buildings	72.1	78.0	108.7	110.0	180.8	188.0
Machinery and equipment	9.6	8.8	2.3	2.1	11.9	10.9
Infrastructure	2.9	2.9	-	-	2.9	2.9
Intangibles	-	0.1	-	-	-	0.1
Total capital assets, being depreciated, net	272.4	282.5	140.4	142.3	412.8	424.8
Total capital assets	$342.6	$348.6	$151.7	$152.8	$494.3	$501.4

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

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

- $5.8 million was spent various capital projects funded by the 2005 and 2007 General Obligation (G.O.) Bonds such as:
  - $2.5 million to build the Charter High School football stadium;
  - $1.3 million to complete the construction of additional soccer fields at the West Pines Soccer Park, the total project cost was $1.5 million.
  - $0.9 million to complete roadway improvements for SW196th Avenue from Pembroke Road to Pines Boulevard, and
  - $0.3 million to construct a noise wall on Taft Street and Douglas Road.

- $2.3 million was spent to replace vehicles. Of this amount, $1.5 million replaced law enforcement vehicles and $0.2 million was used to purchase a street sweeper.

- $0.6 million was spent using confiscated grant funds to complete construction of the new state-of-the-art Police Training facility.

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

- $2.3 million for Sewer plant rehabilitation.

- $0.8 million for lift station rehabilitation and replacements.

- $0.5 million for water main improvements.

Additional information on the City's capital assets can be found in Note 6. starting on page 64 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of $368.4 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 Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	$ 280.1	$ 287.7	$ 11.0	$ 11.7	$ 291.1	$ 299.4
General Obligation Bonds	77.3	79.3	-	-	77.3	79.3
Total	$ 357.4	$ 367.0	$ 11.0	$ 11.7	$ 368.4	$ 378.7

There were no new bond issues or refinancing transactions during the fiscal year 2013. The reduction in total debt outstanding was a result of normal debt service expenditures for principal and interest. However on October 15, 2013 the City refunded $34.7 million of the Taxable Communications Services Tax Revenue Bonds, Series 2003A. Additional information on the refunding can be found in Note 15. on page 133 of this report.

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.

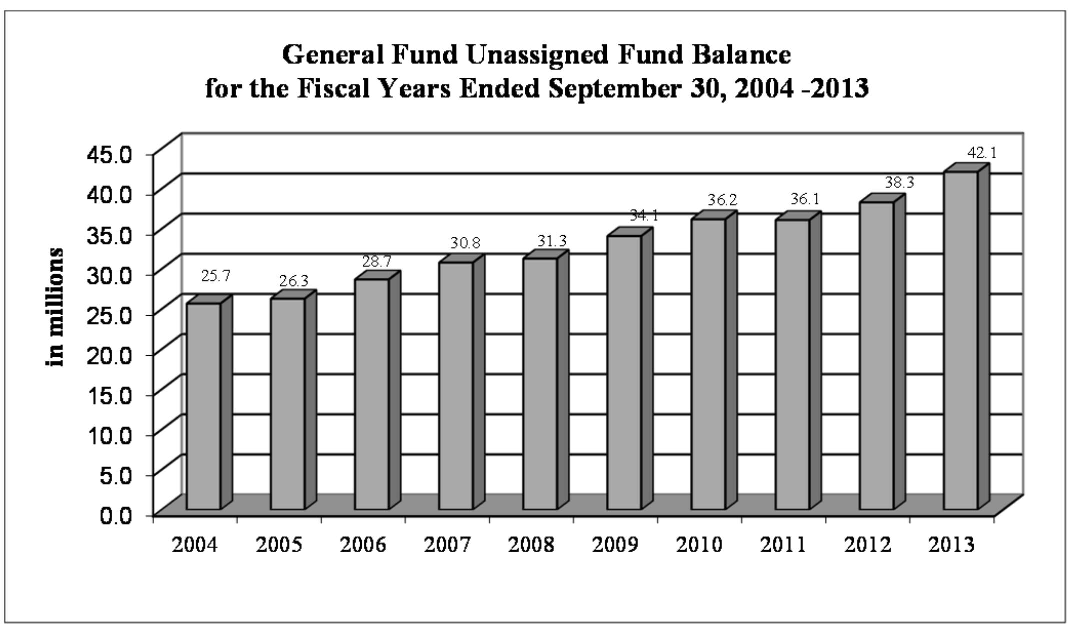
Both General Obligation Bonds received an underlying rating from Moody's Investors Service of Aa2 and AA from Fitch Ratings. On January 31, 2013, Fitch Ratings affirmed its AA rating. Additional information on the City's long-term debt can be found in Note 9. starting on page 71 of this report.

Economic Factors and Next Year's Budgets and Rates

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

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2013 was 5.8%, as compared to 7.4% a year ago. This compares favorably to unemployment rates for Broward County, which was 6.2%, and 7.7% for the State of Florida for the same period.

During fiscal year 2013, unassigned fund balance in the General Fund increased to $42.1 million, compared to $38.3 million from last year. The $42.1 million is greater than three months of the General Fund operating expenditures or 28.1%. Over the last several years, with the exception FY2011, the City has been able to increase its unassigned fund balance as shown in the following graph. The City has assigned $8.8 million for next year's budget which includes proposed technology upgrades.



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

Effective March 1, 2014, the City's E-911 communication system transitioned to the Broward County's Consolidated Regional E-911 Communications System. The Pembroke Pines facility has been recommended as one of the three regional dispatch centers. Removal of the E-911 project from the 2014 General Fund budget resulted in a $1.4 million budget savings and a 25 net reduction in City employees.

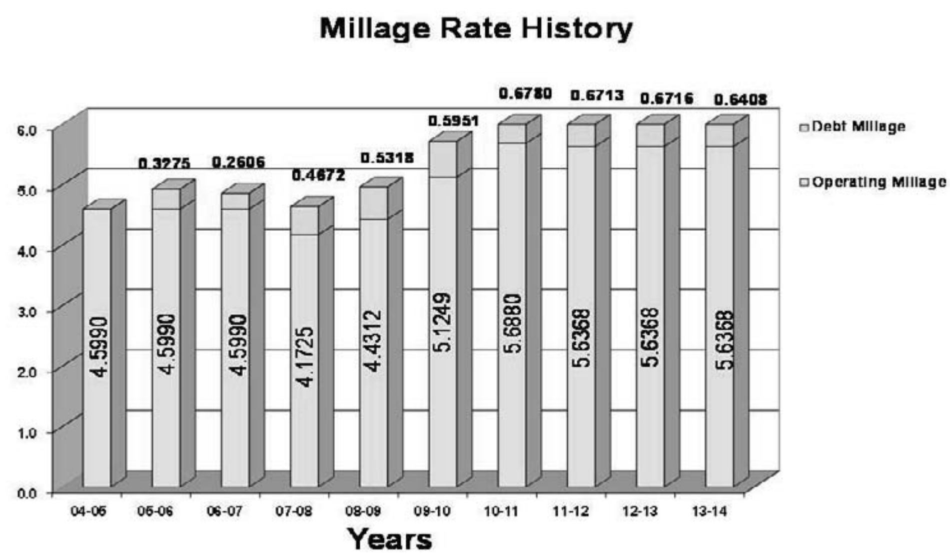
On October 31, 2013 the City's Water and Wastewater Utility System including utility billing, customer service, and meter reading services will be operated and managed by a third party vendor. The City will continue to be responsible for capital improvements, utilities, and payments to the City of Hollywood under the Large-User contract for sewer services east of Flamingo Road.

Implementation of this function sourcing results in an estimated aggregate budget savings of $1.2 million with $0.8 million in the Utility Fund, $0.2 million in the General Fund and $0.2 million in the Road and Bridge Fund. This arrangement will affect 27 city positions and 79 contractual positions.

In addition, the City will contract with a third party regarding the operation and maintenance of the City's facilities and buildings, effective November 1, 2013. The City will retain responsibility for capital improvements and providing utilities to the facilities. The associated General Fund budget savings is estimated at $0.5 million and 78 contractual positions will be affected.

General Fund

For fiscal year 2014, the largest revenue source, Ad Valorem (property) Tax, which is 30.6% of the total general fund revenue budget, is budgeted at the same operating millage rate as fiscal year 2013 of 5.6368, generating $47.7 million, which is $2.0 million higher than 2013's adopted budget. This increase is attributable to a 4.7% increase in taxable values. The debt service millage reflects a decrease of 0.0308 mills, moving from 0.6716 to 0.6408 mills. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.



The 2014 expenditure budget of $156.2 million is $2.8 million greater than the 2013 adopted budget of $153.4 million. The largest component of this increase is capital expenditures ensuing from the postponement of capital purchases during the recession. Compared to the 2013 adopted budget, the operating budget for 2014 reflects a $1.3 million or 3.5% decrease, which is the result of appropriating budget saving (reduction to the expenditure) of $2.5 million.

The General Fund 2013-14 budget for capital items reflects a $3.3 million or 116.1% increase over the 2013 adopted budget, of which $1.3 million represents purchases of additional police vehicles, and $0.9 million represents the purchase of an ambulance and fire rescue vehicles.

Utility Fund

Effective October 1, 2013, water and sewer rates increased by 1.06% over last year's rates for all residential and commercial properties. This increase reflects the annual increase in the Consumer Price Index as authorized by City Ordinance. The new rates translate to a $0.5 million increase over the prior year budgeted water and sewer revenues.

The $49.3 million 2014 adopted budget for expenses is $2.3 million or 4.5% below the 2013 adopted budget. This decrease is due primarily to net reductions of $2.0 million and $0.5 million in the operating and capital budget, respectively. The reduction in the operating budget is tied mainly to the $1.3 million reduction in wastewater treatment charges from the City of Hollywood, and the $0.8 million reduction associated with function sourcing the utilities operation. These were partially offset by a $0.7 million increase in administrative fees, an interfund charge.

The Utility Fund 2014 capital budget of $7.6 million is $0.5 million below the 2013 adopted budget.

All these and other factors were considered in preparing the City's budget for fiscal year 2014.

Requests for Information

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

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

Basic Financial Statements

Government-wide Financial Statements

City of Pembroke Pines, Florida

Statement of Net Position

September 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	$52,528,739	$28,967,538	$81,496,277
Investments:			
Marketable securities	31,825,475	-	31,825,475
Real estate	10,077,428	39,467,259	49,544,687
Receivables, net	9,907,825	4,633,254	14,541,079
Inventories	406,936	12,071	419,007
Restricted assets:			
Pooled cash and cash equivalents	42,795,735	10,517,087	53,312,822
Prepaid costs	265,672	-	265,672
Negative net pension obligation	58,188,687	2,282,261	60,470,948
Unamortized bond issue costs	4,510,446	39,881	4,550,327
Capital assets, not being depreciated	70,197,910	11,343,024	81,540,934
Capital assets, being depreciated, net	272,361,734	140,385,612	412,747,346
Total assets	553,066,587	237,647,987	790,714,574
Deferred outflows of resources			
Interest rate swaps	6,648,287	-	6,648,287
Total deferred outflows of resources	6,648,287	-	6,648,287
Liabilities			
Accounts payable and accrued liabilities	16,089,442	412,445	16,501,887
Note payable	9,050,042	-	9,050,042
Deposits	1,588,325	-	1,588,325
Internal balances	488,740	(488,740)	-
Unearned/deferred revenue	4,003,800	-	4,003,800
Payable from restricted assets:			
Deposits	651,423	3,388,773	4,040,196
Noncurrent liabilities:			
Due within one year	22,306,792	1,032,808	23,339,600
Due in more than one year	358,689,838	10,404,970	369,094,808
Total liabilities	412,868,402	14,750,256	427,618,658
Deferred inflows of resources			
Interest rate swaps	6,648,287	-	6,648,287
Total deferred inflows of resources	6,648,287	-	6,648,287
Net position			
Net investment in capital assets	95,158,519	147,106,303	242,264,822
Restricted for:			
$2 Police Education	305,053	-	305,053
Charter schools	2,506,907	-	2,506,907
Debt Service	13,982,854	717,102	14,699,956
FDLE - Confiscated	608,601	-	608,601
Justice - Confiscated	569,815	-	569,815
Older Americans Act	23,234	-	23,234
Road & Bridge Fund	4,610,425	-	4,610,425
Treasury - Confiscated	343,079	-	343,079
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	95,713	-	95,713
Unrestricted	21,547,870	75,074,326	96,622,196
Total net position	$140,198,185	$222,897,731	$363,095,916

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Activities

Fiscal Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government services	$ 20,448,927	$ 16,632,425	$ -	$ -	$ (3,816,502)	$ -	$ (3,816,502)
Public safety	99,209,184	29,134,920	52,922	287,504	(69,733,838)	-	(69,733,838)
Physical environment	8,532,071	-	-	-	(8,532,071)	-	(8,532,071)
Transportation	7,636,242	200,000	448,577	-	(6,987,665)	-	(6,987,665)
Economic environment	10,216,405	6,802,732	2,023,262	-	(1,390,411)	-	(1,390,411)
Human services	55,589,548	48,945,110	2,558,791	323,040	(3,762,607)	-	(3,762,607)
Culture/recreation	12,112,573	4,020,147	249,819	-	(7,842,607)	-	(7,842,607)
Interest on long-term debt	17,683,512	12,492,011	-	-	(5,191,501)	-	(5,191,501)
Total governmental activities	231,428,462	118,227,345	5,333,371	610,544	(107,257,202)	-	(107,257,202)
Business-type activities:							
Water utility services	5,120,127	21,214,069	-	1,114,158	-	17,208,100	17,208,100
Sewer/wastewater services	12,703,656	21,863,304	-	991,968	-	10,151,616	10,151,616
Water-sewer combined service	24,156,348	125,892	-	-	-	(24,030,456)	(24,030,456)
Total business-type activities	41,980,131	43,203,265	-	2,106,126	-	3,329,260	3,329,260
Total	$ 273,408,593	$ 161,430,610	$ 5,333,371	$ 2,716,670	(107,257,202)	3,329,260	(103,927,942)
General revenues:							
Property taxes, levied for debt service					5,514,105	-	5,514,105
Property taxes, levied for general purposes					46,282,854	-	46,282,854
Utility taxes					11,717,590	-	11,717,590
Communications services tax					7,598,497	-	7,598,497
Insurance premium taxes					2,458,939	-	2,458,939
Local option gas taxes					2,669,684	-	2,669,684
Franchise fees					14,930,045	-	14,930,045
Local business tax					3,232,834	-	3,232,834
Intergovernmental revenue - unrestricted					13,371,163	-	13,371,163
Miscellaneous revenues					634,605	3,669	638,274
Investment earnings (loss) not restricted					(309,711)	1,032,773	723,062
Gain on sale of capital assets					503,021	28,281	531,302
Total general revenues					108,603,626	1,064,723	109,668,349
Change in net position					1,346,424	4,393,983	5,740,407
Net position, beginning					138,851,761	218,503,748	357,355,509
Net position, ending					$ 140,198,185	$ 222,897,731	$ 363,095,916

See notes to basic financial statements.

Fund
Financial Statements

City of Pembroke Pines, Florida

Balance Sheet
Governmental Funds
September 30, 2013

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and cash equivalents	$ 43,813,685	$ -	$ -	$ 6,826,505	$ 50,640,190
Investments:					
Marketable securities	12,965,780	-	-	3,176,536	16,142,316
Real estate	1,027,386	-	-	-	1,027,386
Receivables:					
Franchise fees and taxes	5,276,839	-	-	464,337	5,741,176
Other	1,820,433	-	-	27,175	1,847,608
Inventories	383,702	-	-	23,234	406,936
Prepaid costs	207,947	-	-	57,725	265,672
Due from other funds	735,961	-	-	-	735,961
Due from other governments	64,449	-	41,485	1,111,375	1,217,309
Restricted assets:					
Pooled cash and cash equivalents	651,423	14,788,698	26,811,389	544,225	42,795,735
Total assets	$ 66,947,605	$ 14,788,698	$ 26,852,874	$ 12,231,112	$ 120,820,289
Liabilities and Fund balances					
Liabilities:					
Accounts payable	$ 9,099,639	$ -	$ -	$ 52,531	$ 9,152,170
Accrued liabilities	142,470	-	-	36,678	179,148
Retainage payable	-	-	179,957	-	179,957
Due to other funds	-	-	-	735,961	735,961
Due to other governments	1,134,374	-	-	-	1,134,374
Deposits	1,027,253	-	-	561,072	1,588,325
Deferred/unearned revenue	2,337,824	-	-	564,244	2,902,068
Deposits payable from restricted assets	651,423	-	-	-	651,423
Total liabilities	14,392,983	-	179,957	1,950,486	16,523,426
Fund balances:					
Nonspendable					
Inventory and prepaid costs	591,649	-	-	80,959	672,608
Investment in real estate	1,027,386	-	-	-	1,027,386
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	14,788,698	-	-	14,788,698
Capital projects	-	-	26,672,917	-	26,672,917
Road and sidewalks	-	-	-	4,373,322	4,373,322
Law enforcement	-	-	-	1,826,548	1,826,548
Wetland mitigation	-	-	-	95,713	95,713
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	3,515,694	3,515,694
Subsequent year's budget	6,663,284	-	-	-	6,663,284
Unassigned	42,147,303	-	-	(57,725)	42,089,578
Total fund balances	52,554,622	14,788,698	26,672,917	10,280,626	104,296,863
Total liabilities and fund balances	$ 66,947,605	$ 14,788,698	$ 26,852,874	$ 12,231,112	$ 120,820,289

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, 2013

Fund balances - Total governmental funds (page 25)	$ 104,296,863
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.	342,559,644
Unamortized bond issue costs are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	4,510,446
Interest payable, included in accrued liabilities, is not due and payable in the current period and, therefore, not reported in the funds.	(5,316,285)
Bonds payable and installment purchase, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(357,959,010)
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.	5,793,020
Compensated absences, included in noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(17,898,124)
Negative net pension obligation created through treatment of Taxable Communications Services Tax Revenue Bonds as employer contribution to defined benefit pension plans is not recognized in the funds.	58,158,141
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.	6,053,490
Net position of governmental activities (page 23)	$ 140,198,185

