CITY OF PEMBROKE PINES, FLORIDA
FLORIDA STATE UNIVERSITY
CHARTER ELEMENTARY SCHOOL

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(With Independent Auditors' Reports Thereon)

GLSC & COMPANY, PLLC
certified public accountants

CITY OF PEMBROKE PINES, FLORIDA
FLORIDA STATE UNIVERSITY
CHARTER ELEMENTARY SCHOOL

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)	3-8
SPECIAL PURPOSE FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	13
Notes to Special Purpose Financial Statements	14-47
REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A):	
Budgetary Comparison Schedule	48
Note to Budgetary Comparison Schedule	49
Pension Schedule	50
Schedule of Pension Contributions	51
Schedule of Changes in Net OPEB Liability and Related Ratios	52
Schedule of Employer Contributions	53
SUPPLEMENTARY AUDITORS' REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	54-55
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	56-57

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Pembroke Pines, Florida—Florida State University Charter Elementary School

Report on the Special Purpose Financial Statements

We have audited the accompanying special purpose financial statements of the governmental activities and major fund of the City of Pembroke Pines, Florida—Florida State University ("FSU") Charter Elementary School (the "School") operating under the charter sponsored by FSU (a special revenue fund of the City of Pembroke Pines, Florida), as of and for the year ended June 30, 2021, and the related notes to the special purpose financial statements, which collectively comprise the School's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose 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 special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these special purpose financial statements based on our audit. 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 special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose 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 special purpose 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 special purpose 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, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the City of Pembroke Pines, Florida—Florida State University Charter Elementary School as of June 30, 2021, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1.a, the special purpose financial statements of the City of Pembroke Pines, Florida—Florida State University Charter Elementary School, are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities and fund information of the City of Pembroke Pines, Florida that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of the City of Pembroke Pines, Florida, as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of the America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules and OPEB schedules on pages 3-8, 48-49, 50-51 and 52-53 be presented to supplement the basic special purpose financial statements. Such information, although not a part of the basic special purpose 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 special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the basic special purpose 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 School's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
December 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pembroke Pines, Florida/Florida State University ("FSU") Charter Elementary School (the "School"), we offer readers of the School's special purpose financial statements this narrative overview and analysis of the financial activities of the School for the twelve-month period ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the School's special purpose financial statements, which follow this section. The School provides us with a unique opportunity to show the various efforts and accomplishments that have been achieved. Fiscal year 2020-21 represents our eighteenth year in operation.

The School was established and built in 2003, initially providing educational opportunities to 610 Elementary school students. Currently there are 699 students. This partnership between the City of Pembroke Pines and FSU was the first of its kind in Broward County. The School was established as a Developmental Research Laboratory School with the primary goal of enhancing the educational instruction and research of reading, and other disciplines at the primary and secondary school levels. The City also owns and operates six other Charter Schools within its corporate limits, which are sponsored by the School Board of Broward County. For fiscal year 2020-21, there were 5,320 students enrolled in these Schools.

Financial Highlights

- The assets and deferred outflows of resources of the School exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1,753,037 (*net position*) which increased by $93,898 from prior year.

- As of the close of the current fiscal year, the School's governmental fund's financial statements had a net increase in fund balance of $271,641, as compared to a net increase of $623,645 from last year, and an ending fund balance of $3,967,005 as compared with $3,695,364 from last year. The entire fund balance is assigned for rent payments.

Overview of the Special Purpose Financial Statements

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

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

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

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will eventually result in cash flows in future fiscal periods.

The School's *government-wide financial statements* distinguish the functions of the School as being principally supported by local revenues (full time equivalent (FTE) dollars through Florida State University) (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The School has no business-type activities and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 9-10 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 School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund used by the School is considered to be a governmental fund type.

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 a government'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 government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The School maintains only one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The School adopts an annual appropriated budget. A budgetary comparison schedule has been provided to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11-13 of this report.

Notes to special purpose financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to special purpose financial statements can be found on pages 14 through 47 of this report.

Required Supplementary Information. The information in this section is required by the Governmental Accounting Standards Board (GASB). It consists of the Management's Discussion and Analysis (MD&A) comprising pages 3 through 8, the budgetary comparison schedule, note to the budgetary comparison schedule, pension schedule, schedule of pension contributions, schedule of changes in the net OPEB liability and related ratios and schedule of employer contributions which can be found on pages 48 through 53 of this report.

Supplementary Auditors' Reports. This section includes the following:

- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards,* which can be found on pages 54-55

- Management Letter in Accordance with the Rules of the Auditor General of the State of Florida, which can be found on pages 56-57.

Government-wide financial analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2021, the School's total net position increased by $93,898 when compared to prior year.

As of June 30, 2021, investments in capital assets consisting of equipment, net of accumulated depreciation amounted to $189,012. The School does not have any related debt outstanding that was used to acquire these assets. These assets are not available for future spending.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Increase
	2021	2020	(Decrease)
Current assets:	$ 4,283,483	$ 3,757,228	$ 526,255
Capital assets, net of depreciation	189,012	44,130	144,882
Total assets	4,472,495	3,801,358	671,137
Total deferred outflows of resources	1,184,976	1,118,938	66,038
Current liabilities:	316,478	61,864	254,614
Noncurrent liabilities	3,461,076	2,903,284	557,792
Total liabilities	3,777,554	2,965,148	812,406
Total deferred inflows of resources	126,880	296,009	(169,129)
Net Position:			
Net investment in capital assets	189,012	44,130	144,882
Unrestricted	1,564,025	1,615,009	(50,984)
Total net position	$ 1,753,037	$ 1,659,139	$ 93,898

Total assets increased by $671,137 (17.7 %) mainly as a result of a $526,255 (14.0%) increase in current assets. This increase in current assets is mainly due to an increase of $531,372 (15.9 %) in pooled cash which was offset by a decrease of $27,326 (-6.7%) in due from FSU. The increase in pooled cash was attributed to the timing of the payment of liabilities and the excess of revenues over expenditures.

Total liabilities increased by $812,406 (27.4 %) mainly due to an increase of $254,614 (411.6%) in current liabilities due to timing of payments and $557,792 (19.2 %) increase in noncurrent liabilities mainly due to an increase of $538,466 in net pension liability and net OPEB liability. Net investment in capital assets increased by $144,882 (328.3 %) and unrestricted net position decreased by $50,984 (-3.2 %).

