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

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(With Independent Auditors' Reports Thereon)

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

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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

Opinions

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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Pembroke Pines, Florida Charter Schools as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter—Presentation

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, 2022, 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. Our opinion is not modified with respect to this matter.

Emphasis of a Matter—Change in Accounting Principle

As described in Note 7 to the financial statements, effective July 1, 2021, the School adopted GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the 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 and for 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.

In preparing the special purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, and design and perform audit procedures, responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special purpose financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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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 4-9, 48-49, 50-51 and 52-53 be presented to supplement the basic special purpose financial statements. Such information is the responsibility of management and, 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 February 8, 2023 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
February 8, 2023

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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, 2022. 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 2021-22 represents our nineteenth year in operation.

The School was established and built in 2003, initially providing educational opportunities to 610 Elementary school students. Currently there are 698 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 2021-22, there were 5,333 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 $2,482,180 (*net position*) which increased by $729,143 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 $283,667, as compared to a net increase of $271,641 from last year, and an ending fund balance of $4,250,672 as compared with $3,967,005 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 10-11 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 12-14 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 15 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 4 through 9, 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, 2022, the School's total net position increased by $729,143 when compared to prior year.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Increase
	2022	2021	(Decrease)
Current assets:	$ 4,550,303	$ 4,283,483	$ 266,820
Capital assets, net of depreciation/amortization	4,656,133	189,012	4,467,121
Total assets	9,206,436	4,472,495	4,733,941
Total deferred outflows of resources	1,133,522	1,184,976	(51,454)
Current liabilities:	351,843	316,478	35,365
Noncurrent liabilities	5,825,681	3,461,076	2,364,605
Total liabilities	6,177,524	3,777,554	2,399,970
Total deferred inflows of resources	1,680,254	126,880	1,553,374
Net Position:			
Net investment in capital assets	507,262	189,012	318,250
Unrestricted	1,974,918	1,564,025	410,893
Total net position	$ 2,482,180	$ 1,753,037	$ 729,143

Total assets increased by $4,733,941 (105.8 %) mainly as a result of a $266,820 (6.2%) increase in current assets and a $4,467,121 increase in capital assets, net of depreciation/amortization. This increase in current assets is mainly due to an increase of $237,439 (6.1 %) in pooled cash attributed to the timing of the payment of liabilities and the excess of revenues over expenditures. The increase in capital assets, net of depreciation/amortization is due to the School's implementation of Governmental Accounting Standards Board Statement No. 87 ("Statement 87") – Leases, which also affects the increase in the corresponding long-term liabilities (Note 5 of the Basic Financials). Statement 87 requires the School as the lessee to recognize a lease liability and an intangible right-to-use lease assets (a capital asset herein after referred to as the lease asset).

Total liabilities increased by $2,399,970 (63.5 %) mainly due to an increase of $35,365 (11.2%) in current liabilities due to timing of payments and $2,364,605 (68.3 %) increase in noncurrent liabilities mainly attributed to the implementation of Statement 87 offset by the decline in net pension and OPEB liabilities due to significant investment losses in the OPEB plan assets during the year.

Net investment in capital assets increased by $318,250 (168.4 %), and unrestricted net position increased by $410,893 (26.3 %) from the prior year.

As of June 30, 2022, net investment in capital assets (e.g., improvements other than buildings and equipment, net of accumulated depreciation and amortization) amounted to $4,656,133. The Schools do not have any related debt outstanding that was used to acquire these assets except for the lease assets and related liability as required by Statement 87. These assets are not available for future spending.

Governmental activities. The School reported total net position of $2,482,180 at the end of the current fiscal year, an increase of $729,143 (41.6 %) from prior year. The total cost of all governmental activities this year was $7,886,004. Key elements of these changes in net position are as follows:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Increase
	2021	2021	(Decrease)
Revenues:			
Program revenues:			
Charges for services	$ 768,548	$ 549,314	$ 219,234
Operating grants and contributions	837,158	399,119	438,039
Capital grants and contributions	96,817	127,453	(30,636)
General revenues:			
FTE non-specific revenues	6,898,742	6,538,588	360,154
Unrestricted investment earnings	12,940	8,161	4,779
Other revenues	942	15,370	(14,428)
Total revenues	8,615,147	7,638,005	977,142
Expenses:			
Instructional services	4,451,108	4,373,348	77,760
Instructional support services	358,568	201,245	157,323
School administration	748,728	890,492	(141,764)
Food Services	352,537	183,555	168,982
Student transportation services	271,967	183,385	88,582
Operation and maintenance of school	1,541,836	1,644,127	(102,291)
Child care supervision	106,358	67,955	38,403
Interest	54,902	-	54,902
Total expenses	7,886,004	7,544,107	341,897
Change in net position	729,143	93,898	635,245
Net position, beginning	1,753,037	1,659,139	93,898
Net position, ending	$ 2,482,180	$ 1,753,037	$ 729,143