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, 2013

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property taxes	$ 46,282,854	$ 5,514,105	$ -	$ -	$ 51,796,959
Utility taxes	9,924,607	1,792,983	-	-	11,717,590
Communications services tax	1,135,075	6,463,422	-	-	7,598,497
Insurance premium taxes	2,458,939	-	-	-	2,458,939
Local option, use and fuel taxes	-	-	-	2,669,684	2,669,684
Local business tax	3,232,834	-	-	-	3,232,834
Special assessments	20,758,650	-	-	-	20,758,650
Permits, fees and licenses	13,488,543	818,352	783,641	237,725	15,328,261
Intergovernmental	12,590,096	-	186,785	42,984,071	55,760,952
Charges for services	28,574,068	-	-	1,726,574	30,300,642
Fines and forfeitures	2,059,578	-	-	207,905	2,267,483
Investment income (loss)	(257,371)	4,365	(173,385)	37,689	(388,702)
Contributions	38,514	-	387,663	647,636	1,073,813
Rental revenue	11,303,630	12,492,010	-	1,797,403	25,593,043
Other	302,748	-	-	1,915,112	2,217,860
Total revenues	151,892,765	27,085,237	1,184,704	52,223,799	232,386,505
Expenditures					
Current:					
General government	19,828,217	-	-	19,920	19,848,137
Public safety	100,068,126	-	-	1,236,753	101,304,879
Physical environment	8,140,631	-	-	-	8,140,631
Transportation	-	-	1,623,648	5,288,771	6,912,419
Economic environment	7,257,002	-	-	2,023,262	9,280,264
Human services	5,441,794	-	63,280	47,020,622	52,525,696
Culture and recreation	9,207,263	-	4,180,907	-	13,388,170
Debt service:					
Principal	-	9,661,916	-	-	9,661,916
Interest	-	16,911,616	-	-	16,911,616
Other debt service costs	-	5,500	-	-	5,500
Total expenditures	149,943,033	26,579,032	5,867,835	55,589,328	237,979,228
Excess (deficiency) of revenues over expenditures	1,949,732	506,205	(4,683,131)	(3,365,529)	(5,592,723)
Other financing sources (uses)					
Transfers in	-	29,516	-	2,427,617	2,457,133
Transfers out	(1,663,895)	-	-	(793,238)	(2,457,133)
Installment purchase	590,327	-	-	-	590,327
Sale of capital assets	-	-	3,100,000	-	3,100,000
Total other financing sources (uses)	(1,073,568)	29,516	3,100,000	1,634,379	3,690,327
Net change in fund balances	876,164	535,721	(1,583,131)	(1,731,150)	(1,902,396)
Fund balances, beginning	51,678,458	14,252,977	28,256,048	12,011,776	106,199,259
Fund balances, ending	$ 52,554,622	$ 14,788,698	$ 26,672,917	$ 10,280,626	$ 104,296,863

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, 2013

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)		$ (1,902,396)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
The details of the difference are as follows:		
Capital outlay	$ 10,972,218	
Depreciation expense	(14,332,948)	
Net adjustment		(3,360,730)
The net effect of various miscellaneous transactions involving capital assets		(2,710,880)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets.		
The details of the difference are as follows:		
Debt issued or incurred:		
Installment purchase	(590,327)	
Principal payments:		
Taxable revenue bonds	2,020,000	
General obligation bonds	1,980,000	
Capital improvement revenue bonds	580,000	
Public improvement revenue bonds	1,795,000	
Refunded capital improvement revenue bonds	2,127,400	
Refunded public improvement revenue bonds	1,130,000	
Installment purchase	29,517	
Total principal payments	9,661,917	
Bond issue costs, Bond discount/premium and Loss on refunded bonds	(641,898)	
Net adjustment		8,429,692
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		813,105
Accrued interest		(124,495)
Change of negative pension obligation		202,128
Change in net position of governmental activities (page 24)		$ 1,346,424

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2013

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Assets		
Current assets:		
Pooled cash and cash equivalents	$ 28,967,538	$ 1,888,549
Investments:		
Marketable securities	-	15,683,159
Real estate	39,467,259	-
Accounts receivable:		
Customer accounts, net	4,633,254	-
Inventory	12,071	-
Total current assets	73,080,122	17,571,708
Noncurrent assets:		
Restricted assets:		
Pooled cash and cash equivalents	10,517,087	-
Total restricted assets	10,517,087	-
Unamortized bond issue cost	39,881	-
Negative net pension obligation	2,282,261	30,546
Capital assets:		
Land	3,056,488	-
Buildings and utility plant	223,062,141	-
Construction-in-progress	8,286,536	-
Machinery and equipment	8,168,585	-
Less accumulated depreciation	(90,845,114)	-
Total capital assets (net of accumulated depreciation)	151,728,636	-
Total noncurrent assets	164,567,865	30,546
Total assets	$ 237,647,987	$ 17,602,254

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2013
(continued)

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Liabilities and Net position		
Current liabilities:		
Accounts payable	$ 128,365	$ 305,588
Retainage payable	155,355	-
Compensated absences	348,049	11,544
Claims payable	-	10,733,610
Accrued interest payable	128,725	-
Current portion of bonds payable	684,759	-
Total current liabilities	1,445,253	11,050,742
Noncurrent liabilities payable from restricted assets:		
Customer deposits	3,388,773	-
Noncurrent liabilities:		
Compensated absences	56,185	9,283
Long term portion of bonds payable	10,348,785	-
Total noncurrent liabilities	13,793,743	9,283
Total liabilities	15,238,996	11,060,025
Net position:		
Net investment in capital assets	147,106,303	-
Restricted for:		
Debt service	717,102	-
Unrestricted	74,585,586	6,542,229
Total net position	222,408,991	$ 6,542,229
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time	488,740	
Net position of business-type activities (page 23)	$ 222,897,731	

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, 2013

	Business-type Activities Enterprise Fund Utility Fund	Nonmajor Governmental Activities Internal Service Fund Public Insurance
Operating revenues		
Charges for services	$ 43,155,313	$ 15,610,580
Other	51,621	1,871,060
Total operating revenues	43,206,934	17,481,640
Operating expenses		
Operating, administrative and maintenance	36,280,581	17,560,626
Depreciation	5,303,866	-
Total operating expenses	41,584,447	17,560,626
Operating income (loss)	1,622,487	(78,986)
Nonoperating revenues & (expenses)		
Investment income	1,032,773	78,986
Interest expense	(390,033)	-
Other debt service cost	(5,651)	-
Gain on disposal of capital assets	28,281	-
Total net nonoperating revenues	665,370	78,986
Gain before contributions	2,287,857	-
Capital contributions	2,106,126	-
Change in net position	4,393,983	-
Net position, beginning	218,015,008	6,542,229
Net position, ending	$ 222,408,991	$ 6,542,229

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2013

	Business-type Activities Enterprise Fund Utility Fund	Non major Governmental Activities Internal Service Fund Public Insurance
Cash flows from operating activities		
Cash received from customers:		
For services	$ 42,911,255	$ -
For deposits	260,052	-
Cash received from interfund services	-	15,610,580
Cash payments to suppliers for goods and services	(16,560,606)	(15,532,154)
Cash payments to employees for services	(4,013,426)	(103,838)
Interfund services used	(15,469,507)	-
Other operating revenues	222,925	1,871,060
Net cash provided by operating activities	7,350,693	1,845,648
Cash flows from capital and related financing activities		
Principal paid on revenue bonds	(661,603)	-
Acquisition and construction of capital assets	(4,037,864)	-
Interest paid on revenue bonds	(397,751)	-
Proceeds from sale of equipment	28,281	-
Capital contributions	1,920,489	-
Net cash used by capital and related financing activities	(3,148,448)	-

(continued)

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2013
(continued)

	Business-type Activities Enterprise Fund	Non major Governmental Activities Internal Service Fund
	Utility Fund	**Public Insurance**
Cash flows from investing activities		
Purchase of real estate investments	$ (255,263)	$ -
Proceeds from sale of real estate investments	7,474,106	-
Purchase of investments	(5,000,000)	(5,000,000)
Proceeds from sale and maturity of investments	14,833,158	2,000,000
Income on cash and cash equivalents	31,342	(3,230)
Net cash provided (used) by investing activities	17,083,342	(3,003,230)
Net increase (decrease) in equity in pooled cash and cash equivalents	21,285,587	(1,157,582)
Pooled cash and cash equivalents at beginning of year	18,199,038	3,046,131
Pooled cash and cash equivalents at end of year	$ 39,484,625	$ 1,888,549
Displayed as:		
Unrestricted	$ 28,967,538	$ 1,888,549
Restricted	10,517,087	-
Total Pooled cash and cash equivalents	$ 39,484,625	$ 1,888,549
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	$ 1,622,487	$ (78,986)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	5,303,866	-
Change in assets and liabilities:		
Increase in customer accounts, net	(244,058)	-
Decrease in inventory	25,929	-
Decrease in interfund receivable	171,304	-
Decrease in negative net pension obligation	101,883	3,258
Increase in accounts payable	213,191	202,803
Increase (decrease) in compensating absences	(103,961)	1,343
Decrease in insurance claims payable	-	1,717,230
Increase in customer deposits	260,052	-
Net cash provided by operating activities	$ 7,350,693	$ 1,845,648
Noncash investing, capital, and financing activities		
Property contributed by developers	$ 185,636	$ -
Decrease in deferred bond issue cost	5,651	-
Decrease in fair value of investments	(178,019)	82,216

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Net Position
Fiduciary Funds
September 30, 2013

	Pension and OPEB Trust Funds	Agency Funds
Assets		
Cash and short-term investments	$ 18,092,810	$ 3,580,010
Receivables		
Accrued interest and dividends	1,027,398	-
Other	3,543,678	1,980,423
Total receivables	4,571,076	1,980,423
Investments, at fair value		
U.S. Government securities	16,116,394	-
Corporate bonds	78,345,585	-
Common stocks	223,251,893	-
Foreign bonds	9,028,281	-
International equity securities	2,276,902	-
Domestic equity fund	102,858,375	-
International equity fund	54,526,983	-
Real estate fund	30,927,328	-
Fixed income fund	74,521,630	-
Diversified real assets	6,789,148	-
Total investments	598,642,519	-
Capital assets:		
Property and equipment, net	388,496	-
Total capital assets	388,496	-
Total assets	621,694,901	5,560,433
Liabilities		
DROP participants payable	91,142,196	-
Reserve for health insurance claims	889,922	-
Accounts payable	1,135,392	1,984,236
Accrued liabilities	-	3,576,197
Total liabilities	93,167,510	5,560,433
Net position		
Net position held in trust for pension benefits	484,967,102	-
Net position held in trust for OPEB benefits	43,560,289	-
Total net position held in trust for benefits	$ 528,527,391	$ -

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2013

	Pension and OPEB Trust Funds
Additions	
Contributions:	
Plan members	$ 3,882,795
Employer	39,935,874
State	2,458,939
Total	46,277,608
Investment income	68,259,637
Less investment expense	2,227,662
Net investment income	66,031,975
Other addtions:	
Specific stop loss and medical claims recovery	1,100,145
Other income	67,442
Total other additions	1,167,587
Total additions	113,477,170
Deductions	
Benefit payments and insurance premiums	39,799,491
Refunds of contributions	83,421
Administrative expenses	720,057
Total deductions	40,602,969
Change in net position	72,874,201
Net position, beginning	455,653,190
Net position, ending	$ 528,527,391

See notes to basic financial statements.

Notes to Basic Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Financial Reporting Entity

The City's financial reporting entity comprises the City of Pembroke Pines as the primary government with no component units. In determining the financial reporting entity, the City complies with the provisions of GASB Statements No. 14 (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 and (1) there is a financial benefit or burden relationship between the City and the component unit, or (2) management of the City has operational responsibility for the component unit. Additionally, the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

The City owns and operates seven charter schools: three Elementary Schools, two Middle Schools and one High School are operated under individual charters of the sponsoring Broward County School Board, and one Elementary School is operated by charter granted by Florida State University. These schools are accounted for as special revenue funds of the City. The Charter Schools have a fiscal year of July 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

In previous years, the Charter Schools were aggregated and shown as two separate columns for financial statement purposes based on sponsoring entities. However, each class of school (Elementary, Middle, High, and Florida State University Elementary) is a separate fund for other general purpose external financial reporting purposes. Beginning fiscal year 2009, each class of school has been disaggregated, and shown as separate columns in the nonmajor governmental funds combining financial statements.

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

Fund	Brief Description
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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

d. Assets, Liabilities, and Net 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 and the Florida Municipal Investment Trust (FMIvT) 1-3 Year Bond Fund. 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 and the FMIvT 1-3 Year Bond Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, and Net Position/Fund Balance (continued)

Deposits and Investments (continued)

All investments of the City, except the SBA Investment Pool, the FMIvT and the investment in real estate, 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 is fair value, and the investment in real estate is valued at cost. 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 "interfund receivables/ payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

3. Receivables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. **Assets, Liabilities, and Net Position/Fund Balance** (continued)

4. Capital Assets

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

All infrastructure assets acquired after July 1, 1980 until October 1, 2002, are reported in the government-wide financial statements at estimated historical cost provided by the City's engineering division.

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

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

In June 2007, the GASB issued Statement No. 51 ("GASB 51"), "Accounting and Financial Reporting for Intangible Assets." This Statement requires intangible assets such as software development to be recorded as capital assets. The City implemented GASB 51 effective October 1, 2009. As a result, the financial impact to the City was a net increase of $0.6 million in capital assets for software developed in-house (See Note 6 – Capital Assets). The City's capitalization threshold for infrastructure and 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:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Liabilities, 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.

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. 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 issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as unamortized bond issue costs and amortized over the term of the related debt.

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

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. **Assets, Liabilities, and Net Position/Fund Balance** (continued)

8. 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.

9. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues, 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.

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 debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability due and payable at September 30th, as a result of termination, retirement or resignation of employees, 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, liabilities, 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 obligations and the useful lives of capital assets. Although those estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
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, 2013, the City complied, in all material respects, with these revenue restrictions.

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

c. New Pronouncements

Pronouncements implemented in the current year

GASB Statement 60, Accounting and Financial Reporting for Service Concession Arrangements (GASB 60), addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The requirements of GASB 60 are effective in fiscal year 2013. GASB 60 does not have a material impact on the City's financial statements.

GASB Statement 61, The Financial Reporting Entity: Omnibus (GASB 61), amends GASB 14 and GASB 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e. blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective in fiscal year 2013. GASB 61 does not have a material impact on the City's financial statements.

GASB Statement 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB 62) incorporates into GASB's authoritative literature, certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of GASB 62 are effective for fiscal year 2013. GASB 62 does not have a material impact on the City's financial statements.

GASB Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63) was issued to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The requirement of GASB 63 is effective for fiscal year 2013. GASB 63 does not have a material impact on the City's financial statements.

Pronouncements yet to be implemented

GASB Statement 65, Items Previously Reported as Assets and Liabilities (GASB 65). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 65 may have on its financial statements.

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented (continued)

GASB Statement 66, Technical Corrections—2012, an amendment of GASB Statements No. 10 and No. 62 (GASB 66). The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The requirements of GASB 66 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 66 may have on its financial statements.

GASB Statement 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25 (GASB 67). The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of GASB 67 are effective for fiscal year 2014. The City is currently evaluating the impact, if any, that GASB 67 may have on its financial statements.

GASB Statement 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27 (GASB 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of GASB 67 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 68 may have on its financial statements.

GASB Statement 69, Government Combinations and Disposals of Government Operations (GASB 69). The objective of this Statement is to provide specific accounting and financial reporting guidance for combinations in the governmental environment. It also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The requirements of GASB 69 are effective for fiscal year 2015. The City is currently evaluating the impact, if any, that GASB 69 may have on its financial statements.

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, 2013 are classified in the accompanying financial statements as follows:

	Balance as of 9/30/2013	
Statement of position:		
Cash and cash equivalents	$ 81,496,277	
Investments:		
Marketable securities	31,825,475	
Real estate	49,544,687	
Restricted assets:		
Pooled cash and cash equivalents	53,312,822	$ 216,179,261
Statement of Fiduciary net assets:		
Cash and short-term investments	18,092,810	
Investments	598,642,519	616,735,329
Total cash and investments	$ 832,914,590	$ 832,914,590

Cash on hand, deposits and investments as of September 30, 2013 consist of the following:

	Balance as of 9/30/2013	
Governmental and Business-type investments:		
Cash on hand	$ 19,255	
Deposits with financial institutions	15,266,966	
Money market funds held with financial institutions	36,939	
Florida PRIME	539,001	
Fund B Surplus Trust Fund (Fund B)	5,301	
Florida Municipal Investment Trust (FMIvT)	119,106,716	
Investments held with external Investment manager	31,660,396	
Investment in real estate	49,544,687	$ 216,179,261
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	17,841,888	
Investments	415,823,167	
General Employees Pension Fund:		
Investments in mutual funds	138,400,591	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	250,922	
Investments	44,418,761	616,735,329
Total cash and investments	$ 832,914,590	$ 832,914,590

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.

(g) State or local government taxable and tax exempt debt, general obligation and/or revenue bonds rated at least "Aa" by Moody's or "AA" 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.

NOTE 3. DEPOSITS & INVESTMENTS (continued)

(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: A-, A3, or A-, 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 AA-, Aa3, or AA- 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.

NOTE 3. DEPOSITS & INVESTMENTS (continued)

Public Deposits

At September 30, 2013, the book balance of the City's public deposits was $15,266,966 and the bank balance was $17,255,830. 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'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 (SBA). 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.

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, currently referred to as the Florida PRIME, consisted of all money market appropriate assets, which was approximately $12.0 billion or 86% of Pool assets. Pool B, currently referred to as Fund B Surplus Trust Fund (Fund B), consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately $2.0 billion or 14% of Pool assets.

On August 3, 2009 the SBA announced the rebranding of the Local Government Surplus Funds Trust Fund (formerly Pool A) as the "Florida PRIME," reflecting the improvements and added benefits for participants that had been developed. The Florida PRIME is considered a SEC 2a-7-like fund, therefore, account balances are considered to be the fair value of the investment. Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool. The fair value factor for Fund B as of September 30, 2013 is 1.13262284, and the fair value is calculated by multiplying the factor by the account balance.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

State Board of Administration (SBA) (continued)

As at September 30, 2013, the City had $539,001 invested in the Florida PRIME and $5,301 invested in Fund B. The investments of the Florida PRIME are not restricted as to deposits or withdrawals. Fund B cash holdings are being distributed as they become available from maturities, sales, investment interest and other income received from the assets in Fund B. The investment objective of Fund B is to maximize the present value of distributions to participants.

Since the inception of Fund B in December 2007, through February 2014, the total accumulated distribution has amounted to approximately $1.92 billion, or 95.6 percent of the original Fund B principal.

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.