Governmental activities. The School reported total net position of $1,753,037 at the end of the current fiscal year, an increase of $93,898 (5.7 %) from prior year. The total cost of all governmental activities this year was $7,544,107. Key elements of these changes in net position are as follows:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Increase
	2021	2020	(Decrease)
Revenues:			
Program revenues:			
Charges for services	$ 549,314	$ 811,161	$ (261,847)
Operating grants and contributions	399,119	272,817	126,302
Capital grants and contributions	127,453	-	127,453
General revenues:			
FTE non-specific revenues	6,538,588	6,663,167	(124,579)
Unrestricted investment earnings	8,161	58,059	(49,898)
Other revenues	15,370	26,335	(10,965)
Total revenues	7,638,005	7,831,539	(193,534)
Expenses:			
Instructional services	4,373,348	4,152,345	221,003
Instructional support services	201,245	203,649	(2,404)
School administration	890,492	891,603	(1,111)
Rent	567,686	542,373	25,313
Food Services	183,555	231,861	(48,306)
Student transportation services	183,385	240,714	(57,329)
Operation and maintenance of school	1,076,441	1,065,631	10,810
Child care supervision	67,955	143,971	(76,016)
Total expenses	7,544,107	7,472,147	71,960
Change in net position	93,898	359,392	(265,494)
Net position, beginning	1,659,139	1,299,747	359,392
Net position, ending	$ 1,753,037	$ 1,659,139	$ 93,898

The School's total revenues decreased by $193,534 (-2.5 %) due to a decrease in FTE non-specific revenues of $124,579 (-1.9 %), $261,847 (-32.3 %) decrease in charges for services, and a decrease of $49,898 (-85.9 %) in unrestricted investment earnings. These decreases were offset by the increase operating grants and contributions and capital grants and contributions amounting to $126,302 and $127,453, respectively.

The decrease in FTE non-specific revenues was mainly due to the decline in Best and Brightest Scholarship of $169,591 and Governor's A+ Fund of $69,778 as the State had not appropriated funding for these programs. This decrease was offset by the increase in Teacher Salary Allocation of $122,923 funding by the State to cover the increase in minimum wages of the teachers.

The $261,847 decrease in charges for services is attributable to the $139,744 decrease in before and after school education, and $23,615 decline in student transportation revenue due to school closure during the COVID-19 pandemic. Also, the food services revenue decreased by $121,479 due to shifting of revenues from charges for services to operating grants and contributions due to the expansion of the free school breakfast and lunch program for all students during the pandemic.

The $127,453 increase in capital grants and contributions relates to the funding to enhance the school buildings' safety and security.

Total expenses slightly increased by $71,960 (1.0 %) from prior mainly due to $63,123 (1.3 %) increase in personnel costs and an increase of $8,137 (0.3 %) in operating expenses. The increase in personnel costs is mainly attributable to an increase of $72,261 in pension expense due to an increase in contribution rate from 8.7% in the prior year to 10.0%.

Financial analysis of the School's fund. As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

Governmental fund. The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements.

Budgetary Highlights

For the fiscal year ended June 30, 2021, the School had final estimated revenues and appropriations of $8,346,656 and $8,339,082, respectively. Over the course of the year, the School made several revisions to budgeted revenues and appropriations. These amendments may fall into one or more of the following categories:

- Amendments related to grants and new programs.
- Amendments to revise estimates for state and local revenues based on the latest information on student attendance.
- Amendments during the year for unexpected occurrences.

The School made the following significant amendments to budget:

Several amendments were made to increase budgeted revenues for $196,630, mainly due to an increase of $192,000 in the State's revenues for school safety and security grants. Amendments were made to increase the expenditure budget by $5,366. These adjustments were mainly attributable to the increase of $192,000 capital outlays related to the school safety and security project expenditures, which is offset primarily by a decrease of $191,952 in the annual true-up adjustment for health, life, and worker's compensation insurance.

After appropriations were amended, as described above, actual revenues were below the budgeted revenues by $708,651, and actual expenditures were below final budgeted amounts by $972,718.

Capital Assets

The Elementary School's investment in capital assets for its governmental activities as of June 30, 2021 amounts to $189,012 (net of accumulated depreciation). This investment in capital assets consists mainly of computers and playground equipment.

CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		
	2021	2020	Increase (Decrease)
Construction-in-progress	$ 146,541	$ -	$ 146,541
Equipment	42,471	44,130	(1,659)
Total Capital Assets	$ 189,012	$ 44,130	$ 144,882

Additional information on the School's capital assets can be found on Note 4 of the notes to the special purpose financial statements (page 28).

Economic Factors and Next Year's Budget and Rates

- Capital outlay funding from the State is expected to increase by 4.0% for FY 2021-22. The State is funding this revenue at an estimated 55% of the total maximum allocation. The School will enroll 699 Elementary Students for the 2021-22 school year.

- For fiscal year 2021-22, the Base Student Allocation (BSA) used to calculate the Florida Education Finance Program (FEFP) revenues increased by $53.00 to $4,372.91 in fiscal year 2021-2022 as per Florida State Legislature SB 2500 FEFP Conference Report dated April 27, 2021.

- The School charges a School Activity Fee of $300 per student. This fee is estimated to generate approximately $126,721 in fiscal year 2021-2022.

- The State determined annual employer contribution to the Florida Retirement System will increase to 10.82% for fiscal year 2021-2022 from 10.00% for fiscal year 2020-21.

Requests for Information

This financial report is designed to provide the reader with a general overview of the School's finances, as well as demonstrate accountability for funds the School receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Office of the City Manager, City of Pembroke Pines, Florida/FSU Charter Elementary School, 601 City Center Way, Pembroke Pines, Florida 33025.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities
ASSETS	
Pooled cash and cash equivalents	$ 3,881,835
Due from Florida State University	379,439
Due from Federal Government	9,733
Other miscellaneous receivables	12,476
Capital assets being depreciated, net	189,012
Total assets	4,472,495
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	1,162,302
Deferred outflows related to OPEB	22,674
Total deferred outflows of resources	1,184,976
LIABILITIES	
Accrued liabilities	263,602
Unearned revenue	11,064
Deposits	41,812
Noncurrent liabilities:	
Due within one year	147,024
Due in more than one year	3,314,052
Total liabilities	3,777,554
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	108,676
Deferred inflows related to OPEB	18,204
Total deferred inflows of resources	126,880
NET POSITION	
Net investment in capital assets	189,012
Unrestricted	1,564,025
Total net position	$ 1,753,037

See notes to special purpose financial statements.

City of Pembroke Pines, Florida
Florida State University
Charter Elementary School

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental activities:					
Instructional services	$ 4,373,348	$ -	$ 83,729	$ -	$ (4,289,619)
Instructional support services	201,245	-	-	-	(201,245)
School administration	890,492	-	56,129	-	(834,363)
Rent	567,686	364,420	-	-	(203,266)
Food services	183,555	213	223,833	-	40,491
Student transportation services	183,385	4,926	-	-	(178,459)
Operation and maintenance of school	1,076,441	-	35,428	127,453	(913,560)
Child care supervision	67,955	179,755	-	-	111,800
Total Charter School	$ 7,544,107	$ 549,314	$ 399,119	$ 127,453	$ (6,468,221)
General revenues:					
FTE non-specific revenues					6,538,588
Unrestricted investment earnings					8,161
Other revenues					15,370
Total general revenues					6,562,119
Change in net position					93,898
Net position, beginning					1,659,139
Net position, ending					$ 1,753,037

See notes to special purpose financial statements.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL

BALANCE SHEET
GOVERNMENTAL FUND

JUNE 30, 2021

ASSETS	
Pooled cash and cash equivalents	$ 3,881,835
Due from Florida State University	379,439
Due from Federal Government	9,733
Other miscellaneous receivables	12,476
Total assets	$ 4,283,483
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accrued liabilities	$ 263,602
Unearned revenue	11,064
Deposits	41,812
Total liabilities	316,478
Fund balance:	
Assigned for rent payments	3,967,005
Total fund balance	3,967,005
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 fund.	189,012
Compensated absences, shown as noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the fund.	(178,526)
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in the fund:	
Deferred outflows of resources	1,184,976
Deferred inflows of resources	(126,880)
Long-term liabilities, such as net pension liability and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as a liability in the fund.	(3,282,550)
Net position of governmental activities (page 9)	$ 1,753,037

See notes to special purpose financial statements.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

FISCAL YEAR ENDED JUNE 30, 2021

Revenues:	
Local	$ 7,146,861
Federal and State grants	491,144
Total revenues	7,638,005
Expenditures:	
Current:	
K-3 basic	2,205,014
4-8 basic	1,041,526
Intensive English/ESOL	647
Exceptional student program	838,468
Substitute teachers	24,680
School/Other	13,789
Guidance services	93,151
Instructional media service	90,276
Instructional staff training services	7,634
Board	4,362
School administration	827,031
Food services	183,555
Student transportation services	183,385
Operation of school	1,633,843
Child care supervision	63,837
Capital outlay	155,166
Total expenditures	7,366,364
Net change in fund balance	271,641
Fund balance, beginning	3,695,364
Fund balance, ending	$ 3,967,005

See notes to special purpose financial statements.

City of Pembroke Pines, Florida
Florida State University
Charter Elementary School

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental fund (page 12)		$ 271,641
The governmental fund reports 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 depreciation exceeded capital outlays in the current period.		
The detail of the difference is as follows:		
Capital outlay	155,166	
Depreciation expense	(9,585)	
Net adjustment		145,581
The net effect of various miscellaneous transactions involving capital assets		(699)
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 the governmental fund.		
The details of the difference are as follows:		
Compensated absences		(19,326)
Pension expense, net of contributions		(278,262)
OPEB expense, net of contributions		(25,037)
Change in net position of governmental activities (page 10)		$ 93,898

See notes to special purpose financial statements.

CITY OF PEMBROKE PINES, FLORIDA
FLORIDA STATE UNIVERSITY
CHARTER ELEMENTARY SCHOOL

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

On February 3, 2003, the City of Pembroke Pines, Florida ("the City") and Florida State University ("FSU") signed an agreement ("Charter Agreement") to establish a Developmental Research Charter Laboratory School ("the School") to train teachers and to promote learning and research through collaboration. The Charter Agreement is for a 15-year term from July 1, 2003 through June 30, 2018 with provisions for extensions in increments of additional 15 years. The Charter Agreement was extended through 30, 2035. The School Campus was constructed with funds from the Public Improvement Revenue Bonds, Series 2001. The principal and interest on this bond relating to the construction are payable from rental payments received from the School.

The Charter Agreement is constructed pursuant to Florida Statutes 1002.32 and 1002.33. FSU has an existing Charter School in Leon County, Florida, and the Charter Agreement calls for the School to serve as a model for the FSU Professional Development School program and be a part of FSU Charter Schools' existing School District. The School opened for the 2003-04 school year with 600 students in grades K-5 in the new facility plus 10 Exceptional Student Education ("ESE") students attending the City of Pembroke Pines Charter School Central Campus. The Charter Agreement calls for continued expansion of the program to encompass grades K-12 and expansion of the ESE program to provide for a total of 50 students.

The Governing Body of the School is comprised of six voting members, consisting of the City of Pembroke Pines Mayor, Vice-Mayor and three Commissioners plus the FSU President or his or her designee. The Governing Body shall establish a School Advisory Board or Boards, pursuant to the requirements of Section 1002.32(8) Florida Statutes. The City operates the School as a public employer, and the School's employees are considered public employees. The City will indemnify FSU from any claims, suits or actions. The School is accounted for as a special revenue fund of the City. The Pembroke Pines City Manager serves as the School Superintendent. The special purpose financial statements contained herein present only the operations of the School, and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Non-renewal of the Charter Agreement requires 365 days' notice prior to the expiration date by either the City or FSU to the other party. Any real or personal property paid for by the City will revert to the City in the event of termination of the Charter Agreement. The City also owns and operates six other Charter Schools - three (3) Charter Elementary Schools, two (2) Charter Middle Schools, and one (1) Charter High School, which has been expanded to include a Middle School. All of these Schools are chartered by the School Board of Broward County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The financial information of these Charter Schools is not included herein, as they are separately chartered with the School Board of Broward County, and issue their own special purpose financial statements.

b. Government-Wide and Fund Financial Statements

The School's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the School. Full-time equivalent ("FTE") dollars and intergovernmental revenues support *governmental activities*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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. FTE dollars and other items not properly included among program revenues are reported instead as *general revenues*.

The major individual governmental fund is reported as a single column in the fund financial statements. The School's special purpose financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

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

The School's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The School's 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 School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

FTE dollars, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School receives cash.

The School reports the following major fund:

Charter Elementary School – The Elementary School, located at the Pembroke Shores site serves 699 student stations for the 2020-21 school year.

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

1. Deposits and Investments

The School considers all highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash and cash equivalents in pooled accounts managed by the City. Within the City's pooled control accounts, separate accounting is maintained for each fund. Pooled cash and cash equivalents include deposits held with the State Board of Administration (SBA) Investment Pool.

2. Receivables

All receivables are considered to be collectible; therefore, no allowance for uncollectible accounts is recorded.

3. Inventories

Inventories consist of expendable food commodities and are valued on the first-in, first-out basis. United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the Schools' food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. This inventory is accounted for under the consumption method, and as such, is recorded as an expenditure when used rather than purchased. The School has no inventories at June 30, 2021.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

Capital assets, which include equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of $1,000 or more. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition. 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. Capital assets of the School consist mainly of computer and playground equipment, and are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	3-10

5. Compensated Absences

The School's full-time teachers are given three sick leave days at the beginning of the school year and accrue one day per month up to ten days per year. Sick leave may be carried over into the following school year. Once teachers reach thirty days, they will bank those days for future use and will be compensated for any sick leave days over thirty at the end of September of each year at their current rate of pay. Part-time teachers are not entitled to sick leave. Non-Instructional full-time 12 and 10-month employees earn one sick day per month. Sick time not used is forfeited. Non-Instructional employees that work year-round (12 months) are entitled to vacation based on their continuous years of service earning from 1 day per month up to 12 days to 2 days per month up to 24 days. Non-Instructional employees may carryover unused vacation time. For current employees hired prior to February 1, 2010, annual leave accumulated above 320 hours will be paid out at time of termination at a rate of: (1) 75% of the employee's ending base salary for hours above 320 and up to 640; (2) 50% of the employee's ending base salary for any hours above 640; and (3) any leave accumulated prior to February 1, 2010 will be paid out at 100% of the employee's ending base salary. For employees hired on or after February 1, 2010, annual leave accumulated above 320 hours will be paid out at time of termination at a rate of: (1) 50% of the employee's ending base salary for hours above 320 and up to 640; and (2) 25% of the employee's ending base salary for any hours above 640.