The School's total revenues increased by $977,142 (12.8 %) due to an increase in FTE non-specific revenues of $360,154 (5.5 %), $219,234 (39.9 %) increase in charges for services, and an increase of $438,039 (109.8 %) in operating grants and contributions. These increases were offset by the decrease capital grants and contributions and other revenues amounting to $30,636 and $14,428, respectively.

The $360,154 increase in FTE non-specific revenues resulted from an $526,904 increase in Florida Education Finance Program (FEFP) funding and $12,880 additional teacher salary allocation funding to cover the increase in minimum wages of the teachers. These increases were offset by the $162,446 decrease in the funding allocation for class size.

The $438,039 increase in operating grants and contributions was due to additional funding received from the federal government related to the Elementary and Secondary Emergency Relief (ESSER) funds as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and increase in the unit rate for school breakfast/lunch subsidies.

The $219,234 increase in charges for services is attributable to the $196,262 increase in before and after school education, $14,944 increase in food services revenues, and $10,788 increase in student transportation revenue due to students being back to school after its closure in the prior year due to COVID-19 pandemic.

Total expenses increased by $341,897 (4.5 %) from prior mainly due to $596,002 (23.0 %) increase in operating expenses offset by a decrease of $79,344 (-1.6 %) in personnel costs. The increase in operating expenses was mainly due to the rise in dining and transportation payments since the schools were back on campus as opposed to virtual learning in the prior year. The decrease in personnel costs, including benefits, was mainly attributable to the decreased pension expenses due to the differences between the actual results and assumptions used to calculate net pension liability.

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, 2022, the School had final estimated revenues and appropriations of $8,169,520 and $8,314,397, respectively. Over the course of the year, the School made several amendments 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 the budget:

Several amendments were made to increase budgeted revenues for $19,494, mainly due to additional federal and state grants received during the year. Amendments were made to increase the expenditure budget by $19,319. These adjustments were mainly attributable to the increase of $146,260 for capital outlays related to the acquisition of additional laptops and $74,906 in various operating expenditures, which is offset by a decrease of $175,328 in personnel cost mainly due to the annual true-up adjustment for health, life, and worker's compensation insurance.

After appropriations were amended, as described above, actual revenues were above the budgeted revenues by $445,628, and actual expenditures were above final budgeted amounts by $17,084.

Capital Assets

The Elementary School's investment in capital assets for its governmental activities as of June 30, 2022 amounts to $4,656,133 (net of accumulated depreciation and amortization). This investment in capital assets includes improvements other than buildings, equipment, lease assets – building, and construction in progress.

CAPITAL ASSETS (Net of Depreciation)
Governmental Activities

	2022	2021	Increase (Decrease)
Construction-in-progress	$ 203,955	$ 146,541	$ 57,414
Equipment	74,342	42,471	31,871
Lease assets - building	4,377,836	-	4,377,836
Total Capital Assets	$ 4,656,133	$ 189,012	$ 4,467,121

The $4,377,836 increase in capital assets was due to the implementation of Statement 87 effective beginning of the fiscal year 2022. The effect of the adoption was to capitalize a right of use asset (building) with a corresponding liability, which is being amortized over the life of the underlying lease agreement. The overall impact on the financial statements was to record interest and amortization expense related to the underlying asset and liability which results in total higher expense (compared to pre-adoption) during the early years of the lease agreement.

Additional information on the School's capital assets can be found on Note 4 of the notes to the special purpose financial statements (page 29).

Economic Factors and Next Year's Budget and Rates

- Capital outlay funding from the State is expected to increase by 4.0% for FY 2022-23. The State is funding this revenue at an estimated 56% of the total maximum allocation. The School will enroll 699 Elementary Students for the 2022-23 school year.

- For fiscal year 2022-23, the Base Student Allocation (BSA) used to calculate the Florida Education Finance Program (FEFP) revenues increased by $214.49 to $4,587.40 in fiscal year 2022-2023 as per Florida State Legislature HB 5001 FEFP Conference Report dated March 10, 2022.