The Florida League of Cities (FLOC) serves as the administrator, investment manager and secretary-treasurer of the Trust. 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); however, the funds have adopted operating procedures consistent with the requirements for a 2a-7 Fund. The City invests operating funds in the following funds:

FMIvT Bond Funds:	Balance as of 9/30/13
0-2 Year High Quality Bond Fund	$ 124,719
1-3 Year High Quality Bond Fund	118,951,560
Intermediate High Quality Bond Fund	30,437
Total FMIvT Bond Funds	**$ 119,106,716**

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

Florida Municipal Investment Trust (FMIvT) (continued)

The Other Post Employment Benefit (OPEB) Trust Fund also invests in the Florida Municipal Investment Trust (FMIvT) in both the fixed income and equity funds as shown in the table below:

		Balance as of 9/30/13
TD Bank Money Market	$	250,922
FMIvT Investment Accounts:		
1-3 Year High Quality Bond Fund		17,250,487
High Quality Growth Equity Portfolio		8,156,472
Diversified Small to Mid (SMID) Cap Equity Portfolio		2,733,130
Russell 1000 Enhanced Index Equity Portfolio		5,432,702
International Blend Equity Portfolio		2,782,313
Large Cap Diversified Value Equity Portfolio		8,063,657
Total cash and investments	**$**	**44,669,683**

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.

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.

In fiscal 2012, the City sold a parcel to Mill Creek Development for $11,218,336 and recognized a gain on sale of $1,213,349. Also, during the fiscal year 2012, the Utility Fund transferred $3,460,118 of storm-water infrastructure to the Road and Bridge Fund.

In fiscal year 2013, the City sold a second parcel of City Center to Mill Creek Development for $7,474,106 and recognized a gain on sale of $1,179,450.

At the fiscal year ended September 30, 2013 the investment in real estate for City Center is valued at $39,467,259.

Weekley Property

In fiscal year 2013, the City bought 43.4 acres of land from Weekley Bros for $10,050,042. Out of this amount, $9,050,042 is in the form of a promissory note that is due upon the earlier of (a) the resale of the property or (b) one year from the date of the promissory note contingent upon that the road construction on the property is completed within the year. At the fiscal year ended September 30, 2013 the aggregated cost of investment in real estate is $10,077,428.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair market value of an investment. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table below as of September 30, 2013.

Investment Type	Fair Value	Effective Duration (Years)	% of the Total Fixed Income Investment Portfolio
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:			
Managed by External Investment Manager:			
Temporary investments	$ 644,956	-	0.4%
Treasuries	10,738,514	1.86	7.1%
Federal agencies	4,462,525	1.86	2.9%
Mortgage pass-through	235,978	1.26	0.2%
Collateralized mortgage obligations (Agency & Private)	862,220	2.16	0.5%
Asset-backed securities	2,227,591	1.00	1.5%
Corporate bonds	8,874,722	1.46	5.9%
Corporate - Non US	3,613,890	1.37	2.4%
Investment in External Investment Pools:			
FMIvT -0-2 Year high quality bond fund	124,719	0.72	0.1%
FMIvT -1-3 Year high quality bond fund	118,951,560	1.59	78.6%
FMIvT -Intermediate high quality bond fund	30,437	3.78	0.0%
Florida PRIME	539,001	-	0.4%
Fund B surplus fund trust fund	5,301	-	0.0%
Total Governmental & Business-type Fixed Income	**$151,311,413**		100.0%
Weighted average effective duration of the Governmental & Business-type activities		1.58	
FIDUCIARY FUNDS:			
Firefighters and Police Officers Pension Fund:			
U.S. treasuries	$ 8,318,069	0.36	8.0%
U.S. agencies	7,798,325	0.30	7.5%
Corporate bonds	78,345,585	3.21	75.7%
Foreign bonds	9,028,281	0.27	8.7%
Total Fixed Income Firefighters and Police Officers Pension Fund	**$103,490,260**		100.0%
Weighted average effective duration of Police & Fire Pension Fund		2.50	
General Employees Pension Fund:			
Investment in separate fixed income investments accounts:			
Principal core plus bond 1 separate account	$ 23,567,056	4.82	41.8%
Principal bond and mortgage separate account	20,101,848	5.25	35.7%
Principal high yield 1 separate account	5,445,767	4.13	9.7%
Principal US property separate account	7,234,007	-	12.8%
Total Fixed Income General Employees Pension Fund	**$ 56,348,678**		100.0%
Weighted average effective duration of the General Employees Pension Fund		4.29	
Other Post-Employment Benefit (OPEB) Trust Fund:			
Investment in Funds of the Florida League of Cities			
FMIvT -1-3 Year high quality bond fund	17,250,487	1.59	100.0%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	**$ 17,250,487**		100.0%

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Governmental and Business-type/ Operating Investments

The City limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio. The Operating Investment Policy of the City states 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, 2013 are 43.9 days and 86.8 days, respectively. The weighted average life of Fund B as of September 30, 2013 is 4.04 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

Firefighters and Police Officers Pension Investments

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

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

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 US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy allows for various authorized investments including all the investment accounts offered by the Florida League of Cities. Currently, the investments of the OPEB Trust Fund are invested in money markets funds, and in the pooled accounts of the Florida League of Cities which operate like a mutual fund, since the investments are not evidenced by securities that exist in physical or book entry form. The OPEB Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of US government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

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

Investment Type	Credit Quality Rating			Fair Value
	Fitch	S&P	Moodys	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
Managed by External Investment Manager:				
Temporary investments		AAA	Aaa	$ 644,956
Treasuries		AA+	Aaa	10,738,514
Federal agencies		AA+	Aaa	4,462,525
Mortgage pass-through		AA+	Aaa	235,978
Collateralized mortgage obligations (Agency & Private)		AA+	Aaa	862,220
Asset-backed securities		AAA	Aaa	2,227,591
Corporate		A	A2	8,874,722
Corporate - Non US		AA-	Aa3	3,613,890
Investment in External Investment Pools:				
FMIvT -0-2 Year high quality bond fund	AAA/V1			124,719
FMIvT -1-3 Year high quality bond fund	AAA/V2			118,951,560
FMIvT -Intermediate high quality bond fund	AAA/V3			30,437
Florida PRIME		AAAm		539,001
Fund B surplus funds trust fund		Not rated		5,301
Total Governmental & Business-type Fixed Income				**$151,311,413**
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. government guaranteed		N/A		$ 16,116,394
Corporate/foreign bonds		AAA		2,097,226
Corporate/foreign bonds		AA+		3,965,820
Corporate/foreign bonds		AA		3,687,251
Corporate/foreign bonds		AA-		8,606,595
Corporate/foreign bonds		A+		18,933,097
Corporate/foreign bonds		A		30,583,570
Corporate/foreign bonds		A-		13,239,864
Corporate/foreign bonds		BBB+		5,132,020
Corporate/foreign bonds		BBB		1,128,423
Total Fixed Income Firefighters and Police Officers Pension Fund				**$103,490,260**
General Employees Pension Fund:				
Investment in separate fixed income investments accounts:				
Principal core plus bond 1 separate account		Not rated		$ 23,567,056
Principal bond and mortgage separate account		Not rated		20,101,848
Principal high yield 1 separate account		Not rated		5,445,767
Principal US property separate account		Not rated		7,234,007
Total Fixed Income General Employees Pension Fund				**$ 56,348,678**
Other Post-Employment Trust Fund:				
Investment in Funds of the Florida League of Cities				
FMIvT -1-3 Year high quality bond fund	AAA/V2			17,250,487
Total Fixed Income -Other Post-Employment Benefits Trust Fund				**$ 17,250,487**

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Governmental and Business-type/ Operating Investments

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

The Operating Investment Policy of the City does not specify a credit quality rating for its mortgage-backed securities. 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: A-, A3, or A-, 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 AA-, Aa3, or AA 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 US 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, while Fund B is not rated by any nationally recognized statistical rating agency.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

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.

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 Florida Municipal Investment Trust (FMIvT). The investment accounts are commingled pools, rather than individual securities.

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 and the OPEB Trust Fund are 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.

There were no individual investments that represented 5% or more of the total investment at September 30, 2013.

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

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.

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.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements

Fiscal Year Ended September 30, 2013

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2013 are as follows:

Receivables	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Enterprise Fund	Total
Customer accounts	$ -	$ -	$ -	$5,286,594	$ 5,286,594
Franchise fees and taxes	5,276,839	-	464,337	-	5,741,176
Due from other governments	64,449	41,485	1,111,375	-	1,217,309
Other receivables	1,820,433	-	27,175	-	1,847,608
Gross receivables	7,161,721	41,485	1,602,887	5,286,594	14,092,687
Less: allowance for uncollectible accounts	-	-	-	(653,340)	(653,340)
Net total receivables (fund)	$ 7,161,721	$ 41,485	$ 1,602,887	$4,633,254	$13,439,347
Municipal dedication fees	-	1,101,732	-	-	1,101,732
Net total receivables (gov't-wide)	$ 7,161,721	$ 1,143,217	$ 1,602,887	$4,633,254	$14,541,079

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, 2013 are as follows:

Restricted assets	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Enterprise Fund	Total
Revenue Bonds sinking fund	$ -	$ 12,333,296	$ -	$ -	$ 717,102	$ 13,050,398
General Obligation Bonds sinking fund	-	103,481	-	-	-	103,481
Revenue Bonds reserve fund	-	2,351,921	-	-	-	2,351,921
Restricted for construction projects	-	-	26,811,389	-	-	26,811,389
Restricted for Utility System Bonds	-	-	-	-	6,411,212	6,411,212
Restricted for wetland mitigation	-	-	-	544,225	-	544,225
Customer deposits	651,423	-	-	-	3,388,773	4,040,196
Total restricted assets	**$651,423**	**$14,788,698**	**$26,811,389**	**$ 544,225**	**$10,517,087**	**$53,312,822**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 65,574,153	$ 73,244	$ (2,681,434)	$ 62,965,963
Construction-in-progress	549,061	7,003,138	(320,252)	7,231,947
Total capital assets, not being depreciated	66,123,214	7,076,382	(3,001,686)	70,197,910
Capital assets, being depreciated:				
Buildings	245,057,043	98,838	-	245,155,881
Improvements other than buildings	136,122,919	404,129	-	136,527,048
Machinery and equipment	53,103,603	3,410,721	(4,129,918)	52,384,406
Infrastructure	33,400,536	320,252	-	33,720,788
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	467,745,408	4,233,940	(4,129,918)	467,849,430
Less accumulated depreciation for:				
Buildings	(52,356,742)	(5,036,387)	-	(57,393,129)
Improvements other than buildings	(58,063,168)	(6,380,586)	-	(64,443,754)
Machinery and equipment	(44,305,589)	(2,602,761)	4,100,471	(42,807,879)
Infrastructure	(30,499,097)	(324,934)	-	(30,824,031)
Intangibles	(12,772)	(6,131)	-	(18,903)
Total accumulated depreciation	(185,237,368)	(14,350,799)	4,100,471	(195,487,696)
Total capital assets, being depreciated, net	282,508,040	(10,116,859)	(29,447)	272,361,734
Governmental activities capital assets, net	$348,631,254	$(3,040,477)	$ (3,031,133)	$ 342,559,644

(1) During the year, the FSU Charter School received equipment from the City with an aggregated cost of $17,851 and $0 net book value. The School retains fully depreciated assets in the financial statements until they are no longer in use. The Capital Outlay of $10,972,218 shown on page 28, includes this transfer of $17,851.

NOTE 6. CAPITAL ASSETS (continued)

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 3,056,488	$ -	$ -	$ 3,056,488
Construction-in-progress	7,479,642	2,768,989	(1,962,095)	8,286,536
Total capital assets, not being depreciated	10,536,130	2,768,989	(1,962,095)	11,343,024
Capital assets, being depreciated:				
Buildings	37,322,885	3,750	-	37,326,635
Improvements other than buildings	182,809,764	2,925,742	-	185,735,506
Machinery and equipment	7,936,024	670,985	(438,424)	8,168,585
Total capital assets, being depreciated	228,068,673	3,600,477	(438,424)	231,230,726
Less accumulated depreciation for:				
Buildings	(7,194,788)	(766,969)	-	(7,961,757)
Improvements other than buildings	(72,799,618)	(4,180,415)	-	(76,980,033)
Machinery and equipment	(5,801,395)	(540,353)	438,424	(5,903,324)
Total accumulated depreciation	(85,795,801)	(5,487,737)	438,424	(90,845,114)
Total capital assets, being depreciated, net	142,272,872	(1,887,260)	-	140,385,612
Business-type activities capital assets, net	$152,809,002	$ 881,729	$ (1,962,095)	$ 151,728,636

(1) The General Fund transferred fully depreciated equipment to the Utility fund in the amount of $183,871. The Utility Fund retains fully depreciated assets in the financial statements until they are no longer in use. The increase in capital assets and the accumulated depreciation shown above includes this tranfer.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	$ 734,821
Public safety	1,996,230
Physical environment	58,471
Transportation	3,045,452
Economic environment	1,257,050
Human services	3,456,899
Culture/recreation	3,784,025
Total depreciation expense - governmental activities	$ 14,332,948
Business-type activities:	
Water-sewer combined service	$ 5,303,866
Total depreciation expense - business-type activities	$ 5,303,866

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2013 is follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General	Nonmajor Governmental	$ 735,961	Provide temporary resources
Total		$ 735,961	

Interfund Transfers:

	Transfer in: Debt Service Fund	Nonmajor Governmental Funds	Total	Purpose
Transfer out:				
General Fund	$ 29,516	$ 1,634,379	$ 1,663,895	To record installment purchase and supplement other funds
Nonmajor Governmental Funds	-	793,238	793,238	Supplement other funds
Total	$ 29,516	$ 2,427,617	$ 2,457,133	

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, 2013 amounted to $1,912,900. Cost and carrying amounts of these leased assets as of September 30, 2013 were as follows:

Land	$ 1,068,835
Buildings	95,772,696
Total Cost	96,841,531
Less: Accumulated Depreciation	(17,998,589)
Book Value as of 9/30/13	$ 78,842,942

The City leases 650 square feet to the Miramar-Pembroke Pines Regional Chamber of Commerce. The City also leases 5,163 square feet to Calvin, Giordano & Associates, Inc. for their Building Department operations. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 276 square feet to a podiatrist and 270 square feet to a medical doctor. 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, 2013, 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, 2013 are $120,433 and $164,344, respectively. Depreciation expense for the year was $4,242. Additional office space at City Hall is provided at no cost to several Federal and local elected officials who represent portions of the City.

The City also leases small parcels of property to various telecommunications service providers in order to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between $3,800 and $61,408 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 $1,581,486 from the tower rentals in the year ended September 30, 2013.

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

NOTE 8. LEASES (continued)

Operating Leases (continued)

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

On April 20, 1998, the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at $1.00 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land valued at $500,000, 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, 2013 amounted to $815,852 and $1,464,982, 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 $1.00 per year for 40 years plus two additional 25-year options to renew. At the termination of the lease, all improvements made on the site by the Broward 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, 2013, the City had sub-subleased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Youth Services International, Citrus Health Network, Jose Maria Vargas University, Dept. of Children & Families, Safeguard Services, Elan Lawn Services, Henderson Mental Health and several other lessees at various rentals and terms. The City also provides office space, furniture and services on the site at no cost to the Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City's seven Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of $1,094,490 from the rental of buildings on the Campus for the year ended September 30, 2013.

On March 13, 2002, the City signed an agreement with Florida International University (FIU), for use of educational facilities located at the Academic Village. The Academic Village is a shared-use facility located on the northeast corner of Sheridan Street and Northwest 172nd Avenue, and includes the City's Charter High School, the Broward County Southwest Regional Library, the Southwest Broward County Campus for Broward College, and the Susan B. Katz Memorial Auditorium, a 450-seat shared auditorium.

NOTE 8. LEASES (continued)

Operating Leases (continued)

In order to provide for the operation of an integrated educational program, and to offset the costs incurred by the City, the agreement requires FIU to pay to the City an annual rent starting at $400,000, which increases by an additional $200,000 for the next two years and an additional $50,000 in the fourth year. Thereafter, the annual rent will be adjusted by a minimum of 50% of the increase or decrease in the Consumer Price Index (CPI) for Miami, Florida. The lease was amended on December 13, 2011 to renew the contract for a term of 18 months starting on January 1, 2013 and ending on June 30, 2014, at which time the lease will not be renewed. The rental income of $1,028,619 received in the Charter Schools' fiscal year ended June 30, 2013 was recorded in the City's Charter High School financial statements, and future rentals are included in the table below. The cost of the shared-use facility is $13,599,845, and accumulated depreciation and net book value as of September 30, 2013 amounted to $2,549,971 and $11,049,874, respectively. Depreciation expense for the year was $283,330.

On November 23, 2004, the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. ("SBA"), a Florida Non-Profit Organization that provides transitional housing for women with children whom are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility and an Early Learning Center plus land and off-site improvements. The City financed this construction using the proceeds from the issuance of $7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2034. (See Note 9. "Long-Term Debt"). SBA pays rent to the City in order to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. The City received $161,435 for the year ended September 30, 2013. The cost of the Center is $7,035,387, and accumulated depreciation and net book value as of September 30, 2013 amounted to $1,078,759 and $5,956,628, respectively. Depreciation expense for the year was $140,708.

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, 2013, the City received rental income of $1,671,098 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and $5,043,076 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, 2013 amounted to $5,542,193 and $12,320,334, 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, 2013 amounted to $7,891,381 and $47,886,780, 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 $288,172 for the year ended September 30, 2013. None of these short-term rentals are included in the table below.

NOTE 8. LEASES (continued)

Operating Leases (continued)

The approximate minimum future rentals to be received, excluding expected lease renewals on non-cancelable operating leases as of September 30, 2013 are:

Fiscal year ending September 30:	
2014	$ 2,742,522
2015	2,041,084
2016	2,090,285
2017	2,123,390
2018	1,231,285
2019-2023	2,757,742
2024-2028	2,363,104
2029-2033	2,669,963
2034-2038	3,058,360
2039	664,877
Total minimum future rentals	$ 21,742,612

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, 2013 include the following (All capitalized terms are as defined in each bond issue's official documents):

Public Improvement Revenue Bonds, Series 2001 – On October 12, 2001, the City issued $19,600,000 bonds for the purpose of providing funds for various City projects including a police annex, fire and rescue system improvements, park improvements, and the payoff of the $10,000,000 Capital Improvement Certificate of Indebtedness, Series 2000. The $10,985,000 outstanding bonds, maturing on and after October 1, 2014, were advance refunded and defeased on December 1, 2006 by the Public Improvement Revenue Refunding Bonds, Series 2006. The refunding bond proceeds are held in an irrevocable escrow deposit trust for the purpose of generating the required resources for the refunded bonds' debt service and redemption premiums until they were called for redemption on October 1, 2011. The remaining $940,000 outstanding bonds that were not refunded are due in varying installments through October 1, 2013. They bear interest rates at 4.30%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with any Additional Parity Bonds. The bonds maturing on and after October 1, 2012 are subject to redemption at the option of the City, on or after October 1, 2011, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 940,000	$ 20,210	$ 960,210
Total	$ 940,000	$ 20,210	$ 960,210

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2003A – On October 17, 2003, the City issued $39,935,000 bonds in order to maintain the City's pension contribution as a percentage of payroll at the level prior to the increased benefits for firefighters under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers. These bonds have an outstanding balance of $35,550,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.97%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on parity with the Series 2004 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2014 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2013, in such order of maturity as the City selects, plus accrued interest to the redemption date.