The liability for these compensated absences is recorded as noncurrent liabilities in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, the Schools report only the compensated absence liability due and payable at June 30th and paid from expendable available financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Long-term debt which is reported in the City's financial statements, is not included in the School's special purpose financial statements, and is described below:

In 2001, the City issued Public Improvement Revenue Bonds, Series 2001 for $19,600,000 of which approximately $7,100,000 was used to finance the construction of the City of Pembroke Pines/Florida State University Charter Elementary School. Effective October 1, 2013, there is no outstanding balance for the Series 2001 Bonds. In December 2006, $10,985,000 of the Public Improvement Revenue Bonds, Series 2001 was advance refunded by a portion of the $29,720,000 Public Improvement Revenue Refunding Bonds, Series 2006. In October 2016, $29,720,000 of the Public Improvement Revenue Bonds, Series 2006 were refunded by $17,386,400 Public Improvement Revenue Refunding Bonds, Series 2016, which resulted in rent savings of approximately $295,000 annually for all the Charter Schools.

In 2008, the City issued the Charter School Revenue Bonds, Series 2008 for $64,095,000 and used approximately $3,360,000 to finance the construction of 12 new classrooms for the City of Pembroke Pines/Florida State University Charter Elementary School. On May 17, 2011, the City remarketed the Series 2008 Bonds to Wells Fargo and obtained a variable rate of SIFMA rate plus 0.89% for a three year term. On May 29, 2014, the City remarketed the Series 2008 Bonds to PNC Bank, National Association (the "Bank") and obtained a variable rate of SIFMA rate plus 0.59% for a four year term, which resulted in rent savings of approximately $139,000 annually for all the Charter Schools. The remarket was extended to November 7, 2019.

On November 7, 2019, $62,195,000 of the Charter School Revenue Bonds, Series 2008 was refunded by $58,985,000 Capital Improvement Revenue Bonds, Series 2019A and $3,635,000 Taxable Capital Improvement Revenue Bonds, Series 2019B. The Series 2019A bears an interest rate ranging from 3% to 5% payable semi-annually beginning on January 1, 2020. The Series 2019B bears an interest rate of 2.4% and 2.5% payable semi-annually for bonds maturing in 2026 and 2027, respectively. The 2019 Bonds are payable from the Pledged Funds, which consist primarily of non-ad valorem budgeted and appropriated by the City, the bondholders will have a lien on or a pledge of the non-ad valorem revenues until such funds are budgeted, appropriated, and deposited into the Debt Service Funds pursuant to the bond resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Long-Term Obligations (Continued)

The School remits a yearly rental fee to the City for the use of the facilities that were constructed by the City (see Note 5– Operating Leases).

7. Net Position/Fund Balance

Government-wide Financial Statements

Net position is classified in three components:

a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation which are attributable to the acquisition, construction or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation. The School had no restricted assets as of June 30, 2021.

c. Unrestricted net position – All other net position that does not meet the definition of "restricted' or "net investment in capital assets".

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in these 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 or resolution are classified as committed fund balances. Amounts that are constrained by the intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by management based on Commission direction. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

Fund balance of the School is considered to be assigned for rent payments, as the School is a special revenue fund of the City. Per GASB 54, all remaining amounts reported in governmental funds that are not classified as nonspendable and are neither restricted nor committed should be reported as assigned fund balance.

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

8. Revenue Sources

Revenues for current operations are received primarily from Florida State University pursuant to the funding provisions included in the School's Charter. In accordance with the funding provisions of the Charter Agreement and Section 1002.33, Florida Statutes, the School reports the full-time equivalent (FTE) students and related data to Florida State University. Under the provisions of Section 1002.33, Florida Statutes, the Florida State University reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Use of Estimates

The preparation of the special purpose financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the special purpose financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may differ from actual results.

10. Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement Systems (FRS) and additions to/deductions from FRS' fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Pembroke Pines Post-Employment Benefit Trust Fund (Trust) and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the statement of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School's deferred outflows of resources related to the pension and OPEB are discussed in Note 9 and Note 10, respectively.

In addition to liabilities, the statement of net position will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School's deferred inflows of resources related to the pension and OPEB are discussed in Note 9 and Note 10, respectively.

13. New Accounting Pronouncement - Adopted

The GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84). The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Charter Schools adopted GASB 84 in the fiscal year ended June 30, 2021. The adoption of GASB 84 did not have any effects on the financial statements.

NOTE 2. DEPOSITS AND INVESTMENTS

The School pools its cash, cash equivalents, and investments in accordance with legal restrictions.

As of June 30, 2021, the School's pooled cash and cash equivalents are summarized as follows:

	Carrying Amount
State Board of Administration	$ 3,881,535
Cash on hand	300
Total pooled cash and cash equivalents	$ 3,881,835

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The School's investment objective order of priority is safety of capital, liquidity of funds, and investment income, in that order. Authorized investments of the School are subject to limitations prescribed in the City of Pembroke Pines' Investment Policy as adopted per Ordinance 1493, dated September 1, 2004 and amended per Ordinance 1793, dated October 1, 2014. 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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

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

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

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

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

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The School invests in the State Board of Administration (SBA). The SBA was created by the Florida Constitution and is governed by a three-member Board of Trustees, comprised of the Governor as Chair, the Chief Financial Officer and the Attorney General. The SBA's Local Government Surplus Funds Trust Fund currently known as the Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the 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 SBA. The SBA is required to invest assets and discharge its duties in accordance with Florida law and in compliance with Fiduciary standards of care.

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. The School limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio.

The School's operating fund in the SBA and the sensitivity of the fair values of the School's investments to market interest rate fluctuations as of June 30, 2021 are provided below.

	Fair Value	Weighted Average Life	Weighted Average Maturity	Credit Rating S&P
SBA (the Florida PRIME)	$3,881,535	69 days	50 days	AAAm

Credit Risk: 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 School utilizes portfolio diversification and credit quality rating in order to control this risk. The Florida PRIME is rated by Standard and Poor's.

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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement: The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

Level 1 – Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets.

Level 3 – Inputs are significant unobservable inputs for an asset or liability.

The overall valuation process and information sources for the investment classification is as follows:

As of June 30, 2021, the Charter School had $3,881,535 invested in the Florida PRIME. The investment in the Florida PRIME is not restricted as to deposits or withdrawals. Florida PRIME currently meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures, and the account balance should also be considered the fair value of the investment.