The outstanding bonds, maturing after October 1, 2014, were refunded on October 15, 2013 (see Note 15. Subsequent Events).

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 890,000	$ 2,095,768	$ 2,985,768
2015	945,000	2,040,994	2,985,994
2016	1,000,000	1,982,935	2,982,935
2017	1,060,000	1,921,445	2,981,445
2018	1,125,000	1,856,222	2,981,222
2019-2023	6,720,000	8,157,110	14,877,110
2024-2028	8,975,000	5,830,153	14,805,153
2029-2033	11,990,000	2,721,424	14,711,424
2034	2,845,000	84,923	2,929,923
	$ 35,550,000	$ 26,690,974	$ 62,240,974

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Bonds, Series 2004 – On April 1, 2004, the City issued $49,910,000 bonds for the purpose of funding a deposit to the Police Pension Plan under the contributory defined benefit retirement plan known as the City Pension Fund for Firefighters and Police Officers and the General Employees' Pension Plan to maintain the City's annual contribution to such plans at approximately the same level as before the adoption of the 2004 Enhanced Pension Benefits. These bonds have an outstanding balance of $43,595,000 due in varying installments through October 1, 2033. The outstanding bonds bear interest at rates from 4.00% to 5.25%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2003A Bonds (refunded by, Series 2013 on October 15, 2013 – see Note 15. Subsequent Events) and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the Bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on and after October 1, 2015 are subject to redemption prior to their respective dates of maturity at the option of the City on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 1,230,000	$ 2,193,431	$ 3,423,431
2015	1,290,000	2,136,731	3,426,731
2016	1,345,000	2,075,763	3,420,763
2017	1,410,000	2,010,331	3,420,331
2018	1,475,000	1,941,813	3,416,813
2019-2023	8,525,000	8,531,256	17,056,256
2024-2028	10,925,000	6,052,203	16,977,203
2029-2033	14,115,000	2,789,719	16,904,719
2034	3,280,000	86,100	3,366,100
Total	$ 43,595,000	$ 27,817,347	$ 71,412,347

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004A – On May 6, 2004, the City issued $20,140,000 bonds for the purpose of funding the acquisition, construction, and equipping of the Senior Housing Project (Tower One), the site development, engineering and permitting costs related to the Senior Housing Project, and the mobile safety equipment. These bonds have an outstanding balance of $18,680,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.25% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, and any Additional Parity Bonds. The bonds maturing on or after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 520,000	$ 871,610	$ 1,391,610
2015	540,000	851,397	1,391,397
2016	560,000	829,735	1,389,735
2017	585,000	806,835	1,391,835
2018	605,000	782,732	1,387,732
2019-2023	3,440,000	3,489,165	6,929,165
2024-2028	4,320,000	2,584,193	6,904,193
2029-2033	5,505,000	1,366,375	6,871,375
2034-2035	2,605,000	131,875	2,736,875
Total	$ 18,680,000	$ 11,713,917	$ 30,393,917

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Bonds, Series 2004B – On July 14, 2004, the City issued $15,975,000 bonds for the purpose of funding the cost of planning, designing, constructing, and equipping of the Senior Housing Project (Tower Two), and any remaining or additional Tower One project costs. These bonds have an outstanding balance of $14,845,000 due in varying installments through October 1, 2034. The outstanding bonds bear interest at rates from 3.625% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series, 2001, 2004A, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2015 are subject to redemption at the option of the City, on or after October 1, 2014, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 405,000	$ 708,879	$ 1,113,879
2015	420,000	692,423	1,112,423
2016	435,000	674,678	1,109,678
2017	455,000	655,760	1,110,760
2018	475,000	635,587	1,110,587
2019-2023	2,720,000	2,820,963	5,540,963
2024-2028	3,455,000	2,068,875	5,523,875
2029-2033	4,400,000	1,091,750	5,491,750
2034-2035	2,080,000	105,250	2,185,250
Total	$ 14,845,000	$ 9,454,165	$ 24,299,165

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2006 – On December 1, 2006, the City issued $29,720,000 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 1998 maturing on and after October 1, 2009 totaling $18,935,000 and all of the Public Improvement Revenue Bonds, Series 2001, maturing on and after October 1, 2014 totaling $10,985,000. These refunding bonds have an outstanding balance of $25,430,000 due in varying installments through October 1, 2022. The outstanding bonds bear interest at rates from 4.00% to 5.00%, with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2001, 2004A, 2004B, and any Additional Parity Bonds. The bonds maturing on and after October 1, 2017 are subject to redemption at the option of the City, on or after October 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 1,175,000	$ 1,173,050	$ 2,348,050
2015	2,200,000	1,094,550	3,294,550
2016	2,315,000	981,675	3,296,675
2017	2,430,000	863,050	3,293,050
2018	2,550,000	738,550	3,288,550
2019-2023	14,760,000	1,660,350	16,420,350
Total	$ 25,430,000	$ 6,511,225	$ 31,941,225

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2006 On December 1, 2006, the City issued $45,050,000 bonds for the purpose of (1) advance refunding $28,100,000 outstanding Capital Improvement Revenue Bonds, Series 1999, maturing on and after December 1, 2009 that were not used to refund the Refunded 1995 Bonds and (2) funding various City capital projects. These refunding bonds have an outstanding balance of $37,870,000 due in varying installments through December 1, 2031. They bear interest at rates which range from 3.85 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with any Additional Parity Bonds and Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 1,725,000	$ 1,648,012	$ 3,373,012
2015	1,795,000	1,575,675	3,370,675
2016	1,870,000	1,491,088	3,361,088
2017	1,975,000	1,394,962	3,369,962
2018	2,070,000	1,296,713	3,366,713
2019-2023	11,995,000	4,839,950	16,834,950
2024-2028	12,240,000	2,020,194	14,260,194
2029-2032	4,200,000	366,138	4,566,138
Total	$ 37,870,000	$ 14,632,732	$ 52,502,732

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007 - On January 24, 2007, the City issued $26,805,000 bonds for the purpose of funding (1) the design, construction, and equipping of approximately 220 residential units to become part of the City's senior housing facilities to be owned and operated by the City, to be located on the Senator Howard C. Forman Human Services Campus and related subordinate facilities, and (2) renovations to existing senior housing facilities owned and operated by the City. These bonds have an outstanding balance of $24,620,000 due in varying installments through December 1, 2036. The outstanding bonds bear interest at rates from 3.75% to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City’s electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, and any Additional Parity Franchise Revenue Bonds. The bonds maturing on and after December 1, 2017 are subject to redemption at the option of the City, on or after December 1, 2016, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 605,000	$ 1,111,962	$ 1,716,962
2015	630,000	1,087,263	1,717,263
2016	655,000	1,061,562	1,716,562
2017	680,000	1,034,013	1,714,013
2018	710,000	1,006,250	1,716,250
2019-2023	4,000,000	4,569,219	8,569,219
2024-2028	4,905,000	3,671,100	8,576,100
2029-2033	6,215,000	2,363,125	8,578,125
2034-2037	6,220,000	641,500	6,861,500
Total	$ 24,620,000	$ 16,545,994	$ 41,165,994

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) - On March 25, 2008, the City issued $64,095,000 bonds for the purpose of providing funds to: (i) finance the acquisition, construction and equipping of certain additions to existing charter school educational facilities located within the City and (ii) advance refund the outstanding City of Pembroke Pines, Florida Charter School Revenue Bonds, Series 2001A and 2001B (the "Refunded Bonds") in the aggregate principal amount of $29,405,000 and $17,715,000, respectively. The 2008 Bonds have an outstanding balance of $62,795,000 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. No 2008 Bond shall bear interest at an interest rate higher than 12% per annum. The 2008 Bonds and the City's regular payment obligations under the Series 2008 Swap Transaction, are payable from and secured by a lien upon and pledge of revenues derived by the City from lease payments made to the City as a result of its ownership and operation of the Charter Schools and Charter Lab School, including, fee-based pre-school programs and revenues received pursuant to leases and/or other agreements for use of such facilities. Pursuant to the Resolution, the City has covenanted to apply the funds on deposit in the Special Revenue Fund to the payment of the Charter School Lease Revenues prior to any other application. In the event the Pledged Revenues are not sufficient, the City has covenanted to budget and appropriate in its annual budget amounts sufficient to meet its obligation from Non-Ad Valorem Revenues. The covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues. The 2008 Bonds were issued on parity with any Additional Parity Bonds. 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.

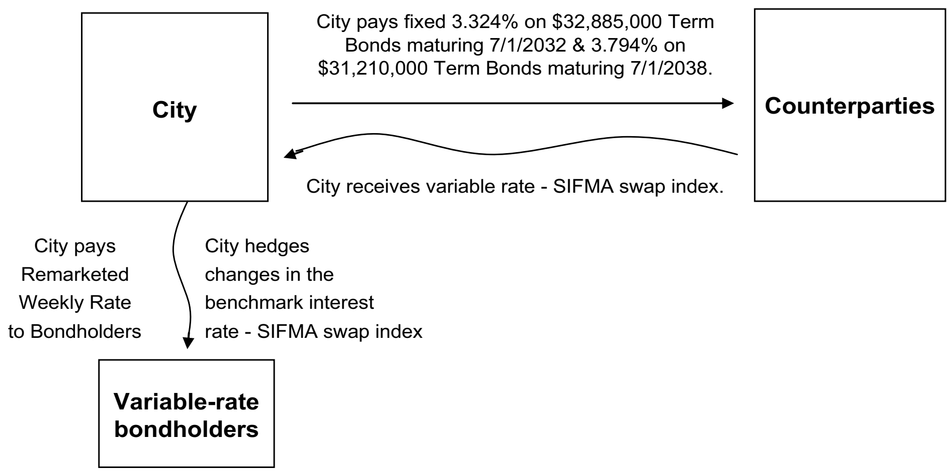
In an effort to hedge its exposure to variable interest rates on the 2008 Bonds, the City has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Charter School Revenue Bonds, Series 2008 - (Reissued in May 2011) *(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 the 2008 Swap Transaction. The notional amount of the Series 2008 Swap Transaction will amortize at the same times and in the same amounts as the amortization of the 2008 Bonds. The City will pay a fixed rate of interest to each of the Swap Counterparties on their respective notional amounts equal to 3.324% and 3.794% and will receive in return from each of the Swap Counterparties a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Series 2008 Swap Transaction. It is anticipated by the City that the floating rate payable by each of the Swap Counterparties will approximate the interest rate on the 2008 Bonds while the 2008 Bonds bear interest in the Weekly Rate Mode. There is no guarantee, however, that such rates will match at all times or at any time. The City is exposed to "basis risk" to the extent that the floating rate it receives from the applicable Swap Counterparty does not equal the interest rate it is required to pay on the 2008 Bonds. The City's payment obligations under the Series 2008 Swap Transaction (except for Swap Termination Payments) will be payable from Pledged Revenues, on a parity with the payment of interest on the 2008 Bonds and are paid on a priority to principal payments on the 2008 Bonds.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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 (the "Bank") and obtain a variable rate of SIFMA rate plus 0.89% for a three year term. The Series 2008 Bonds have four interest rate SWAPs for which the City pays fixed rates to the Counterparties and the Counterparties pay the City the SIFMA rate. During the three year period with the Bank, the effective interest cost to the City will be the fixed rates that the City pays to the Counterparties plus the 0.89% interest spread to the Bank.

The debt service shown in the schedule appeared hereunder and the following “Schedule of Debt Service on Outstanding Bonds as of September 30, 2013” is based on the 0.96% interest rate which was the SIFMA Rate (0.07%) in effect at the financial statement date of September 30, 2013 (per GASB Statement No. 38, paragraph 10) plus 0.89% interest spread to the Bank.

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 100,000	$ 600,995	$ 700,995
2015	100,000	600,040	700,040
2016	100,000	600,752	700,752
2017	100,000	599,797	699,797
2018	100,000	603,818	703,818
2019-2023	1,635,000	2,973,026	4,608,026
2024-2028	11,520,000	2,737,757	14,257,757
2029-2033	22,610,000	1,895,988	24,505,988
2034-2038	26,530,000	743,179	27,273,179
Total	$ 62,795,000	$ 11,355,352	$ 74,150,352

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (Reissued in September 2011) - On July 25, 2008, the City issued $8,040,000 bonds under an Indenture of Trust between the Issuer and U.S. National Bank Association, as trustee for the purpose of current refunding the Variable Rate Capital Improvement Revenue Bonds, Series 2005 (Susan B. Anthony Center) in order to realize a net interest cost savings. The Series 2008 Bonds initially will bear interest at the Weekly Rate, determined by the Remarketing Agent each Wednesday and payable on the first Wednesday of each month. Interest on the Series 2008 Bonds will be paid at the lesser of 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 $8,040,000. They will mature on October 1, 2038, subject to optional redemption, purchase and tender. During any Daily Period or Weekly Period, the Series 2008 Bonds are subject to redemption by the Issuer, at the option of the Issuer, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2008 Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest. The Series 2008 Bonds shall be subject to mandatory tender by the Registered Owners for purchase. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, and any Additional Parity Franchise Revenue Bonds.

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 as the Letter of Credit for these bonds expired on July 15, 2011 and was extended to September 15, 2011.

The debt service shown in the schedule appeared hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2013" is based on the 2.0079% five year term (from September 7, 2011) Direct Purchase fixed rate in effect at the financial statement date of September 30, 2013 (per GASB Statement No. 38, paragraph 10).

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 (continued)

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ -	$ 161,435	$ 161,435
2015	150,000	159,929	309,929
2016	155,000	156,867	311,867
2017	170,000	153,604	323,604
2018	180,000	150,091	330,091
2019-2023	1,060,000	690,718	1,750,718
2024-2028	1,400,000	567,834	1,967,834
2029-2033	1,870,000	404,692	2,274,692
2034-2038	2,475,000	188,092	2,663,092
2039	580,000	5,823	585,823
Total	$ 8,040,000	$ 2,639,085	$ 10,679,085

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 $7,708,200 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2006, the Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008 and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery 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:			
2014	$ 392,100	$ 312,318	$ 704,418
2015	406,300	295,721	702,021
2016	425,100	278,438	703,538
2017	443,400	260,384	703,784
2018	466,200	241,476	707,676
2019-2023	2,641,000	493,942	3,134,942
2024-2027	2,934,100	257,945	3,192,045
Total	$ 7,708,200	$ 2,140,224	$ 9,848,424

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 $11,033,544 due in varying installments through December 1, 2025. The outstanding bonds bear interest at the rate of 3.50%, with interest payable semi-annually on June 1st and December 1st. The Bonds are not subject to optional redemption prior to December 1, 2015. After December 1, 2015, they may be subject to optional redemption, at the direction of the Issuer, in whole or in part, on any day for which proper notice of redemption may be given in accordance with the Resolution at a redemption price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, plus a premium as set forth below:

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

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 684,759	$ 374,191	$ 1,058,950
2015	708,725	349,805	1,058,530
2016	733,531	324,565	1,058,096
2017	759,205	298,442	1,057,647
2018	785,777	271,405	1,057,182
2019-2023	4,361,181	917,164	5,278,345
2024-2026	3,000,366	159,927	3,160,293
Total	$ 11,033,544	$ 2,695,499	$ 13,729,043

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.

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, 2013 of 302% was computed as follows:

Operating revenues	$43,206,934
Plus: Investment income	1,032,773
Capital contributions	2,106,126
Less: Contributions in Aid of Construction	(185,636)
Gross Revenues	46,160,197
Less Operating, administrative and maintenance expenses	(36,280,581)
Net Revenues of the System	$ 9,879,616
Interest expense	$ 390,033
Principal payment	661,603
Other debt service cost	5,651
Bond service requirement on all outstanding bonds	1,057,287
Reserve for renewals and replacements	2,217,158
Total bond service requirement and reserve for renewals and replacement	$ 3,274,445
Bond service requirement and reserve for renewals and replacement coverage	302%

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds **-** The source of repayment of these bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). 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, 2013 are as follows:

General Obligation Bonds, Series 2005 – On September 30, 2005, the City issued its first General Obligation Bonds in the amount of $47,000,000 for the purpose of funding multiple projects including, but not limited to, various roadwork projects, recreational and cultural amenities, economic development and neighborhood revitalization. On December 1, 2005, $5,456,448 of the General Obligation Bonds, Series 2005 was used to refund the Capital Improvement Revenue Bonds, Series 1993, which had a principal outstanding balance of $5,985,000. These Series 2005 bonds have an outstanding balance of $38,990,000 due in varying installments through September 1, 2035. The outstanding bonds bear interest at rates from 3.30% to 4.55%, with interest payable semi-annually on March 1st and September 1st. The Series 2005 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2005 Bonds. The bonds maturing on or after September 1, 2016 are subject to redemption at the option of the City, on or after September 1, 2015, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 1,130,000	$ 1,667,377	$ 2,797,377
2015	1,170,000	1,627,828	2,797,828
2016	1,210,000	1,585,707	2,795,707
2017	1,260,000	1,538,583	2,798,583
2018	1,310,000	1,488,558	2,798,558
2019-2023	7,370,000	6,607,088	13,977,088
2024-2028	9,060,000	4,920,313	13,980,313
2029-2033	11,245,000	2,740,855	13,985,855
2034-2035	5,235,000	355,948	5,590,948
Total	$ 38,990,000	$ 22,532,257	$ 61,522,257

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds (continued)

General Obligation Bonds, Series 2007 – On July 25, 2007, the City issued its Phase II General Obligation Bonds in the amount of $43,000,000 for the purpose of funding the costs of design, construction and repair of certain improvements within the City. These Series 2007 Bonds have an outstanding balance of $38,335,000 due in varying installments through September 1, 2036. The outstanding bonds bear interest at rates from 4.00% to 4.75%, with interest payable semi-annually on March 1st and September 1st. The Series 2007 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2007 Bonds. The bonds maturing on or after September 1, 2018 are subject to redemption at the option of the City, on or after September 1, 2017, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2014	$ 925,000	$ 1,755,075	$ 2,680,075
2015	960,000	1,718,075	2,678,075
2016	1,000,000	1,679,675	2,679,675
2017	1,040,000	1,638,425	2,678,425
2018	1,085,000	1,594,225	2,679,225
2019-2023	6,190,000	7,223,538	13,413,538
2024-2028	7,695,000	5,707,650	13,402,650
2029-2033	9,665,000	3,741,100	13,406,100
2034-2036	9,775,000	1,071,600	10,846,600
Total	$ 38,335,000	$ 26,129,363	$ 64,464,363

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 has entered into four Qualified Fixed Payor Swap (pay-fixed, receive-variable interest rate swap) transactions (collectively, the "Series 2008 Swap Transaction") with two Counterparties. 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. The fair value and notional amount of the derivative instruments outstanding at September 30, 2013 and the changes in fair value of such derivatives instruments for the year then ended as reported in the Fiscal Year 2013 financial statements are as follows:

	Changes in Fair Values		Fair Value at September 30, 2013*		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities					
Cash flow hedges					
Pay-fixed interest rate swap	Deferred inflow	$6,768,067	Debt	($6,648,287)	$62,795,000

* 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, 2013 are ($6,648,287) in favor of the Counterparties and $62,795,000 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.

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, 2013, along with the credit rating of the associated counterparty:

Type	Objective	Counterparty	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating S&P/Moody's/Fitch
Pay-fixed interest rate swap	Hedge of changes in cash flows on the City of Pembroke Pines' $64,095,000 Charter School Revenue Bonds, Series 2008	Royal Bank of Canada	$ 22,109,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA (1) swap index	AA-/Aa3/AA
		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	$ 9,475,500	3/25/2008	7/1/2018	Pay 3.324% receive SIFMA (1) swap index	AA-/Aa1/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 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** 0.89% 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 a 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.

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 on the pay-fixed, receive-variable interest rate swaps scheduled to mature 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, 2013, 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 0.96% (SIFMA + 0.89% Direct Purchase fixed spread for 3 years 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 0.07% 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.

Fiscal Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2014	$ 100,000	$ 600,995	$ 2,189,223	$ 2,890,218
2015	100,000	600,040	2,185,969	2,886,009
2016	100,000	600,752	2,182,715	2,883,467
2017	100,000	599,797	2,179,461	2,879,258
2018	100,000	603,818	1,923,330	2,627,148
2019-2023	1,635,000	2,973,026	5,811,302	10,419,328
2024-2028	11,520,000	2,737,757	5,811,302	20,069,059
2029-2033	22,610,000	1,895,988	5,767,731	30,273,719
2034-2038	26,530,000	743,178	2,799,051	30,072,229
Total	$ 62,795,000	$ 11,355,351	$ 30,850,084	$ 105,000,435

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, 2013, the aggregate fair value of all hedging derivative instruments with these optional collateral posting provisions is a negative $($6,648,287). If the collateral posting requirements were necessary at September 30, 2013, the City would be required to post $6,648,287 in collateral to its Counterparties. As the City negotiated termination at mid-market, termination values are the same as market values. As of September 30, 2013, the City's underlying General Obligation Bond rating is "Aa2" by Moody's, "AA" by Fitch Ratings (Fitch), and not rated by S&P, and the insurer's ratings are "AA-" by S&P, "A3" by Moody's and "not rated" by Fitch. 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, 2013, the $8.0 million of bonds outstanding are considered defeased. They are listed as follows:

Consolidated Utility Systems Revenue Bonds, Series 1992 - The outstanding balance is $8,045,000. These bonds were defeased on July 3, 1997. The escrow funds are held in a trust with assets sufficient to pay scheduled debt service requirements to maturity.

NOTE 9. LONG-TERM DEBT (continued)

Bonds Authorized, but Un-issued – On March 8, 2005, the voters of the City of Pembroke Pines approved the issuance of $100,000,000 General Obligation Bonds, of which $47,000,000 General Obligation Bonds, Series 2005 were issued on September 30, 2005, and $43,000,000 General Obligation Bonds, Series 2007 were issued on July 25, 2007. The remaining $10,000,000 General Obligation Bonds already authorized will be issued only if needed. Currently, the City's General Obligation Bonds authorized by voters is $100,000,000. Any General Obligation Bonds in addition to this limit will need further approval.

Installment Purchase Contract

The City entered into a 5-year installment purchase contract with CTS America for a Police Records Management Software at a cost of $590,327. Monthly payments are $9,839.

The payments due in the fiscal year ended September 30, 2013 are as follows:

Total purchase price	$ 590,327
Total payment made in fiscal year 2013	29,517
Remaining payments due in subsequent years	560,810

Changes in Long-Term Liabilities

Compensated absences 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.

NOTE 9. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities (continued)

Long-term liability activity for the year ended September 30, 2013 was as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Public Improvement Revenue Bonds, Series 2001	$ 1,845,000	$ -	$ (905,000)	$ 940,000	$ 940,000
Taxable Communications Services Tax Revenue Bonds, Series 2003A	36,390,000	-	(840,000)	35,550,000	890,000
Taxable Communications Services Tax Revenue Bonds, Series 2004	44,775,000	-	(1,180,000)	43,595,000	1,230,000
Public Improvement Revenue Bonds, Series 2004A	19,180,000	-	(500,000)	18,680,000	520,000
Public Improvement Revenue Bonds, Series 2004B	15,235,000	-	(390,000)	14,845,000	405,000
Public Improvement Refunding Revenue Bonds, Series 2006	26,560,000	-	(1,130,000)	25,430,000	1,175,000
Capital Improvement Refunding Revenue Bonds, Series 2006	39,520,000	-	(1,650,000)	37,870,000	1,725,000
Capital Improvement Revenue Bonds, Series 2007	25,200,000	-	(580,000)	24,620,000	605,000
Charter School Revenue Bonds, Series 2008	62,895,000	-	(100,000)	62,795,000	100,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2008	8,040,000	-	-	8,040,000	-
Capital Improvement Refunding Revenue Bonds, Series 2010	8,085,600	-	(377,400)	7,708,200	392,100
Total revenue bonds	287,725,600	-	(7,652,400)	280,073,200	7,982,100
General obligation bonds:					
General Obligation Bonds, Series 2005	40,080,000	-	(1,090,000)	38,990,000	1,130,000
General Obligation Bonds, Series 2007	39,225,000	-	(890,000)	38,335,000	925,000
Total general obligation bonds	79,305,000	-	(1,980,000)	77,325,000	2,055,000
Total revenue and general obligation bonds	367,030,600	-	(9,632,400)	357,398,200	10,037,100
Less deferred amounts:					
For issuance discounts/premiums	810,304	-	(134,798)	675,506	-
On refundings	(6,889,837)	-	421,311	(6,468,526)	-
Total bonds payable	360,951,067	-	(9,345,887)	351,605,180	10,037,100
Installment purchase	-	590,327	(29,517)	560,810	118,065
Estimated self-insurance claims	9,016,380	14,288,073	(12,570,843)	10,733,610	1,172,118
Compensated absences	18,730,712	9,574,261	(10,207,943)	18,097,030	10,979,509
Governmental activity long-term liabilities	$ 388,698,159	$ 24,452,661	$ (32,154,190)	$ 380,996,630	$ 22,306,792

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	$ 508,195	$ 197,456	$ (301,417)	$ 404,234	$ 348,049
Consolidated Utility System Revenue Bonds, Series 2010	11,695,147	-	(661,603)	11,033,544	684,759
Business-type activity long-term liabilities	$ 12,203,342	$ 197,456	$ (963,020)	$ 11,437,778	$ 1,032,808

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 $83.4 million (including the $8,040,000 for the Susan B. Anthony Center (SBA) Bonds) in revenue bonds issued in 2006, 2007, 2008, and 2010. 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 2037. Based on the FY 2013 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 76% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is $103,917,150. For FY 2013, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were $5,786,890 and $7,852,195, respectively.

Electric Public Service Taxes (Public Service Revenue) are pledged to repay the outstanding $65.64 million in revenue bonds issued in 2001, 2004, and 2006. 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 2035. Based on the FY 2013 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 61% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is $87,594,517. For FY 2013, the principal and interest paid and the total Public Service Revenue were $5,817,821 and $9,587,367, respectively.

Charter School total revenues and Early Development Center lease payments (School Revenue) are pledged to repay the outstanding $63.2 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 2013 School Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 13% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is $74,150,352. For FY 2013, the principal and interest paid and the total School Revenue were $3,118,375 and $45,485,610, respectively.

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 $83.1 million in revenue bonds issued in 2003 and 2004. 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 2013 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 67% of the pledged revenue. Series 2003 Bonds were refunded with Series 2013 Bonds on October 15, 2014 (see Note 15. Subsequent Events). The new total principal and interest remaining to be paid on the bonds is $128,703,957.

For FY 2013, the principal and interest paid and the total Communications and Water Tax Revenue were $6,413,590 and $9,517,421, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding $12.30 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 2013 Utility 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 $13,729,043. For FY 2013, the total debt service paid and the total Utility Revenue were $1,057,287 and $9,879,616, respectively.

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, $500,000 (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 $1,510 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 $21,462,831 for the fiscal year ended September 30, 2013. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of $10,733,610 reported in the fund at September 30, 2013 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:

	Beginning of Year Liability	Claims and Changes in Estimates	Claims Payments	End of Year Liability
2011-2012	15,160,920	6,005,845	(12,150,385)	9,016,380
2012-2013	9,016,380	14,288,073	(12,570,843)	10,733,610

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 $7,995,436 for the year ended September 30, 2013.

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

On October 21, 1992, the City entered into an agreement with the Florida Wetlandsbank$_{TM}$ (FW), a Florida Joint Venture, wherein the City granted FW a license to develop a Wetlands Mitigation Bank at a site that then comprised approximately 450 acres located in the Chapel Trail Preserve. This agreement which lasted until December 31, 2004, established the first Wetland Mitigation Bank in Florida and the second in the nation. Florida Wetlandsbank's responsibilities included designing, permitting, and constructing the ecosystem; maintaining and monitoring the Wetlands for a five-year period once construction was completed; and the sales and marketing of the mitigation credits.

On January 1, 2005 the City assumed full responsibility and maintenance for the Wetlands. The City now owns 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.

At September 30, 2013 the balance in the Trust Fund account was $541,828. For the fiscal year ended September 30, 2013, the Trust earned $1,209 in investment income, and incurred expenses of $19,920.

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.

NOTE 12. COMMITMENTS (continued)

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.

The City has the following construction commitments as of September 30, 2013:

Project Name	Vendor	Original Amount	Balance as of 9/30/13
Alternative Water Supply Phase 2	Calvin, Giordano & Associates, Inc.	$ 9,018,000	$ 5,738,384
Design Build Services for SW 196th Avenue / Pembroke Road Roadway Improvement Project	Weekley Asphalt Paving, Inc.	$ 5,254,586	$ 3,473,287
Design Build Services for West Pines Soccer Park Additional Practice Fields	Kaufman Lynn, Inc.	$ 1,451,632	$ 135,538
Design/Build Services for Charter High School Football Stadium	Recreation Design & Construction, Inc.	$ 2,366,925	$ 9,575
Ficus Hedge Replacement on Sheridan Street and Taft Street	G. I. G. Landscape Inc.	$ 421,000	$ 102,760
Hiatus Road and Washington Street Intersection Improvements	Providian Construction Group, Inc.	$ 314,893	$ 273,408
Hiatus Road Resurfacing - Taft Street to Sheridan Street	Weekley Asphalt Paving, Inc.	$ 222,123	$ 69,286
NW 77th Way - North Waterline Replacement - Phase 4	Metro Equipment Service, Inc.	$ 753,540	$ 252,174
Pembroke Lakes Golf Course - Lake Bank Restoration	Coston Marine Services, Inc.	$ 216,720	$ 188,820
Police Training Facility Construction	Bejar Construction, Inc.	$ 722,955	$ 219,831
Police Training Facility Construction - Audio Visual Equipment	Audio Visual Innovations, Inc.	$ 86,982	$ 86,982
Rehabilitation of Treatment Unit 2 & 3 for the WasteWater Treatment Plant	Cardinal Contractors, Inc.	$ 3,280,600	$ 1,387,301
		$ 24,109,956	**$ 11,937,346**

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

In fiscal year 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions” (GASB 45). Prior to GASB 45, most OPEB Plans were reported on a pay-as-you-go basis and a government’s financial statements did not report the financial effects of these post-employment benefits until paid.

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. As of September 30, 2013, the Plan held $44,418,761 in investments in mutual funds, $250,922 in money market accounts, and $509 in receivables.

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 and the Statement of Changes in Net Position –Fiduciary Fund for the fiscal year ended September 30, 2013.

Other Post-Employment Benefits (OPEB)
Statement of Net Position
Fiduciary Fund
September 30, 2013

	2013
Assets	
Cash and short-term investments	$ 250,922
Receivables	509
Investments	44,418,761
Total assets	44,670,192
Liabilities	
Reserve for health insurance claims	889,922
Accounts payable	219,981
Total liabilities	1,109,903
Net Position	
Net position held in trust for OPEB	$ 43,560,289

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

Other Post-Employment Benefits (OPEB)
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2013

Additions:	**2013**
Contributions	
Plan members	$ 680,060
Employer	9,356,207
Total contributions	10,036,267
Investment income:	
Investment income	4,932,913
Less investment expenses	(5,152)
Net investment income	4,927,761
Other additions:	
Specific Stop Loss and medical claims recovery	742,528
Medical Claims - Refund/Adj.	212,709
Part D Subsidy	144,908
Total other additions	1,100,145
Total additions	16,064,173
Deductions:	
Benefit payments and insurance	7,132,251
Administrative expenses	219,072
Total deductions	7,351,323
Change in net position	8,712,850
Net position, beginning	34,847,439
Net position, ending	$43,560,289

NOTE 13. OTHER POST-EMPLOYEMENT 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:

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		

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.

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

Plan Description (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 are required to contribute an additional $80 per month for EPO and $100 per month for PPO health insurance coverage.

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.

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

Plan Membership Information

The Plan's membership based on the October 1, 2012 actuarial valuation consisted of:

	OPEB
Retirees and beneficiaries currently receiving benefits	618
Active Plan Members:	
Fully Vested	250
Partially Vested	980
Total	1,848

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 City has adopted a funding plan that will see annual increases in City contributions within two to three years. The percentage contributed is expected to equal the Annual Required Contribution (ARC) as determined by the annual actuarial valuation. Administrative costs are financed through investment earnings where available.

For the year ended September 30, 2013, the Plan members contributed $680,060 and the City contributed $9,356,207 which was 100% of ARC. The ARC as determined by the actuarial valuation was $9,352,000.

Reserves

The balance in the Plan's legally required reserves as at September 30, 2013 was $889,922.

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

Annual OPEB Cost and Net OPEB Obligation

For the fiscal year ended September 30, 2013, the City's annual OPEB cost for the Plan was $9,352,000. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal year ended September 30, 2013 were as follows:

Annual required contribution	$ 9,352,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	9,352,000
Contributions made	(9,356,207)
Change in net OPEB obligation/(asset)	(4,207)
Net OPEB obligation/(asset), beginning of year	-
Net OPEB obligation/(asset), end of year	$ (4,207)

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation/(Asset)
9/30/2011	8,673,001	11,003,647	127%	-
9/30/2012	9,168,787	9,168,787	100%	-
9/30/2013	9,352,000	9,356,207	100%	(4,207)

Funded Status and Funding Progress

The funded status of the Plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%
10/1/2012	34,271,044	132,118,483	97,847,439	25.9%	65,748,426	148.8%

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

Annual OPEB Cost and Net OPEB Obligation (continued)

Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as Required Supplemental Information (RSI), following the Notes to the Basic Financial Statements, will present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions will present trend information about the amounts contributed to the Plan by the employer in comparison to the ARC; an amount that is actuarially determined in accordance with the parameters of GASB Statement 43 and 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and the plan members to that point.

Investments

In September 2010, the OPEB Trust adopted an Investment Policy. 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 market funds and various investment accounts offered by the Florida League of Cities' Florida Municipal Investment Trust (FMIvT). As of September 30, 2013, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The investments held with the Florida League of Cities are investments in an external investment pool and are not evidenced by securities that exist in physical or book entry form. The Plan's net investment income for the year ended September 30, 2013 was $4,927,761. As of September 30, 2013, the Plan held no single investment that exceeded 5% of net position.

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

The cash and investment holdings of the OPEB Fund as of September 30, 2013 are shown in the table below. Additional information can be found in Note 3. –Deposits and Investments.

	Balance as of 9/30/13
TD Bank Money Market	$ 250,922
FMIvT Investment Accounts:	
1-3 Year High Quality Bond Fund	17,250,487
High Quality Growth Equity Portfolio	8,156,472
Diversified Small to Mid (SMID) Cap Equity Portfolio	2,733,130
Russell 1000 Enhanced Index Equity Portfolio	5,432,702
International Blend Equity Portfolio	2,782,313
Large Cap Diversified Value Equity Portfolio	8,063,657
Total cash and investments	**$ 44,669,683**

Methods and Assumptions

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility on actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the actuarial valuation is as follows:

Retiree Health and Life Insurance Program

Valuation date	10/1/2012	
Actuarial cost method	Projected Unit Credit Method	
Amortization method	Level percent, open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Health CPI	3.0%	
Investment rate of return (1)	8.0%	
Projected salary increases	3.0%	
Healthcare cost trend rate*	9.0%	initial
	5.0%	ultimate
	8.0%	current

* - The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 5% is reached.

(1) -Valuation results are developed assuming a discount rate of 8% determined based on the long-term yield on the investments used to finance the payment of benefits.

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 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, 2012, the date of the latest actuarial valuation, the Plans' membership consisted of:

	2012
Active members	42
Retired members and beneficiaries currently receiving benefits	356
Disabled members receiving benefits	3
Terminated and inactive vested members (including bargained employees whose benefit was frozen effective 7/1/2010)	355
Total	756

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

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, 2013.

General Employees Pension Trust Fund
Statement of Net Position
Fiduciary Fund
September 30, 2013

	2013
Assets	
Miscellaneous Receivables	$ 2,818,726
Investments	
Bond & Mortgage	20,101,848
Core Plus Bond	23,567,056
Diversified Real Asset	6,789,148
Equity Income	8,810,241
High Yield I	5,445,767
International	5,630,144
International Emerging Markets	3,207,871
Large Cap Growth I	19,007,851
Large Cap S&P 500 Index	8,123,934
Large Cap Value	8,905,022
Mid Cap Growth III	2,982,960
Mid Cap Value	2,943,208
Overseas	9,486,370
Real Estate US Property	7,234,007
Small Cap Growth I	3,168,900
Small Cap Value II	2,996,264
Total assets	141,219,317
Liabilities	-
Net Position	
Net position held in trust for pension benefits	$141,219,317

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, 2013

Additions:	**2013**
Contributions:	
Plan members	$ 241,209
Employer	7,824,902
Total contributions	8,066,111
Investment earnings:	
Investment earnings & appreciation	14,237,775
Less investment expenses	43,217
Net investment income	14,194,558
Total additions	22,260,669
Deductions:	
Pension benefits	9,123,379
Administrative expenses	260
Total deductions	9,123,639
Change in net position	13,137,030
Net position, beginning	128,082,287
Net position, ending	$141,219,317

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 Number	Dated	Ordinance Number	Dated
992	April 15, 1992	1515	May 18, 2005
1058	December 15, 1993	1520	August 3, 2005
1297	March 17, 1999	1555	August 16, 2006
1329	February 2, 2000	1614	September 3, 2008
1413	June 19, 2002	1668	August 4, 2010
1479	March 17, 2004		

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

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.