The School has the following recurring fair value measurements as of June 30, 2021:

Investment Type	
Investments Measured at the Net Asset Value (NAV)	
State Board of Administration – Florida PRIME	$3,881,535

CITY OF PEMBROKE PINES, FLORIDA
FLORIDA STATE UNIVERSITY
CHARTER ELEMENTARY SCHOOL

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 3. REVENUE SOURCES

Florida State University:		
Florida education finance program	$	3,751,970
Class size reduction		903,453
District school taxes		735,530
Public education capital outlay (PECO)		364,420
ESE guaranteed allocation		171,694
Summer reading program		145,577
Supplemental academic instruction		147,937
Teacher salary allocation		122,923
Digital classroom allocation		100,180
Safe schools		277,882
Mental health allocation		125,717
Instructional materials		50,506
Library media materials		2,974
School lunch supplement		994
Science lab materials		813
School breakfast supplement		438
Total Florida State University		6,903,008
Other:		
Before and after school education program		53,473
Contributions		35,428
Food sales		213
Activity fee		126,282
ICMA forfeiture		12,476
In-house transportation		4,926
Rental revenue		600
Interest		8,161
E-Rate program		2,294
Total other		243,853
Total local		7,146,861
Federal and State grants:		
National school lunch program		153,057
Elementary and secondary school emergency relief fund		56,129
Safety and security of school building		127,453
English language acquisition		4,539
Individuals with disabilities education act (IDEA)		79,190
NSLP non-cash assistance (commodities)		14,771
School breakfast program		56,005
Total Federal and State grants		491,144
Total Revenue Sources	$	7,638,005

NOTE 4. CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction-in-progress	$ -	$ 146,541	$ -	$ 146,541
Total capital assets not being depreciated	-	146,541	-	146,541
Capital assets, being depreciated:				
Equipment	305,297	8,625	(15,284)	298,638
Less accumulated depreciation for:				
Equipment	(261,167)	(9,585)	14,585	(256,167)
Total capital assets being depreciated, net	44,130	(960)	(699)	42,471
Total capital assets, net	$ 44,130	$ 145,581	$ (699)	$ 189,012

Depreciation expense was charged to functions/programs of the School as follows:

Governmental activities:	
Operation and maintenance of school	$ 9,585

NOTE 5. OPERATING LEASES

School Facility Lease

The School leases its campus from the City for an annual rental fee based on the debt service requirement of the debt issued by the City to construct the School (see Note 1.d.5.). For the fiscal year ended June 30, 2021, rent expense was approximately $568,000.

The approximate minimum future rentals to be paid to the City are as follows:

Fiscal year ending June 30:

2022	$ 566,000
2023	565,000
2024	242,000
2025	247,000
2026	247,000
2027-2031	1,558,000
2032-2036	1,777,000
2037-2039	1,087,000
Total approximate minimum future rentals	$ 6,289,000

NOTE 6. CHANGES IN NONCURRENT LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	$2,731,028	$ 551,156	$ -	$3,282,184	$ -
Net OPEB liability	13,056	14,218	(26,908)	366	-
Compensated absences	159,200	153,880	(134,554)	178,526	147,024
Total	$2,903,284	$ 719,254	$ (161,462)	$3,461,076	$ 147,024

NOTE 7. RISK MANAGEMENT

The Charter Agreement requires the City to maintain the same insurance levels and coverage for the School as it currently maintains for its other Charter Schools, as required by the City's Charters with the Broward County School Board.

Health and hospitalization, workers' compensation and life insurance coverage are provided through the City, and the City, in turn, charges the School for this coverage. The School maintains its insurance as an additional named insured on the aggregate insurance policies purchased for all of the City's Charter Schools for general liability, automotive liability, basic and catastrophic student accident, school leaders errors and omissions, and property and flood coverage through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage in the past two years.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Commitment

The agreement with FSU requires that as the sponsor of the School and for its research and evaluation responsibilities, the Charter School pay FSU the fixed annual amount of $340,000 as a University Oversight and Research Fee, which is reported as part of the Operation and maintenance of school function.

Contingency

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

NOTE 8. COMMITMENTS AND CONTINGENCIES (Continued)

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic and state and local governments instituted school closures, which prompted the School to transition to a virtual learning environment. The School has taken numerous measures to respond to the outbreak, including sanitizing all areas of the School in accordance with guidelines provided by various authorities including the State of Florida, Broward County and the Centers for Disease Control (CDC). The ongoing spread of COVID-19 and its variants are a continuing threat to the global economy and financial markets. The School is evaluating the potential effect this will have on its financial position, operations and cash flows, which is not yet fully determinable.

NOTE 9. PENSION PLANS

Defined Benefit Plan

Florida Retirement System

The FSU Charter Elementary School employees participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer Public Employment Retirement System (PERS). The FRS is 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.

Type of Benefit

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

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

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

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

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 33 years of service, regardless of age.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)
FRS issues an annual financial report. A copy can be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Funding Policy
The School's required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2021, the contribution rate was 10.00% for Regular Class Members and 16.98% for DROP Members. The School is required to contribute both for full-time and part-time members of the Plan, which amounted to $307,262. As of June 30, 2021, the number of members in this Plan decreased from 96 in the previous fiscal year to 82 members. The contribution rate includes the post-employment health insurance supplement of 1.66% and the administrative/educational fee of 0.06%.

Starting in fiscal year 2012, the State mandated that employees contribute 3% of pay to the FRS Pension Plan. This required employee contribution amounted to $90,520 for fiscal year 2021.

Fiscal Year	Annual Required Contributions	Total Employer Contributions	Percentage Contributed	Contribution Rates	
				Regular Class	DROP
2021	$ 307,262	$ 307,262	100.0%	10.00%	16.98%
2020	247,140	247,140	100.0%	8.47%	14.60%
2019	233,455	233,455	100.0%	8.26%	14.03%
2018	220,019	220,019	100.0%	7.52%	12.99%
2017	191,139	191,139	100.0%	7.52%	12.99%
2016	171,032	171,032	100.0%	7.26%	12.88%
2015	172,795	172,795	100.0%	7.37%	12.28%
2014	164,502	164,502	100.0%	6.95%	12.84%
2013	128,636	128,636	100.0%	5.18%	5.44%
2012	117,857	117,857	100.0%	4.91%	4.42%

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liabilities

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2020, are shown below (in thousands):

	FRS	HIS
Total Pension Liability	$ 204,909,739	$ 12,588,098
Plan Fiduciary Net Position	(161,568,265)	(378,261)
Net Pension Liability	$ 43,341,474	$ 12,209,837
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	3.00%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations as of July 1, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. Each plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used. The School reported a liability of $3,282,184 for its proportionate share of the net pension liability. The detail of the proportionate shares is as follows:

FRS Pension Plan

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date[1]	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	City of Pembroke Pines FSU Charter School	$ 162,177	0.005230315%	$ 174,262	0.005244823%	$1,801,248	$ 2,273,183

FRS Retiree Health Insurance Subsidy (HIS) Program

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	City of Pembroke Pines FSU Charter School	$ 46,143	0.008309768%	$ 47,621	0.008263835%	$ 929,780	$ 1,009,001

[1]Reflects restatement of beginning net position at July 1, 2019.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Basis of Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013 through June 30, 2020 for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015 through June 30, 2020, in addition to contributions from employers the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's annual comprehensive financial report for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Actuarial Methods and Assumptions (Continued)
The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base tables.