Service Retirement Benefits

Upon normal retirement (age 55 or 10 years of vesting service), 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).

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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Disability Benefits

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

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

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Funding Policy (continued)

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 2013, employee contributions for active members amounted to $241,209. The City's Annual Required Contribution (ARC) for fiscal year 2013 amounted to $6,674,902 or 234.6% of annual covered payroll for active members as compared with and ARC of $3,742,492 or 101.6% of covered payroll in fiscal year 2012. In fiscal year 2013, the City contributed $7,824,902, which is $1,150,000 in excess of the ARC in order to reduce the unfunded liability.

The City's ARC for fiscal year 2013 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. The bonds were issued to pay for the enhanced benefit of a 2% cost of living adjustment as approved by the City Commission, and to maintain the City's Annual Required Contributions (ARC) at the "pre-cost of living" level for the existing Plan participants. See also Note 9. for additional information on the bond issue.

Investments

As of September 30, 2013, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and/or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employee Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. As of September 30, 2013, the investments held by the Plan were not required to be categorized per Statement No. 40 of the Governmental Accounting Standards Board. The Plan's net investment income for the year ended September 30, 2013 was $14,194,558, a decrease of $6,886,910 from last year's net investment income $21,081,468.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	$ 6,674,902
Interest on net pension obligation	(797,456)
Adjustment to annual required contribution	1,887,789
Annual pension cost	7,765,235
Contributions made	(7,824,902)
Change in net pension obligation/(asset)	(59,667)
Net pension obligation/(asset), beginning of year	(11,313,071)
Net pension obligation/(asset), end of year	$ (11,372,738)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2011	4,666,653	3,317,988	71%	(12,741,214)
9/30/2012	5,171,085	3,742,942	72%	(11,313,071)
9/30/2013	7,765,235	7,824,902	101%	(11,372,738)

DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the General Employees' Pension Plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation is five (5) years.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

General Employees' Pension Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2012, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2012	$ 121,238,849	$ 150,061,082	$ 28,822,233	81%	$ 2,845,077	1013.1%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. In fiscal year 2013, the City used the entry age cost method to determine the annual required contribution (ARC), the funded status of the plan, and a schedule of funding progress is presented using the entry age actuarial cost method. The purpose of doing so is to provide information that serves as a surrogate for the funded status and funding progress of the plan.

Additional information as of the latest actuarial valuation follows:

	General Employees Pension
Valuation date	10/1/2012
Actuarial cost method	Entry Age Cost
Amortization method (1)	N/A - there are no amortization bases as of the beginning of the Plan year.
Remaining amortization period (1)	N/A - there is no unfunded frozen initial liability as of 10/1/2010.
Asset valuation method	Market value with 4 year phase in of investment actuarial gains and losses
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases (2)	S-5 table from the Actuary's Pension handbook plus a 2.5% add on
Cost of living adjustments	2%

(1) The Aggregate method does not identify or separately amortize unfunded actuarial accrued liabilities; they are amortized through normal cost.

(2) Includes inflation at 3.0%

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, 2012, the date of the latest actuarial valuation, the Plans' membership consisted of:

	2012
Retirees and beneficiaries currently receiving benefits including DROP and terminated employees entitled to benefits, but not yet receiving them	300
Current employees:	
Vested	185
Non-vested	171
Total	656

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"):

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

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

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

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.

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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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.

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.

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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

Disability Benefits

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 66-2/3 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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

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.

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%.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Deferred Retirement Option Plan (DROP) (continued)

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.

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 lst 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 1sl each year following retirement.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA) (continued)

Funding Policy

The City of Pembroke Pines is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, excluding amounts from the State, was $22,754,765 or 84.2% of covered payroll.

Pursuant to Florida Statues, 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.

The State contributions totaled $2,458,939 or 9.1% of covered payroll, and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings upon completion of 26 2/3 year of continuous service. Member contributions for the fiscal year ended September 30, 2013 amounted to $2,961,526.

On October 17, 2003 the City contributed $36,720,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2003A. This pension obligation bond was issued to finance the enhanced benefits for Firefighter members of the Plan. Benefits included, but were not limited to, a minimum of 2% cost of living adjustment for firefighter members, and up to 1,000 hours of unused leave can be included as part of the earnings used to calculate pension benefits. See also Note 9. for additional information on the bond issue.

On April 1, 2004 the City contributed $26,200,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2004. This pension obligation bond was issued to finance the enhanced benefits for Police Officer members of the Plan, as well as to maintain the City's contribution at the same percentage level of payroll prior to the enhanced benefits. These benefits were similar to the firefighter members, and included, but were not limited to, a 1.5% cost of living adjustment, and up to 1,000 hours of unused sick leave can be included as part of earnings used to calculate pension benefits. See also Note 9. for additional information on the bond issue.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA) (continued)

Funding Policy

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

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.

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, 2013:

Description	Estimated Useful Life	FY2013
Land	-	$ 28,000
Building	39 years	343,399
Building improvements	39 years	90,834
Equipment	5 years	27,600
Total property and equipment		489,833
Accumulated depreciation		(101,337)
Property and equiment, net		$ 388,496

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2013, the depreciation expense amounted to $17,372.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Cash and cash equivalents

Deposits are carried at cost and are included in cash and cash equivalents in the statement of plan net position. Cash equivalents include money market accounts at September 30, 2013.

Investments

Investments are reported at fair value as of September 30, 2013. 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.

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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

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:

Authorized investments	Target	Minimum	Maximum
Domestic equities	52.0%	42.0%	62.0%
Fixed income	30.0%	20.0%	50.0%
International equities	8.0%	0.0%	10.0%
Real estate	10.0%	0.0%	12.0%
Cash	0.0%	0.0%	10.0%

The Plan's net investment income for the year ended September 30, 2013 was $46,909,656, as compared to last year's net investment income of $53,427,676 (See Note 3. –"Deposits and Investments" for additional information)

Annual Pension Cost and Net Pension Obligation/ (Assets)

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

Annual required contribution	$ 25,213,704
Interest on net pension obligation	(3,924,871)
Adjustment to annual required contribution	3,887,551
Annual pension cost	25,176,384
Contributions made (City and State)	(25,213,704)
Change in net pension obligation/(asset)	(37,320)
Net pension obligation/(asset), beginning of year	(49,060,890)
Net pension obligation/(asset), end of year	$ (49,098,210)

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2011	22,798,202	23,289,867	102%	(48,617,100)
9/30/2012	23,438,326	23,882,116	102%	(49,060,890)
9/30/2013	25,176,384	25,213,704	100%	(49,098,210)

Funded Status and Funding Progress

The funded status of the Plan as of October 1, 2012, the date of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/1/2012	$ 316,002,633	$ 515,935,020	$ 199,932,387	61%	$ 27,011,016	740.2%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

City Pension Fund for Firefighters and Police Officers (continued)

Additional information as of the latest actuarial valuation follows:

	Firefighters and Police Officers Pension
Valuation date	10/1/2012
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	21 years
Asset valuation method	5 years smoothed market
Actuarial assumptions:	
Investment rate of return	8.0% compounded annually, net of expenses
Projected salary increases*	3.75% - 12.0%
Payroll growth	1.2%
Cost of living adjustments:	
Firefighters	0.0%, 1.5%, 2.0% or 3.0%
Police officers	0.0%, 1.5%, 2.0%, 2.5% or 3.0%

*Includes inflation at 3.5%

Florida Retirement System for Charter School Employees

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

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

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

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.

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 62 that the member becomes vested; 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 65 that the member becomes vested; or 33years 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

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2013, the contribution rate increased from 4.91% to 5.18% for Regular Class Members and from 4.42% to 5.44% for DROP Members. The Charter Schools are required to contribute both for full-time and part-time members of the Plan, which amounted to $1,013,184. As of June 30, 2013, there were 513 members in this Plan, which is unchanged from the previous fiscal year. The contribution rate includes the post-employment health insurance supplement of 1.11% and the administrative/educational fee of 0.03%.

Since year 2012, the State mandated that employees contribute 3% of pay to the FRS Pension Plan. This required employee contribution amounted to $578,093 for fiscal year 2013.

Fiscal Year	Annual Required Contributions	Total Employer Contributions	Percentage Contributed	Employer Contribution Rates Regular Class	Employer Contribution Rates DROP	Employee Contribution Rates
2013	$ 1,013,184	$ 1,013,184	100.0%	5.18%	5.44%	3.0%
2012	930,174	930,174	100.0	4.91%	4.42%	3.0%
2011	2,008,405	2,008,405	100.0	10.77%	12.25%	-

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, 2013, there were fifty-seven (57) 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.

NOTE 14. MUNICIPAL EMPLOYEES RETIREMENT PENSION PLANS (continued)

Defined Contribution Plans (continued)

Charter School and Early Development Center Employees (continued)

The City's required contribution was 6.95 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the 2013 fiscal year, the City contributed $164,755 to the Charter Schools' Plan, and the members contributed $23,050. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. In fiscal year 2006, the City increased its contribution to the defined contribution plan from 5.0% to 10.77% of the Charter Schools members' gross wages, in keeping with the contribution required by 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.

NOTE 15. SUBSEQUENT EVENTS

On October 15, 2013, the City refunded Taxable Communications Services Tax Revenue Bonds, Series 2003A, with Taxable Communications Services Tax Revenue Bonds, Series 2013 (the "Series 2013 Bonds). This current refunding was undertaken to reduce total debt service payments over the next 19 years by $2,998,197 and resulted in an economic gain of $1,867,401. The Series 2013 Bonds have an outstanding balance of $35,300,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.45%, 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 parity with the Series 2004 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released.

Required Supplementary Information

City of Pembroke Pines, Florida

Required Supplementary Information
Schedule of Contributions from Employer and Other Contributing Entities
Fiscal Year Ended September 30, 2013

Fiscal Year	(A) Annual Required Contributions	Employer Contributions		State Contributions	Total Employer Contributions	(B) Percentage Contributed
General Employees Pension Plan						
2013	$ 6,674,902	$ 7,824,902		$ -	$ 7,824,902	117%
2012	3,742,492	3,742,492		-	3,742,492	100%
2011	3,317,993	3,317,988		-	3,317,988	100%
2010	3,502,940	3,502,940		-	3,502,940	100%
2009	7,736,872	7,736,872		-	7,736,872	100%
2008	6,830,795	6,830,795		-	6,830,795	100%
2007	7,418,930	7,418,930		-	7,418,930	100%
2006	6,429,405	6,429,405		-	6,429,405	100%
2005	6,152,234	6,152,234		-	6,152,234	100%
2004	4,961,285	4,961,285	(C)	-	4,961,285	100%
City Pension Fund for Firefighters and Police Officers						
2013	$ 25,213,704	$ 22,754,765		$ 2,458,939	$ 25,213,704	100%
2012	23,882,116	21,540,037		2,342,079	23,882,116	100%
2011	23,289,867	21,020,757		2,269,110	23,289,867	100%
2010	24,538,413	22,200,904		2,337,509	24,538,413	100%
2009	21,935,003	19,505,427		2,429,576	21,935,003	100%
2008	17,795,174	15,214,031		2,581,143	17,795,174	100%
2007	14,254,450	11,812,342		2,442,108	14,254,450	100%
2006	10,233,546	8,205,196		2,028,350	10,233,546	100%
2005	8,322,719	6,461,387		1,861,332	8,322,719	100%
2004	4,905,659	3,654,190	(C)	1,730,676	5,384,866	110%
Other Post-Employment Benefits (OPEB)						
2013	$ 9,352,000	$ 9,356,207		$ -	$ 9,356,207	100%
2012	9,125,000	9,168,787		-	9,168,787	100%
2011	8,614,000	11,003,647	(D)	-	11,003,647	128%
2010	8,649,000	13,834,000	(D)	-	13,834,000	160%
2009	12,087,000	9,636,677		-	9,636,677	80%
2008	11,396,000	6,636,677		-	6,636,677	58%

(A) Actuarially determined contribution requirements.

(B) Total actual contributions as a percentage of annual required contributions.

(C) Employer contributions for FY 2004 does not include the $82,290,924 of pension obligation bond proceeds, as it was not intended to pay the Annual Required Contribution (ARC) for the year, and is therefore not ARC related.

(D) City contributed and additional $2.3 million in FY 2011 and $5.0 million in FY 2010 to reduce the Net OPEB Obligation.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Funding Progress
September 30, 2013

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a) / (c)
General Employees Pension Plan						
10/1/2012	$ 121,238,849	$ 150,061,082	$ 28,822,233	80.8%	$ 2,845,067	1013.1%
10/1/2011	118,449,736	147,287,087	28,837,351	80.4%	3,681,877	783.2%
10/1/2010	127,665,129	142,282,483	14,617,354	89.7%	3,537,545	413.2%
10/1/2009	129,455,600	137,608,183	8,152,583	94.1%	4,088,776	199.4%
10/1/2008	131,976,740	164,002,104	32,025,364	80.5%	22,493,706	142.4%
10/1/2007	123,702,275	139,548,384	15,846,109	88.6%	21,988,709	72.1%
10/1/2006	107,426,569	123,224,221	15,797,652	87.2%	21,477,150	73.6%
10/1/2005	93,396,808	105,027,398	11,630,590	88.9%	20,078,368	57.9%
10/1/2004	81,839,021	94,176,751	12,337,730	86.9%	20,495,048	60.2%
10/1/2003	56,509,780	66,987,878	10,478,098	84.4%	20,246,275	51.8%
City Pension Fund for Firefighters and Police Officers						
10/1/2012	$ 316,002,633	$ 515,935,020	$ 199,932,387	61.2%	$ 27,011,016	740.2%
10/1/2011	294,227,027	490,104,162	195,877,135	60.0%	26,857,833	729.3%
10/1/2010	280,775,729	467,205,127	186,429,398	60.1%	27,129,273	687.2%
10/1/2009	261,948,320	434,353,251	172,404,931	60.3%	27,528,175	626.3%
10/1/2008	246,182,224	412,142,825	165,960,601	59.7%	26,616,124	623.5%
10/1/2007	229,650,770	370,661,059	141,010,289	62.0%	26,610,708	529.9%
10/1/2006	205,102,670	302,916,889	97,814,219	67.7%	26,040,640	375.6%
10/1/2005	186,347,282	263,608,172	77,260,890	70.7%	24,294,435	318.0%
10/1/2004	168,315,697	234,355,322	66,039,625	71.8%	23,530,488	280.7%
10/1/2003	134,868,154	208,995,372	74,127,218	64.5%	22,934,597	323.2%
Other Post-Employment Benefits (OPEB)						
10/1/2012	$ 34,271,044	$ 132,118,483	$ 97,847,439	25.9%	$ 65,748,426	148.8%
10/1/2011	25,304,000	124,902,000	99,598,000	20.3%	67,687,688	147.1%
10/1/2010	19,642,156	121,413,000	101,770,844	16.2%	69,130,334	147.2%
10/1/2009	8,546,236	114,192,000	105,645,764	7.5%	72,957,410	144.8%
10/1/2008	2,688,520	131,728,115	129,039,595	2.0%	79,224,533	162.9%
10/1/2007	-	126,392,000	126,392,000	0.0%	76,059,157	166.2%

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$61,907,766	$61,907,766	$63,034,309	$1,126,543
Permits, fees and licenses	33,691,287	34,043,846	34,247,193	203,347
Intergovernmental revenue	11,700,293	12,068,016	12,590,096	522,080
Charges for services	28,630,989	28,736,415	28,574,068	(162,347)
Fines and forfeitures	936,660	936,660	2,059,578	1,122,918
Miscellaneous revenues	12,895,352	13,139,423	11,387,521	(1,751,902)
Total revenues	149,762,347	150,832,126	151,892,765	1,060,639
Expenditures				
General government services				
Administrative services	4,133,088	4,133,088	3,893,294	239,794
City attorney	854,669	854,669	845,544	9,125
City clerk	1,187,234	1,189,834	1,189,795	39
City manager	533,488	533,488	517,916	15,572
Finance	2,893,222	2,955,522	2,916,763	38,759
Human resources	705,842	705,842	683,637	22,205
Mayor & commission	794,624	799,824	799,809	15
Non-departmental	3,565,448	3,049,399	2,388,379	661,020
Public services	7,340,905	7,421,466	6,593,080	828,386
Total general government services	22,008,520	21,643,132	19,828,217	1,814,915
Public safety				
Administrative services	1,198,040	1,198,040	1,190,074	7,966
Emergency & disaster relief services	-	-	1,188,471	(1,188,471)
Fire	47,039,617	47,124,587	45,906,438	1,218,149
Police	50,290,587	51,811,846	51,783,143	28,703
Total public safety	98,528,244	100,134,473	100,068,126	66,347

(continued)

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2013
(continued)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Expenditures				
Physical environment				
Public services	$2,953,157	$8,793,069	$8,140,631	$652,438
Total physical environment	2,953,157	8,793,069	8,140,631	652,438
Economic environment				
Community services	7,601,544	7,601,544	7,257,002	344,542
Total economic environment	7,601,544	7,601,544	7,257,002	344,542
Human services				
Community services	846,138	1,272,487	1,048,680	223,807
Education	4,876,374	4,880,829	4,393,114	487,715
Total human services	5,722,512	6,153,316	5,441,794	711,522
Culture/recreation				
Parks & recreation	15,372,205	9,815,800	9,207,263	608,537
Total culture/recreation	15,372,205	9,815,800	9,207,263	608,537
Total expenditures	152,186,182	154,141,334	149,943,033	4,198,301
Excess (deficiency) of revenues over expenditures	(2,423,835)	(3,309,208)	1,949,732	5,258,940
Other financing sources (uses)				
Transfers out	(1,199,752)	(1,663,896)	(1,663,895)	1
Installment purchase	-	590,327	590,327	-
Total other financing sources (uses)	(1,199,752)	(1,073,569)	(1,073,568)	1
Net change in fund balances	(3,623,587)	(4,382,777)	876,164	5,258,941
Fund balances, beginning	51,678,458	51,678,458	51,678,458	-
Fund balances, ending	$48,054,871	$47,295,681	$52,554,622	$5,258,941

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2013

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.

2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount for each line item.

3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund. Therefore, the legal level of control is at the department level.

4. The adopted budget may be amended as follows:

   a. The City Manager and Finance Director approve line item adjustments within a department or a division.
   b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
   c. The City Commission may approve supplemental appropriations of revenues and expenditures. If this is done, adoption of an amended budget ordinance is required.

5. The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The General Fund net upward adjustment to expenditure appropriations amounted to $2 million for the fiscal year ended September 30, 2013. The main components were:

   a. $0.9 million increase attributable to the carryover of capital items from prior fiscal year;
   b. $0.3 million increase for the Department of Children and Families (DCF) Transitional Housing;
   c. $0.2 million increase to fund lake bank erosion at the golf course; and
   d. $0.6 million – Capital Lease for Police Department record management system

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2013

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (continued)

There was a $1.7 million upward net revenue adjustment attributable mainly to:

a. $0.3 million – Department of Children and Families (DCF) Transitional Housing ;
b. $0.4 million – Privilege Fees adjustment from Utility Fund to General Fund; and
c. $0.6 million – Capital Lease for Police Department record management system.

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, 2013 was the $1.2 million related to emergency and disaster relief services associated with reimbursements made to the Federal Emergency Management Agency (FEMA). The City does not budget for these expenditures.

NOTE 3. BUDGETARY COMPARISON TO ACTUAL

Budgetary comparison to actual can be found under General Fund Budgetary Highlights in the Management's Discussion and Analysis.

Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Road and Bridge Fund – To account for 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.

City of Pembroke Pines, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	Special Revenue Funds							
					Schools Chartered by *			
					Broward County School Board			Florida State University
Assets	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Elementary	Middle	High	Elementary
Pooled cash and cash equivalents	$ 788,366	$ -	$ 16,818	$ 513,541	$ 1,923,332	$ 99,828	$ 1,386,128	$ 272,885
Investments:								
Marketable securities	3,176,536	-	-	-	-	-	-	-
Receivables:								
Franchise fees and taxes	464,337	-	-	-	-	-	-	-
Other	-	-	-	-	2,311	1,573	2,056	814
Inventory	-	-	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-	-	-
Due from other governments	-	218,814	-	-	63,625	47,818	79,407	240,770
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	-
Total assets	$ 4,429,239	$ 218,814	$ 16,818	$ 513,541	$ 1,989,268	$ 149,219	$ 1,467,591	$ 514,469
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 19,239	$ -	$ -	$ -	$ 7,573	$ 5,827	$ 16,200	$ 3,692
Accrued liabilities	36,678	-	-	-	-	-	-	-
Due to other funds	-	218,814	-	-	-	-	-	-
Deposits	-	-	-	-	112,249	87,340	306,590	35,159
Deferred/unearned revenue	-	-	16,818	513,541	10,694	7,526	6,225	5,778
Total liabilities	55,917	218,814	16,818	513,541	130,516	100,693	329,015	44,629
Fund balances:								
Nonspendable								
Inventory and prepaid costs	-	-	-	-	-	-	-	-
Wetland Mitigation Trust	-	-	-	-	-	-	-	-
Restricted by								
Road and sidewalks	4,373,322	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-
Assigned for rent payments	-	-	-	-	1,858,752	48,526	1,138,576	469,840
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	4,373,322	-	-	-	1,858,752	48,526	1,138,576	469,840
Total liabilities and fund balances	$ 4,429,239	$ 218,814	$ 16,818	$ 513,541	$ 1,989,268	$ 149,219	$ 1,467,591	$ 514,469

* As of June 30, 2013

(continued)

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013
(continued)

	Special Revenue Funds							Permanent Fund	
Assets	**Housing and Urban Development Grant**	**Community Bus Program**	**Older Americans Act**	**Treasury Confiscated**	**Justice Confiscated**	**$2 Police Education**	**FDLE Confiscated**	**Wetland Mitigation Trust Fund**	**Total Nonmajor Governmental Funds**
Pooled cash and cash equivalents	$ -	$ -	$ -	$ 343,079	$ 569,636	$ 305,053	$ 607,839	$ -	$ 6,826,505
Investments:									
Marketable securities	-	-	-	-	-	-	-	-	3,176,536
Receivables:									
Franchise fees and taxes	-	-	-	-	-	-	-	-	464,337
Other	-	-	-	-	-	-	20,421	-	27,175
Inventory	-	-	23,234	-	-	-	-	-	23,234
Prepaid costs	57,725	-	-	-	-	-	-	-	57,725
Due from other governments	330,322	-	130,365	-	179	-	75	-	1,111,375
Restricted pooled cash and equivalents	-	-	-	-	-	-	-	544,225	544,225
Total assets	$ 388,047	$ -	$ 153,599	$ 343,079	$ 569,815	$ 305,053	$ 628,335	$ 544,225	$ 12,231,112
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,531
Accrued liabilities	-	-	-	-	-	-	-	-	36,678
Due to other funds	388,047	-	126,703	-	-	-	-	2,397	735,961
Deposits	-	-	-	-	-	-	19,734	-	561,072
Deferred/unearned revenue	-	-	3,662	-	-	-	-	-	564,244
Total liabilities	388,047	-	130,365	-	-	-	19,734	2,397	1,950,486
Fund balances:									
Nonspendable									
Inventory and prepaid costs	57,725	-	23,234	-	-	-	-		80,959
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted by									
Road and sidewalks	-	-	-	-	-	-	-	-	4,373,322
Law enforcement	-	-	-	343,079	569,815	305,053	608,601	-	1,826,548
Wetland Mitigation	-	-	-	-	-	-	-	95,713	95,713
Assigned for rent payments	-	-	-	-	-	-	-	-	3,515,694
Unassigned	(57,725)	-	-	-	-	-	-	-	(57,725)
Total fund balances	-	-	23,234	343,079	569,815	305,053	608,601	541,828	10,280,626
Total liabilities and fund balances	$ 388,047	$ -	$ 153,599	$ 343,079	$ 569,815	$ 305,053	$ 628,335	$ 544,225	$ 12,231,112

* As of June 30, 2013

City of Pembroke Pines, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2013

	Special Revenue Funds							
					Schools Chartered by: *			
					Broward County School Board			Florida State University
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Elementary	Middle	High	Elementary
Revenues								
Taxes	$ 2,669,684	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	237,725	-	-	-	-	-	-	-
Intergovernmental	1,166,340	308,250	32,177	216,282	13,050,176	8,059,604	11,432,222	5,328,124
Charges for services	200,000	-	-	-	850,538	148,004	87,988	440,044
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	17,611	-	-	-	5,632	5,185	2,261	4,314
Contributions	-	-	-	-	188,274	127,087	210,393	73,205
Rental revenue	-	-	-	-	149,859	149,506	1,457,158	40,880
Other	166,102	-	-	-	379,085	376,158	851,230	142,537
Total revenues	4,457,462	308,250	32,177	216,282	14,623,564	8,865,544	14,041,252	6,029,104
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	308,250	32,177	-	-	-	-	-
Transportation	4,075,736	-	-	-	-	-	-	-
Economic environment	-	-	-	216,282	-	-	-	-
Human services	-	-	-	-	15,380,240	10,379,645	13,715,699	6,241,062
Total expenditures	4,075,736	308,250	32,177	216,282	15,380,240	10,379,645	13,715,699	6,241,062
Excess (deficiency) of revenues over (under) expenditures	381,726	-	-	-	(756,676)	(1,514,101)	325,553	(211,958)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	1,543,199	-	-
Transfers out	(363,238)	-	-	-	(215,000)	-	(215,000)	-
Total other financing sources (uses)	(363,238)	-	-	-	(215,000)	1,543,199	(215,000)	-
Net change in fund balances	18,488	-	-	-	(971,676)	29,098	110,553	(211,958)
Fund balances, beginning	4,354,834	-	-	-	2,830,428	19,428	1,028,023	681,798
Fund balances, ending	$ 4,373,322	$ -	$ -	$ -	$ 1,858,752	$ 48,526	$ 1,138,576	$ 469,840

* As of June 30, 2013

(continued)

City of Pembroke Pines, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2013
(continued)

	Special Revenue Funds							Permanent Fund	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	Total Nonmajor Governmental Funds
Revenues									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,669,684
Permits, fees and licenses	-	-	-	-	-	-	-	-	237,725
Intergovernmental	1,906,257	630,856	853,783	-	-	-	-	-	42,984,071
Charges for services	-	-	-	-	-	-	-	-	1,726,574
Fines and forfeitures	-	-	-	19,388	28,470	47,398	112,649	-	207,905
Investment income	-	-	-	243	376	189	669	1,209	37,689
Contributions	-	-	48,677	-	-	-	-	-	647,636
Rental revenue	-	-	-	-	-	-	-	-	1,797,403
Other	-	-	-	-	-	-	-	-	1,915,112
Total revenues	1,906,257	630,856	902,460	19,631	28,846	47,587	113,318	1,209	52,223,799
Expenditures									
General government	-	-	-	-	-	-	-	19,920	19,920
Public safety	-	-	-	67,728	43,670	24,025	760,903	-	1,236,753
Transportation	99,277	1,113,758	-	-	-	-	-	-	5,288,771
Economic environment	1,806,980	-	-	-	-	-	-	-	2,023,262
Human services	-	-	1,303,976	-	-	-	-	-	47,020,622
Total expenditures	1,906,257	1,113,758	1,303,976	67,728	43,670	24,025	760,903	19,920	55,589,328
Excess (deficiency) of revenues over (under) expenditures	-	(482,902)	(401,516)	(48,097)	(14,824)	23,562	(647,585)	(18,711)	(3,365,529)
Other financing sources (uses)									
Transfers in	-	482,902	401,516	-	-	-	-	-	2,427,617
Transfers out	-	-	-	-	-	-	-	-	(793,238)
Total other financing sources (uses)	-	482,902	401,516	-	-	-	-	-	1,634,379
Net change in fund balances	-	-	-	(48,097)	(14,824)	23,562	(647,585)	(18,711)	(1,731,150)
Fund balances, beginning	-	-	23,234	391,176	584,639	281,491	1,256,186	560,539	12,011,776
Fund balances, ending	$ -	$ -	$ 23,234	$ 343,079	$ 569,815	$ 305,053	$ 608,601	$ 541,828	$ 10,280,626

* As of June 30, 2013

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
Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Property taxes	$ 5,443,121	$ 5,443,121	$ 5,514,105	$ 70,984
Utility taxes	1,784,705	1,784,705	1,792,983	8,278
Communication services tax	6,440,111	6,440,111	6,463,422	23,311
Permits, fees and licenses	813,605	813,605	818,352	4,747
Investment income	102,232	102,232	4,365	(97,867)
Rental revenue	12,130,020	12,130,020	12,492,010	361,990
Total revenues	26,713,794	26,713,794	27,085,237	371,443
Expenditures				
Debt service:				
Principal	9,632,400	9,681,595	9,661,916	19,679
Interest	16,921,482	16,921,482	16,911,616	9,866
Other debt service costs	16,900	16,900	5,500	11,400
Total expenditures	26,570,782	26,619,977	26,579,032	40,945
Excess revenues over expenditures	143,012	93,817	506,205	412,388
Other financing sources				
Transfers in	-	49,195	29,516	(19,679)
Total other financing sources	-	49,195	29,516	(19,679)
Net change in fund balances	143,012	143,012	535,721	392,709
Fund balances, beginning	14,252,977	14,252,977	14,252,977	-
Fund balances, ending	$ 14,395,989	$ 14,395,989	$ 14,788,698	$ 392,709

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, 2013

	Special Revenue Funds							
	Road and Bridge Fund				Law Enforcement Grant			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ 2,653,000	$ 2,653,000	$ 2,669,684	$ 16,684	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	379,000	237,725	(141,275)	-	-	-	-
Intergovernmental	1,104,400	1,104,400	1,166,340	61,940	17,918	429,644	308,250	(121,394)
Charges for services	200,000	200,000	200,000	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	145,000	145,000	17,611	(127,389)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	50,500	50,500	166,102	115,602	-	-	-	-
Total revenues	4,152,900	4,531,900	4,457,462	(74,438)	17,918	429,644	308,250	(121,394)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	17,918	429,644	308,250	121,394
Transportation	4,371,678	4,473,858	4,075,736	398,122	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	4,371,678	4,473,858	4,075,736	398,122	17,918	429,644	308,250	121,394
Excess (deficiency) of revenues over (under) expenditures	(218,778)	58,042	381,726	323,684	-	-	-	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(343,301)	(363,238)	(363,238)	-	-	-	-	-
Total other financing sources (uses)	(343,301)	(363,238)	(363,238)	-	-	-	-	-
Net change in fund balances	(562,079)	(305,196)	18,488	323,684	-	-	-	-
Fund balances, beginning	4,354,834	4,354,834	4,354,834	-	-	-	-	-
Fund balances, ending	$ 3,792,755	$ 4,049,638	$ 4,373,322	$ 323,684	$ -	$ -	$ -	$ -

(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, 2013
(continued)

	Special Revenue Funds							
	Police Community Service Grant				State Housing Initiative Program			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	48,853	32,177	(16,676)	-	727,891	216,282	(511,609)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	17,000	17,000	-	(17,000)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	-	48,853	32,177	(16,676)	17,000	744,891	216,282	(528,609)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	48,853	32,177	16,676	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	727,891	216,282	511,609
Human services	-	-	-	-	-	-	-	-
Total expenditures	-	48,853	32,177	16,676	-	727,891	216,282	511,609
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	17,000	17,000	-	(17,000)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	17,000	17,000	-	(17,000)
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -	$ 17,000	$ 17,000	$ -	$ (17,000)

(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, 2013
(continued)

	Special Revenue Funds							
	Elementary Schools Chartered by Broward County *				Middle Schools Chartered by Broward County *			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	12,821,002	12,821,002	13,050,176	229,174	7,967,118	7,967,118	8,059,604	92,486
Charges for services	947,757	947,757	850,538	(97,219)	197,774	197,774	148,004	(49,770)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	30,105	30,105	5,632	(24,473)	4,556	4,556	5,185	629
Contributions	385,843	419,721	188,274	(231,447)	262,564	276,374	127,087	(149,287)
Rental revenue	143,447	143,447	149,859	6,412	144,334	144,334	149,506	5,172
Other	404,225	404,225	379,085	(25,140)	358,657	358,657	376,158	17,501
Total revenues	14,732,379	14,766,257	14,623,564	(142,693)	8,935,003	8,948,813	8,865,544	(83,269)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	15,831,603	15,380,450	15,380,240	210	10,792,289	10,379,765	10,379,645	120
Total expenditures	15,831,603	15,380,450	15,380,240	210	10,792,289	10,379,765	10,379,645	120
Excess (deficiency) of revenues over (under) expenditures	(1,099,224)	(614,193)	(756,676)	(142,483)	(1,857,286)	(1,430,952)	(1,514,101)	(83,149)
Other financing sources (uses)								
Transfers in	-	-	-	-	944,680	1,699,317	1,543,199	(156,118)
Transfers out	-	(215,000)	(215,000)	-	-	-	-	-
Total other financing sources (uses)	-	(215,000)	(215,000)	-	944,680	1,699,317	1,543,199	(156,118)
Net change in fund balances	(1,099,224)	(829,193)	(971,676)	(142,483)	(912,606)	268,365	29,098	(239,267)
Fund balances, beginning	2,830,428	2,830,428	2,830,428	-	19,428	19,428	19,428	-
Fund balances, ending	$ 1,731,204	$ 2,001,235	$ 1,858,752	$ (142,483)	$ (893,178)	$ 287,793	$ 48,526	$ (239,267)

* As of June 30, 2013

(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, 2013
(continued)

	Special Revenue Funds							
	High School Chartered by Broward County *				Elementary School Chartered by Florida State University*			
	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	11,120,205	11,120,205	11,432,222	312,017	5,308,224	5,308,224	5,328,124	19,900
Charges for services	260,570	260,570	87,988	(172,582)	485,347	485,347	440,044	(45,303)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	12,717	12,717	2,261	(10,456)	4,809	4,809	4,314	(495)
Contributions	383,210	444,227	210,393	(233,834)	135,883	146,623	73,205	(73,418)
Rental revenue	1,438,514	1,438,514	1,457,158	18,644	58,743	58,743	40,880	(17,863)
Other	552,931	552,931	851,230	298,299	131,837	131,837	142,537	10,700
Total revenues	13,768,147	13,829,164	14,041,252	212,088	6,124,843	6,135,583	6,029,104	(106,479)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	14,509,505	13,802,067	13,715,699	86,368	6,438,224	6,241,128	6,241,062	66
Total expenditures	14,509,505	13,802,067	13,715,699	86,368	6,438,224	6,241,128	6,241,062	66
Excess (deficiency) of revenues over (under) expenditures	(741,358)	27,097	325,553	298,456	(313,381)	(105,545)	(211,958)	(106,413)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(215,000)	(215,000)	-	-	-	-	-
Total other financing sources (uses)	-	(215,000)	(215,000)	-	-	-	-	-
Net change in fund balances	(741,358)	(187,903)	110,553	298,456	(313,381)	(105,545)	(211,958)	(106,413)
Fund balances, beginning	1,028,023	1,028,023	1,028,023	-	681,798	681,798	681,798	-
Fund balances, ending	$ 286,665	$ 840,120	$ 1,138,576	$ 298,456	$ 368,417	$ 576,253	$ 469,840	$ (106,413)

* As of June 30, 2013

(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, 2013
(continued)

	Special Revenue Funds							
	Housing and Urban Development Grant				Community Bus Program			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	906,149	4,896,087	1,906,257	(2,989,830)	209,053	805,374	630,856	(174,518)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	906,149	4,896,087	1,906,257	(2,989,830)	209,053	805,374	630,856	(174,518)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	99,277	99,277	99,277	-	552,354	1,121,286	1,113,758	7,528
Economic environment	806,872	4,796,810	1,806,980	2,989,830	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	906,149	4,896,087	1,906,257	2,989,830	552,354	1,121,286	1,113,758	7,528
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(343,301)	(315,912)	(482,902)	(166,990)
Other financing sources (uses)								
Transfers in	-	-	-	-	343,301	315,912	482,902	166,990
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	343,301	315,912	482,902	166,990
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(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, 2013
(continued)

	Special Revenue Funds							
	Older Americans Act				Treasury Confiscated			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	838,069	841,109	853,783	12,674	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	19,388	19,388	-
Investment income	-	-	-	-	8,000	8,000	243	(7,757)
Contributions	149,716	146,676	48,677	(97,999)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	987,785	987,785	902,460	(85,325)	8,000	27,388	19,631	(7,757)
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	98,833	365,460	67,728	297,732
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	1,276,976	1,303,977	1,303,976	1	-	-	-	-
Total expenditures	1,276,976	1,303,977	1,303,976	1	98,833	365,460	67,728	297,732
Excess (deficiency) of revenues over (under) expenditures	(289,191)	(316,192)	(401,516)	(85,324)	(90,833)	(338,072)	(48,097)	289,975
Other financing sources (uses)								
Transfers in	289,191	316,192	401,516	85,324	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	289,191	316,192	401,516	85,324	-	-	-	-
Net change in fund balances	-	-	-	-	(90,833)	(338,072)	(48,097)	289,975
Fund balances, beginning	23,234	23,234	23,234	-	391,176	391,176	391,176	-
Fund balances, ending	$ 23,234	$ 23,234	$ 23,234	$ -	$ 300,343	$ 53,104	$ 343,079	$ 289,975