The following changes in actuarial assumptions occurred in 2020:
1. FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%
2. HIS: The municipal rate used to determine total pension liability decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate and the single equivalent discount rate is equal to a long-duration, high-quality, tax-exempt municipal bond rate selected by the plan sponsor. The discount rate used in the 2020 valuation was updated from 3.50% to 2.21%, reflecting the change in the Bond General Obligation 20-Bond Municipal Bond Index as of June 30, 2020.

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before Aug. 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after Aug. 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of Aug. 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6.80% used in GASB discount rate calculations differs from the 7.00% investment rate of return assumption used in the funding calculation. The 6.80% assumption consists of two building block components: 1) a real (in excess of inflation) return of 4.30%, consistent with one capital market outlook model developed during 2019 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice.

For reference, the table below contains a summary of the actuarial assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Assumed Inflation – Mean			2.4%	1.7%

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

FRS Net Pension Liability		
1% Decrease 5.80%	**Current Discount Rate** 6.80%	**1% Increase** 7.80%
$ 3,629,892	$ 2,273,183	$ 1,140,055

HIS Net Pension Liability		
1% Decrease 1.21%	**Current Discount Rate** 2.21%	**1% Increase** 3.21%
$ 1,166,360	$ 1,009,001	$ 880,203

Pension Expense and Deferred Outflows/ (Inflows) of Resources

In accordance with GASB 68, paragraph 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

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

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources (Continued)
Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020, was 5.9 years for FRS and 7.2 years for HIS. The pension expense recognized during the year by the School amounted to $474,862 and $82,784 for FRS and HIS, respectively.

The components of deferred outflows and inflows of resources reported as of June 30, 2021 are presented below for each plan.

FRS Pension Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	$ 229,287	$ -	$ 229,287
Assumptions/inputs	411,519	-	411,519
Projected/Actual earnings	135,348	-	135,348
Experience expected/actual	86,999	-	86,999
Change in Proportion, NPL	52,133	(28,469)	23,664
	$ 915,286	**$ (28,469)**	**$ 886,817**

HIS Program

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	$ 50,097	$ -	$ 50,097
Assumptions/inputs	108,496	(58,669)	49,827
Projected/Actual earnings	806	-	806
Experience expected/actual	41,274	(778)	40,496
Change in Proportion, NPL	46,343	(20,760)	25,583
	$ 247,016	**$ (80,207)**	**$ 166,809**

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources (Continued)
Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year	FSU Elementary	
Ending June 30,	FRS Expense	HIS Expense
2022	$ 134,020	$ 29,141
2023	213,826	25,966
2024	182,376	14,840
2025	104,380	18,161
2026	22,928	15,630
Thereafter	-	12,974
Total	**$ 657,530**	**$ 116,712**

Defined Contribution Plan

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 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 of local government, then the participant may rollover the benefits into his or her new employer's pension plan providing said plan permits rollovers.

NOTE 9. PENSION PLANS (Continued)

Defined Contribution Plan (Continued)

In Fiscal Year 2007, employees were given the option to enter the Florida Retirement System (FRS) or to remain in the Defined Contribution Plan with the International City/County Management Association - Retirement Corporation (ICMA-RC). At June 30, 2021, there were five School Plan members in this Plan. Effective January 1, 2002, the Charter School's Plan members may make voluntary after-tax contributions of up to twenty-five percent (25%) of compensation during the fiscal year. The School's required contribution is 10.0% of the Plan member's gross salary to agree with the contributions to the FRS. For the year ended June 30, 2021, the School's share of contribution to the Plan was $26,838, and there were no employee contributions during the year. Provisions of the School's Plan may be amended by the City Commission. The Charter School's Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net position of the School's Plan is not included in the School's special purpose financial statements.

Beginning fiscal year 2009, the School recorded revenue and a receivable for ICMA forfeitures. These forfeitures represent the amount of non-vested accrued employer benefits. The School will utilize these forfeitures to offset future employer contributions to the Plan. As of June 30, 2021, receivable for ICMA forfeitures amounted to $12,476 reported as other miscellaneous receivable in the accompanying statement of net position and balance sheet.

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)

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

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

Summary of Significant Accounting Policies

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

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

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Plan Description

The retiree health 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 employees of the School are excluded from the life insurance benefits. The health plan is self-insured and administered by United Medical Resources (UMR) on behalf of the City. The City Commission has authority to establish and amend benefits related to the City's retiree health insurance program. On December 7, 2007 the City adopted Ordinance 1598 creating the Other Post-Employment Benefits Trust Fund in accordance with Florida Statutes Chapter 115.

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

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

Benefits Provided

The City provides postemployment benefits such as health insurance for the School's eligible participants enrolled in City-sponsored plans. Coverage of health insurance is provided to all regular full-time permanent general employees, 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.

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.

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Employees covered by benefit terms. At September 30, 2020, the measurement date used for the City's OPEB liability, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	50
	50

Contributions

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

For the year ended June 30, 2021, the City's average contribution rate was 12.56 percent of covered-employee payroll.

Net OPEB Liability

The City's net OPEB liability was measured as of September 30, 2020. The School's proportionate share of the City's net OPEB liability was calculated based on the School's OPEB contributions for the reporting period ended June 30, 2021.The components of the School's proportionate share of the City's net OPEB liability are as follows:

	FSU Charter
Total OPEB liability	$ 87,392
Plan fiduciary net position	(87,026)
Net OPEB liability	**$ 366**
Plan fiduciary net position as a percentage of total OPEB liability	99.58%
Net OPEB liability as a percentage of covered employee payroll	0.45%

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 reporting date was based on an actuarial valuation with measurement date of September 30, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation	3.0% per annum
Salary Increases	3.0% per annum
Investment Rate of Return	8.0% per annum Discount rate is based on expected long-term rate of return on plan investments using building block approach plus inflation (3%)
Healthcare Cost Trend Rates	6.5% initial for Pre-Medicare Medical and Prescription and stop loss fees, 5.5% initial for Medicare benefits, decreasing 0.5% per year until an ultimate rate of 4.5% is reached and 4.5% for administrative fees
Marriage Rate	The assumed number of eligible spouses is based on the current information in the census provided.
Spouse Age	Male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age of 65
Cost Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	Experience/Assumption gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (those without future service remaining count as 0 years in the averaging) Investment gains and losses are amortized over a closed period of 5 years
Mortality Rates	PUB-2010 mortality table and scaled using MP-18 and applied on a gender-specific basis

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period of September 2016 through September 2020.

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate

The discount rate used to measure the OPEB liability was updated from 7.8% in the prior valuation to 8.0%. The projection of cash flows used to determine the discount rate assumed that the City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Changes in the net OPEB liabilities:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Total OPEB Liability (October 1, 2019)	$ 90,244	$ 77,188	$ 13,056
Changes for the year:			
Service cost	1,136	-	1,136
Interest cost	10,026	-	10,026
Differences between expected and actual experience	2,871	-	2,871
Changes in assumptions	(9,230)	-	(9,230)
Contributions	-	10,299	(10,299)
Net Investment Income	-	7,379	(7,379)
Benefit payments	(7,655)	(7,655)	-
Administration expenses	-	(185)	185
Net change	(2,852)	9,838	(12,690)
Total OPEB Liability (September 30, 2020)	**$ 87,392**	**$ 87,026**	**$ 366**

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

Net OPEB Liability (based on Trend Rate)		
1% Decrease	Current Trend	1% Increase
$ 241	$ 366	$ 484

Net OPEB Liability (based on Discount Rate)		
1% Decrease 7.0%	Current Rate 8.0%	1% Increase 9.0%
$ 480	$ 366	$ 245

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

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

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

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

For the year ended June 30, 2021, the School recognized OPEB expense of $34,201.

Per GASB 75, paragraph 68, employer contributions to the OPEB plan made subsequent to the measurement date of the collective net OPEB liability, September 30, 2020, and before the end of the employer's reporting period, June 30, 2021, should be reported as a deferred outflows of resources related to OPEB. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	$ 9,140	$ -	$ 9,140
Experience expected/actual	9,701	(3,799)	5,902
Assumptions/inputs	3,833	(12,737)	(8,904)
Projected/Actual earnings	-	(1,668)	(1,668)
	$ 22,674	**$ (18,204)**	**$ 4,470**

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

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

Reporting Period Ending June 30:		
2022	$	1,471
2023		(1,630)
2024		(2,903)
2025		(1,608)
Total	$	(4,670)

Required Supplementary Information

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Local	$ 7,764,677	$ 7,764,677	$ 7,146,861	$ (617,816)
Federal and State grants	385,349	581,979	491,144	(90,835)
Total revenues	8,150,026	8,346,656	7,638,005	(708,651)
Expenditures:				
Current:				
K-3 basic	2,327,135	2,208,310	2,205,014	3,296
4-8 basic	1,103,648	1,061,195	1,041,526	19,669
Intensive English/ESOL	-	4,630	647	3,983
Exceptional student program	820,407	838,591	838,468	123
Substitute teachers	48,771	48,771	24,680	24,091
School/Other	17,419	17,419	13,789	3,630
Guidance services	128,862	123,875	93,151	30,724
Instructional media service	90,019	90,406	90,276	130
Instructional staff training services	33,358	17,858	7,634	10,224
Board	4,383	4,383	4,362	21
School administration	972,495	954,483	827,031	127,452
Food services	332,891	333,458	183,555	149,903
Student transportation services	259,391	257,583	183,385	74,198
Operation of school	1,690,588	1,680,071	1,633,843	46,228
Child care supervision	173,862	174,122	63,837	110,285
Capital outlay	330,487	523,927	155,166	368,761
Total expenditures	8,333,716	8,339,082	7,366,364	972,718
Net change in fund balance	(183,690)	7,574	271,641	264,067
Fund balance, beginning	3,695,364	3,695,364	3,695,364	-
Fund balance, ending	$ 3,511,674	$ 3,702,938	$ 3,967,005	$ 264,067

See note to Budgetary Comparison Schedule.

CITY OF PEMBROKE PINES, FLORIDA
FLORIDA STATE UNIVERSITY
CHARTER ELEMENTARY SCHOOL

NOTE TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

1. Annual budgets are legally adopted for the School which is a governmental fund. The governmental fund budget is maintained on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States, except for encumbrances, which are purchase orders and contracts issued for goods and services not received at year end.

   For budgetary purposes, significant encumbrances outstanding at year end are re-appropriated in the subsequent year's budget. Unencumbered appropriations lapse at year-end. For the fiscal year ended June 30, 2021, there were no encumbrances.

2. The School's budget is approved via resolution in a public hearing conducted by the City Commission. The adopted budget is integrated into the accounting software system effective July 1st. The budget 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 July 1st, is legally enacted through passage of a resolution. Section 6.06 of the City Charter provides that no officer, department or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for any department, within an individual fund.

4. The legal level of budgetary control is at the fund level. The adopted budget may be amended as follows:

   a. The Principals approve line item adjustments within a school site or school function.

   b. The City Manager or his designee 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, the adoption of an amended budget resolution is required.

5. The final budget includes the supplemental appropriations, which have the effect of adjusting the original adopted budget. There were supplemental expenditure appropriations of $5,366 more than the original expenditure budget and $196,630 more than the original revenue budget during the fiscal year ended June 30, 2021.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL
Required Supplementary Information
Pension Schedule

Reporting period as of:	6/30/2021		6/30/2020		6/30/2019		6/30/2018		6/30/2017		6/30/2016		6/30/2015	
Measurement date as of:	6/30/2020		6/30/2019		6/30/2018		6/30/2017		6/30/2016		6/30/2015		6/30/2014	
Florida Retirement System Plan (in thousands):	**FRS**	**HIS**	**FRS**	**HIS**	**FRS**	**HIS**	**FRS**	**HIS**	**FRS**	**HIS**	**FRS**	**HIS**	**FRS**	**HIS**
Total pension liability	$ 204,909,739	$ 12,588,098	$ 198,012,334	$ 11,491,044	$ 191,317,399	$ 10,816,576	$ 183,632,592	$ 10,870,772	$ 167,030,999	$ 11,768,445	$ 161,370,735	$ 10,249,201	$ 156,115,763	$ 9,443,629
Plan fiduciary net position	(161,568,265)	(378,261)	(163,573,726)	(302,045)	(161,196,881)	(232,463)	(154,053,263)	(178,311)	(141,780,921)	(113,859)	(148,454,394)	(50,774)	(150,014,292)	(93,385)
Net pension liability	$ 43,341,474	$ 12,209,837	$ 34,438,608	$ 11,188,999	$ 30,120,518	$ 10,584,113	$ 29,579,329	$ 10,692,461	$ 25,250,078	$ 11,654,586	$ 12,916,341	$ 10,198,427	$ 6,101,471	$ 9,350,244
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%	96.09%	0.99%
Florida State University:														
Share of net pension liability as a percentage	0.005244823%	0.008263835%	0.005230315%	0.00830976 8%	0.005320825%	0.008401021%	0.005031075%	0.007881519%	0.004659122%	0.007524053%	0.005166942%	0.007705802%	0.005205347%	0.007934707%
Share of net pension liability as an amount	$ 2,273,183	$ 1,009,001	$ 1,801,248	$ 929,780	$ 1,602,660	$ 889,174	$ 1,488,158	$ 842,728	$ 1,176,432	$ 876,897	$ 667,380	$ 785,871	$ 317,603	$ 741,914
Covered-employee payroll	$ 3,017,263	$ 3,017,263	$ 2,779,138	$ 2,779,138	$ 3,197,135	$ 3,197,135	$ 2,852,151	$ 2,852,151	$ 2,748,729	$ 2,748,729	$ 2,800,535	$ 2,800,535	$ 2,826,918	$ 2,826,918
Net pension liability as a percentage of covered-employee payroll	75.34%	33.44%	64.81%	33.46%	50.13%	27.81%	52.18%	29.55%	42.80%	31.90%	23.83%	28.06%	11.23%	26.24%

Note to Schedule:
Assumptions:
1. The total pension liability for each cost-sharing defined benefit plan was determined by an actuarial valuation as of July 1, 2020, using the individual entry age actuarial cost method.
2. Inflation increases for both plans is assumed at 2.40%.
3. Payroll growth for both plans is assumed at 3.25%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%.
5. Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table, projected generationally with Scale MP-2018.
6. The municipal bond rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS was 2.21%.