(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, 2013
(continued)

	Special Revenue Funds							
	Justice Confiscated				$2 Police Education			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	28,291	28,470	179	47,294	47,294	47,398	104
Investment income	8,000	8,000	376	(7,624)	-	-	189	189
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	8,000	36,291	28,846	(7,445)	47,294	47,294	47,587	293
Expenditures								
General government	-	-	-	-	-	-	-	-
Public safety	78,371	418,962	43,670	375,292	47,294	247,778	24,025	223,753
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	78,371	418,962	43,670	375,292	47,294	247,778	24,025	223,753
Excess (deficiency) of revenues over (under) expenditures	(70,371)	(382,671)	(14,824)	367,847	-	(200,484)	23,562	224,046
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(70,371)	(382,671)	(14,824)	367,847	-	(200,484)	23,562	224,046
Fund balances, beginning	584,639	584,639	584,639	-	281,491	281,491	281,491	-
Fund balances, ending	$ 514,268	$ 201,968	$ 569,815	$ 367,847	$ 281,491	$ 81,007	$ 305,053	$ 224,046

(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, 2013
(continued)

	Special Revenue Fund				Permanent Fund			
	FDLE Confiscated				Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	110,520	112,649	2,129	-	-	-	-
Investment income	27,000	27,000	669	(26,331)	36,000	36,000	1,209	(34,791)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	27,000	137,520	113,318	(24,202)	36,000	36,000	1,209	(34,791)
Expenditures								
General government	-	-	-	-	16,500	16,500	19,920	(3,420)
Public safety	248,060	1,239,304	760,903	478,401	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	248,060	1,239,304	760,903	478,401	16,500	16,500	19,920	(3,420)
Excess (deficiency) of revenues over (under) expenditures	(221,060)	(1,101,784)	(647,585)	454,199	19,500	19,500	(18,711)	(38,211)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(221,060)	(1,101,784)	(647,585)	454,199	19,500	19,500	(18,711)	(38,211)
Fund balances, beginning	1,256,186	1,256,186	1,256,186	-	560,539	560,539	560,539	-
Fund balances, ending	$ 1,035,126	$ 154,402	$ 608,601	$ 454,199	$ 580,039	$ 580,039	$ 541,828	$ (38,211)

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, 2013

	General Employees Pension	Firefighters and Police Officers Pension	Other Post-Employment Benefits	Totals
Assets				
Cash and short-term investments	$ -	$ 17,841,888	$ 250,922	$ 18,092,810
Receivables				
Accrued interest and dividends	-	1,027,398	-	1,027,398
Other	2,818,726	724,443	509	3,543,678
Total receivables	2,818,726	1,751,841	509	4,571,076
Investments, at fair value				
U.S. Government securities	-	16,116,394	-	16,116,394
Corporate bonds	-	78,345,585	-	78,345,585
Common stocks	-	223,251,893	-	223,251,893
Foreign bonds	-	9,028,281	-	9,028,281
International equity securities	-	2,276,902	-	2,276,902
Domestic equity fund	56,938,380	29,690,506	16,229,489	102,858,375
International equity fund	18,324,385	33,420,285	2,782,313	54,526,983
Real estate fund	7,234,007	23,693,321	-	30,927,328
Fixed income fund	49,114,671	-	25,406,959	74,521,630
Diversified real assets	6,789,148	-	-	6,789,148
Total investments	138,400,591	415,823,167	44,418,761	598,642,519
Capital Assets:				
Property and equipment, net	-	388,496	-	388,496
Total capital assets	-	388,496	-	388,496
Total assets	141,219,317	435,805,392	44,670,192	621,694,901
Liabilities				
DROP participants payable	-	91,142,196	-	91,142,196
Reserve for health insurance claims	-	-	889,922	889,922
Accounts payable	-	915,411	219,981	1,135,392
Total liabilities	-	92,057,607	1,109,903	93,167,510
Net Position				
Net position held in trust for benefits	$ 141,219,317	$ 343,747,785	$ 43,560,289	$ 528,527,391

City of Pembroke Pines, Florida
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2013

	General Employees Pension	Firefighters and Police Officers Pension	Other Post-Employment Benefits	Totals
Additions				
Contributions:				
Plan members	$ 241,209	$ 2,961,526	$ 680,060	$ 3,882,795
Employer	7,824,902	22,754,765	9,356,207	39,935,874
State	-	2,458,939	-	2,458,939
Total contributions	8,066,111	28,175,230	10,036,267	46,277,608
Investment income	14,237,775	49,088,949	4,932,913	68,259,637
Less investment expenses	43,217	2,179,293	5,152	2,227,662
Net investment income	14,194,558	46,909,656	4,927,761	66,031,975
Other addtions:				
Specific stop loss and medical claims recovery	-	-	1,100,145	1,100,145
Other income	-	67,442	-	67,442
Total other additions	-	67,442	1,100,145	1,167,587
Total additions	22,260,669	75,152,328	16,064,173	113,477,170
Deductions				
Benefit payments and insurance premiums	9,123,379	23,543,861	7,132,251	39,799,491
Refunds of contributions	-	83,421	-	83,421
Administrative expenses	260	500,725	219,072	720,057
Total deductions	9,123,639	24,128,007	7,351,323	40,602,969
Change in net position	13,137,030	51,024,321	8,712,850	72,874,201
Net position, beginning	128,082,287	292,723,464	34,847,439	455,653,190
Net position, ending	$ 141,219,317	$ 343,747,785	$ 43,560,289	$ 528,527,391

AGENCY FUNDS

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

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

City of Pembroke Pines, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Fiscal Year Ended September 30, 2013

	Balance September 30, 2012	Additions	Deductions	Balance September 30, 2013
General Agency Fund				
Assets:				
Pooled cash and cash equivalents	$ 3,028,943	$ 90,886,409	$ 90,339,155	$ 3,576,197
Accounts receivable	3,883	-	3,883	-
Total assets	$ 3,032,826	$ 90,886,409	$ 90,343,038	$ 3,576,197
Liabilities:				
Accrued liabilities	$ 3,032,826	$ 87,677,948	$ 87,134,577	$ 3,576,197
Due to other funds	-	3,297,607	3,297,607	-
Total liabilities	$ 3,032,826	$ 90,975,555	$ 90,432,184	$ 3,576,197
Sanitation Fund				
Assets:				
Pooled cash and cash equivalents	$ -	$ 27,501,469	$ 27,497,656	$ 3,813
Accounts receivable	2,330,524	18,937,207	19,287,308	1,980,423
Total assets	$ 2,330,524	$ 46,438,676	$ 46,784,964	$ 1,984,236
Liabilities:				
Accounts payable	$ 2,330,524	$ 19,700,173	$ 20,046,461	$ 1,984,236
Total liabilities	$ 2,330,524	$ 19,700,173	$ 20,046,461	$ 1,984,236
Total - All Agency Funds				
Assets:				
Pooled cash and cash equivalents	$ 3,028,943	$ 118,387,878	$ 117,836,811	$ 3,580,010
Accounts receivable	2,334,407	18,937,207	19,291,191	1,980,423
Total assets	$ 5,363,350	$ 137,325,085	$ 137,128,002	$ 5,560,433
Liabilities:				
Accounts payable	$ 2,330,524	$ 19,700,173	$ 20,046,461	$ 1,984,236
Accrued liabilities	3,032,826	87,677,948	87,134,577	3,576,197
Due to other funds	-	3,297,607	3,297,607	-
Total liabilities	$ 5,363,350	$ 110,675,728	$ 110,478,645	$ 5,560,433

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds in definitive form, Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

September 10, 2014

City Commission
City of Pembroke Pines
Pembroke Pines, Florida

$41,540,000
CITY OF PEMBROKE PINES, FLORIDA
TAXABLE COMMUNICATIONS SERVICES TAX REFUNDING REVENUE BONDS, SERIES 2014

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Pembroke Pines, Florida (the "City"), in connection with the issuance by the City of its $41,540,000 Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the City Charter of the City, and other applicable provisions of law, and Resolution No. 2959 adopted by the City Commission of the City (the "City Commission") on September 17, 2003, as amended and supplemented by Resolution No. 2980 adopted by the City Commission on March 17, 2004, Resolution No. 3389 adopted by the City Commission on September 3, 2013, and as further amended and supplemented by Resolution No. 3424 adopted by the City Commission on August 6, 2014 (collectively, the "Bond Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Goren, Cherof, Doody & Ezrol, P.A., City Attorney, as to the due creation and valid existence of the City, the due adoption of the Bond Resolution, the due execution and delivery of the Series 2014 Bonds and the compliance by the City with all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the Series 2014 Bonds.

The Series 2014 Bonds are payable from the Pledged Revenues, which consist primarily of the Communications Services Tax Revenues and the Water Public Service Tax Revenues, on parity and equal status with the City's Taxable Communications Services Tax Revenue Bonds, Series 2004 not refunded with the proceeds of the Series 2014 Bonds (the "Series 2004 Bonds") and the City's Taxable Communications Services Tax Revenue Bonds, Series 2013 (the "Series 2013 Bonds and collectively with the Series 2004 Bonds, the "Parity Bonds") heretofore issued under the Bond Resolution in the manner and to the extent provided in the Bond Resolution. Pursuant to the terms, conditions and limitations contained in the Bond Resolution, the City has reserved the right to issue Additional Bonds in the future, which shall have a lien on the Pledged Revenues equal to that of the Series 2014 Bonds and the Parity Bonds.

The Series 2014 Bonds do not constitute a general obligation or indebtedness of the City within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the City or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2014 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding obligation of the City enforceable against the City in accordance with its terms.

2. The Series 2014 Bonds are valid and binding limited obligations of the City enforceable in accordance with their terms, payable solely from the Pledged Revenues, in the manner and to the extent provided in the Bond Resolution.

3. The Bond Resolution creates a valid lien upon the Pledged Revenues for the security of the Series 2014 Bonds, on a parity basis with the Parity Bonds and any Additional Bonds hereafter issued, all in the manner and to the extent provided in the Bond Resolution.

4. Interest on the Series 2014 Bonds will be treated as interest income for federal income tax purposes and will not be excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended.

It is to be understood that the rights of the owners of the Series 2014 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the Series 2014 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2014 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2014 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the City or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2014 Bonds or regarding the perfection or priority of the lien, except as provided in paragraph 3 with respect to the parity status of the Series 2014 Bonds, on the Pledged Revenues created by the Bond Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2014 Bonds other than as expressly set forth herein. Each owner of the Series 2014 Bonds should seek advice based on such owner's particular circumstances from an independent tax advisor.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate is executed and delivered by the City of Pembroke Pines, Florida (the "City") to assist the underwriters of the City of Pembroke Pines, Florida Taxable Communications Services Tax Refunding Revenue Bonds, Series 2014 (the "2014 Bonds") in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934 (the "Rule"), as the Rule is in effect from time to time and to the extent the Rule is applicable to the 2014 Bonds. Subject to the provisions set forth below, the City hereby agrees, for the benefit of the owners and beneficial owners of the 2014 Bonds, to the following:

A. **DEFINITIONS.** Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Resolution No. 2959 adopted by the Board of City Commissioners of the City (the "City Commission") on September 17, 2003, as supplemented and amended by Resolution No. 2980 adopted by the City Commission on March 17, 2004, Resolution No. 3389 adopted by the City Commission on September 3, 2013 and Resolution No. 3424 adopted by the City Commission on August 6, 2014, and any supplement or amendatory resolution hereafter adopted (collectively, the "Resolution") or in the Rule.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

B. **ANNUAL INFORMATION.** In accordance with the provisions of the Rule, the City shall provide or cause to be provided, to the Electronic Municipal Market Access System (the "EMMA System") operated by the Municipal Securities Rulemaking Board (the "MSRB") or such other system as permitted under the Rule, if any, no later than nine months after the end of the fiscal year in accordance with Section 218.32(1)(d), Florida Statutes, commencing June 30, 2015, the following information with respect to the prior fiscal year (i) annual financial information relating to the amount of Communications Services Tax Revenues received by the City in such fiscal year, generally consistent with the financial information included in the Official Statement dated August 20, 2014 prepared with respect to the 2014 Bonds (the "Official Statement"), (ii) until the pledge of the Water Public Service Tax Revenues is released in accordance with the term of the Resolution, annual financial information relating to the amount of Water Public Service Tax Revenues collected by the City in such fiscal year, generally consistent with the financial information in the Official Statement, and (iii) annual audited financial statements of the City prepared in accordance with generally accepted accounting principles recommended from time to time by the Governmental Accounting Standards Board. The City expects that audited annual financial statements of the City will be available prior to the date the Annual Report (as defined below) must be submitted in accordance with this Paragraph B. However, if audited financial statements are not available at the time of required filings as set forth above, unaudited financial statements shall be filed pending the availability of audited financial statements and the audited financial statements shall be filed as soon as available. (The information required to be disclosed in this paragraph B shall be referred to herein as the "Annual Report").

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in a manner consistent with the Rule.

C. **SPECIFIED EVENTS.** The City agrees to provide or cause to be provided to the EMMA System, in a timely manner not in excess of ten business days after the occurrence of the event:

(1) delinquencies in the payment of principal and interest on the 2014 Bonds;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves, including any reserve account credit facility, reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax exempt status of the 2014 Bonds, or other material events affecting the tax status of the 2014 Bonds;
(7) modifications to rights of the holders of the 2014 Bonds, if material;
(8) any 2014 Bond calls, if material (other than scheduled mandatory redemption of any acceleration of the maturity thereof), and tender offers;
(9) defeasances in whole or in part of the 2014 Bonds;
(10) release, substitution, or sale of property securing repayment of the 2014 Bonds, if material;
(11) any changes in the ratings assigned to the 2014 Bonds;
(12) an Event of Bankruptcy or similar event of an Obligated Person;
(13) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

D. **NOTICE OF FAILURE TO PROVIDE ANNUAL DISCLOSURE FILING.** The City agrees to provide or cause to be provided, in a timely manner, to the EMMA System, notice of a failure by the City, in the form set forth in Exhibit A hereto, to provide the Annual Report described in Paragraph B above on or prior to the date set forth therein.

E. **REPOSITORIES**. After the date of issuance of the 2014 Bonds, the City shall provide the information described in Sections B, C and D above, to the extent required, to the EMMA System in an electronic format prescribed by the MSRB at the following Internet address: *http://emma.msrb.org/* or such other address or system as designated by the MSRB in compliance with the Rule.

F. **REMEDIES; NO EVENT OF DEFAULT.** The City agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the 2014 Bonds and shall be enforceable by any holder or beneficial owner; provided that (i) the sole and exclusive remedy for a breach by the City of its obligations hereunder shall be specific enforcement of the City's undertaking; (ii) any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the 2014 Bonds or under the Resolution; and (iii) in no event shall the City, or any official (elected or appointed), director, employee or agent thereof in any individual capacity, be liable for monetary damages as a result of a failure to comply with such undertakings. The covenants contained herein are solely for the benefit of the holders and beneficial owners of the 2014 Bonds and shall not create any rights in any other parties.

G. **AMENDMENTS**. The City reserves the right to amend the provisions of this Disclosure Certificate as may be necessary or appropriate to achieve its compliance with any applicable Federal Securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted by the City. Any such amendment shall be made only in a manner consistent with the Rule and any amendments and interpretations thereof by the SEC. Additionally, compliance with any provision of this Disclosure Certificate may be waived. Any such amendment or waiver will not be effective unless this Disclosure Certificate (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the 2014 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the City that is nationally recognized in the area of Federal Securities laws that the amendment or waiver would not materially impair the interests of holders or beneficial owners of the 2014 Bonds, or (ii) the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the 2014 Bonds then outstanding. Annual Information containing any amended operating data or financial information shall explain, in narrative form, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided. Additionally, in the year in which any change in accounting principles is made, the City shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

H. **DISSEMINATION AGENT**. The City may, from time to time, appoint or engage a dissemination agent other than the City to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such agent, with or without appointing a successor agent. The City has appointed Digital Assurance Certification, L.L.C., as its dissemination agent.

I. **OBLIGATED PERSONS**. If any person other than the City becomes an Obligated Person (as defined in the Rule) relating to the 2014 Bonds, the City shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person. This Continuing Disclosure Certificate shall inure solely to the benefit of the City and the holders and beneficial owners of the 2014 Bonds and shall create no rights in any other party hereto

J. **SEPARATE BOND REPORT NOT REQUIRED; INCORPORATION BY REFERENCE; FORMAT OF FILING.** The requirements to provide continuing disclosure under this Continuing Disclosure Certificate do not necessitate the preparation of any separate annual report addressing only the 2014 Bonds. The requirements may be met by filing a combined bond report or the City's Comprehensive Annual Financial Report; provided that such report includes all of the information required to be provided and is available by the time required herein. Additionally, the City may incorporate any information provided in any prior filing with the EMMA System included in any final official statement of the City, provided that such official statement is filed with the EMMA System. Any voluntary inclusion by the City of information in its Annual Report of supplemental information that is not required hereunder shall not expand the obligations of the City hereunder and the City shall have no obligation to update such supplemental information or include it in any subsequent Annual Report.

Any report or filing with the EMMA System pursuant to this Disclosure Certificate must be accompanied by such identifying information as is prescribed by the MSRB. Such information may include, but not be limited to: (a) the category of information being provided; (b) the period covered by any annual financial information, financial statement or other financial information or operation data; (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (d) the name of any Obligated Person other than the City; (e) the name and date of the document being submitted; and (f) contact information for the submitter of such filing.

K. **TERMINATION**. The City's obligations under this Disclosure Certificate shall cease (A) upon the legal defeasance, prior redemption, or payment in full of all of the 2014 Bonds, or (B) when the City no longer remains an Obligated Person with respect to the 2014 Bonds within the meaning of the Rule, or (C) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

L. **GOVERNING LAW.** The laws of the State of Florida shall govern the construction of this Continuing Disclosure Certificate.

DATED this ____ day of _____________, 2014.

CITY OF PEMBROKE PINES, FLORIDA

By:____
Title:

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of City:____

Name of Bond Issue:____________________________________

Date of Issuance:_______________________________________

NOTICE IS HEREBY GIVEN that the City identified above (the "City") has not provided an Annual Report with respect to the above-named Bonds (the "Bonds") as required by Section B of a Continuing Disclosure Certificate dated __________, 2014. The City anticipates that the Annual Report will be filed by _________________.

Dated: _______________

CITY OF PEMBROKE PINES, FLORIDA

By:____
Title:

CITY OF PEMBROKE PINES, FLORIDA • TAXABLE COMMUNICATIONS SERVICES TAX REFUNDING REVENUE BONDS, SERIES 2014

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com