Benefit Types:
1. FRS pension plan's retirees receive a lifetime pension benefit with joint and survivor payment options.
2. HIS program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to section 112.363, Florida Statutes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL
Required Supplementary Information
Schedule of Pension Contributions

Fiscal year ended June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 307,262	$ 247,140	$ 233,455	$ 220,019	$ 191,139	$ 171,032	$ 172,795	$ 164,502	$ 128,636	$ 117,857
Contributions in relation to the contractually required contribution	(307,262)	(247,140)	(233,455)	(220,019)	(191,139)	(171,032)	(172,795)	(164,502)	(128,636)	(117,857)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,017,263	$ 2,868,137	$ 2,779,138	$ 3,197,135	$ 2,852,151	$ 2,748,729	$ 2,800,535	$ 2,826,918	$ 2,858,525	$ 2,715,212
Contributions as a percentage of covered-employee payroll	10.18%	8.62%	8.40%	6.88%	6.70%	6.22%	6.17%	5.82%	4.50%	4.34%

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL

Required Supplementary Information
Other Post-Employment Benefit Plan (OPEB)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)

Reporting period as of:	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date as of:	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB liability:				
Service Cost	$ 1,136	$ 3,314	$ 1,424	$ 640
Interest	10,026	29,141	15,101	6,669
Benefit payments	(7,665)	(26,334)	(12,819)	(6,116)
Differences between expected and actual experience	2,871	(19,609)	20,205	3,003
Changes in assumptions	(9,230)	(8,836)	(12,006)	13,449
Net change in total OPEB liability	(2,862)	(22,324)	11,905	17,645
Total OPEB liability - beginning	90,244	112,568	100,663	83,018
Total OPEB liability - ending	$ 87,382	$ 90,244	$ 112,568	$ 100,663
Plan fiduciary net position:				
Contributions - employer	$ 10,299	$ 34,657	$ 12,905	$ 8,657
Contributions - member	-	-	-	358
Net investment income	7,379	10,535	9,908	5,121
Benefit payments	(7,665)	(26,334)	(12,819)	(6,116)
Administrative expense	(185)	(551)	(402)	(111)
Net change in plan fiduciary net position	9,828	18,307	9,592	7,909
Plan fiduciary net position - beginning	77,188	58,881	49,289	41,380
Plan fiduciary net position - ending	$ 87,016	$ 77,188	$ 58,881	$ 49,289
Net OPEB liability- ending	**$ 366**	**$ 13,056**	**$ 53,687**	**$ 51,374**
Plan fiduciary net position as a percentage of the total OPEB liability	99.58%	85.53%	52.31%	48.96%
Covered-employee payroll **(2)**	$ 82,008	$ 229,813	$ 98,148	$ 36,108
Net OPEB liability as a percentage of covered-employee payroll	0.45%	5.68%	54.70%	142.28%

Notes to the Schedule:

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
(2) Includes all active members with no adjustments.

City of Pembroke Pines, Florida
Florida State University
CHARTER ELEMENTARY SCHOOL
Required Supplementary Information
Other Post-Employment Benefit Plan (OPEB)
Schedule of Employer Contributions

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution **(1)**	$ 9,571	$ 8,916	$ 10,490	$ 5,827	$ 3,746	$ 4,910	$ 4,938	$ 5,699	$ 5,561	$ 5,249
Contributions in relation to the actuarially determined contribution	10,299	34,657	12,905	8,657	9,258	6,101	5,699	5,702	5,587	6,705
Contribution Deficiency/(Excess)	$ (728)	$ (25,741)	$ (2,415)	$ (2,830)	$ (5,512)	$ (1,191)	$ (761)	$ (3)	$ (26)	$ (1,456)
Covered-employee payroll	$ 82,008	$ 229,813	$ 98,148	$ 36,108	$ 43,781	$ 42,506	$ 41,268	$ 40,066	$ 41,248	$ 42,127
Contributions as a percentage of covered-employee payroll	12.56%	15.08%	13.15%	23.98%	21.15%	14.35%	13.81%	14.23%	13.54%	15.92%

Note to Schedule:

Valuation date:	10/1/2019		
Actuarial cost method	Entry Age Normal based on level percentage of projected salary		
Amortization method	Experience/Assumption gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (who have no future service) Investment gains and losses are amortized over a closed period of 5 years starting on September 30, 2019.		
Remaining amortization period	30 years		
Asset valuation method	Fair Market value		
Marriage rate	The assumed number of eligible spouses is based on the current information in the census provided.		
Spouse age	Male spouses are assumed to be three years older than female spouses.		
Mortality rates	RP-2014 generational table back-projected to year 2006 and scaled using MP-18 and applied on a gender specific basis		
Actuarial assumptions:			
Inflation rate	3.0%		
Health CPI	3.0%		
Investment rate of return (2)	8.0%		
Projected salary increase rate	3.0%		
Healthcare cost trend rate (3)	6.5%	initial	
	4.5%	ultimate	
Post-retirement benefits increase	N/A		

(1) Prior to 2017, the ADC was represented by the Annual Required Contribution (ARC) in GASB 45

(2) Valuation results are developed assuming a discount rate of 7.8% determined based on the long-term yield on the investments used to finance the payment of benefits.

(3) The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 4.5% is reached.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the City Commission
City of Pembroke Pines, Florida—Florida State University Charter Elementary School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the governmental activities and the major fund of the City of Pembroke Pines, Florida—Florida State University ("FSU") Charter Elementary School (the "School") operating under the charter sponsored by FSU, as of and for the year ended June 30, 2021, and the related notes to the special purpose financial statements and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the special purpose financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's special purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the special purpose financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Honorable Mayor and Members of the City Commission
City of Pembroke Pines, Florida—Florida State University Charter Elementary School

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
December 21, 2021

GLSC & COMPANY, PLLC
certified public accountants

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Commission
City of Pembroke Pines, Florida—Florida State University Charter Elementary School
Pembroke Pines, Florida

Report on the Special Purpose Financial Statements

We have audited the special purpose financial statements of the governmental activities and major fund of the City of Pembroke Pines, Florida—Florida State University Charter Elementary School (the "School") (a special revenue fund of the City of Pembroke Pines, Florida), as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021.

Auditors' Responsibility

We conducted our audits 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 and Chapter 10.850, *Rules of the Auditor General*.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated December 21, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity are City of Pembroke Pines, Florida—Florida State University Charter Elementary School, special revenue fund of the City of Pembroke Pines, Florida and 0351.

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Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School have met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintain on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies of the School, Broward County District School Board, Florida State University and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the School and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

GLSC & Company, PLLC

Miami, Florida
December 21, 2021