- The School charges a School Activity Fee of $300 per student. This fee is estimated to generate approximately $125,919 in fiscal year 2022-2023.

- The State determined annual employer contribution to the Florida Retirement System will increase to 11.91% for fiscal year 2022-2023 from 10.82% for fiscal year 2021-22.

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, 2022

	Governmental Activities
ASSETS	
Pooled cash and cash equivalents	$ 3,944,765
Due from Florida State University	587,432
Due from Federal Government	15,415
Net OPEB assets	2,691
Capital assets being depreciated, net	4,656,133
Total assets	9,206,436
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	1,105,601
Deferred outflows related to OPEB	27,922
Total deferred outflows of resources	1,133,523
LIABILITIES	
Accrued liabilities	223,223
Accrued interest payable	54,903
Unearned revenue	24,086
Deposits	49,631
Noncurrent liabilities:	
Due within one year	744,416
Due in more than one year	5,081,265
Total liabilities	6,177,524
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	1,656,300
Deferred inflows related to OPEB	23,955
Total deferred inflows of resources	1,680,255
NET POSITION	
Net investment in capital assets	507,262
Unrestricted	1,974,918
Total net position	$ 2,482,180

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, 2022

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	$ 4,451,108	$ -	$ 116,870	$ -	$ (4,334,238)
Instructional support services	358,568	-	197,529	-	(161,039)
School administration	748,728	-	-	-	(748,728)
Food services	352,537	15,158	461,274	-	123,895
Student transportation services	271,967	15,714	-	-	(256,253)
Operation and maintenance of school	1,541,836	487,941	61,485	96,817	(895,593)
Child care supervision	106,358	249,735	-	-	143,377
Interest	54,902	-	-	-	(54,902)
Total Charter School	$ 7,886,004	$ 768,548	$ 837,158	$ 96,817	$ (6,183,481)
General revenues:					
FTE non-specific revenues					6,898,742
Unrestricted investment earnings					12,940
Other revenues					942
Total general revenues					6,912,624
Change in net position					729,143
Net position, beginning					1,753,037
Net position, ending					$ 2,482,180

See notes to special purpose financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUND

JUNE 30, 2022

ASSETS	
Pooled cash and cash equivalents	$ 3,944,765
Due from Florida State University	587,432
Due from Federal Government	15,415
Total assets	$ 4,547,612
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accrued liabilities	$ 223,223
Unearned revenue	24,086
Deposits	49,631
Total liabilities	296,940
Fund balance:	
Assigned for rent payments	4,250,672
Total fund balance	4,250,672
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.	4,656,133
Net OPEB assets are not financial resources and, therefore, are not reported in the fund.	2,691
Compensated absences, shown as noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the fund.	(176,717)
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	1,133,523
Deferred inflows of resources	(1,680,255)
Accrued interest payable and 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.	(5,703,867)
Net position of governmental activities (page 10)	$ 2,482,180

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, 2022

Revenues:	
Local	$ 7,744,093
Federal and State grants	871,055
Total revenues	8,615,148
Expenditures:	
Current:	
K-3 basic	2,339,724
4-8 basic	1,173,213
Exceptional student program	792,581
Substitute teachers	46,274
School/Other	63,657
Guidance services	133,798
Office of innovative learning	186,807
Health services	142,897
Instructional media service	88,039
Instructional staff training services	1,607
Board	4,542
School administration	763,824
Food services	352,537
Student transportation services	271,966
Operation of school	1,752,926
Child care supervision	109,928
Capital outlay	107,161
Total expenditures	8,331,481
Net change in fund balance	283,667
Fund balance, beginning	3,967,005
Fund balance, ending	$ 4,250,672

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental fund (page 13)		$ 283,667
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 and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		
The detail of the difference is as follows:		
Capital outlay	107,161	
Depreciation and amortization expense	(354,632)	
Net adjustment		(247,471)
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. Conversely, repayments of noncurrent liabilities are expenditures in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.		
The details of the difference are as follows:		
Compensated absences		1,809
Amortization of lease liability		565,722
Interest expense		(54,903)
Pension expense, net of contributions		177,767
OPEB expense, net of contributions		2,552
Change in net position of governmental activities (page 11)		$ 729,143

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, 2022, 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 698 student stations for the 2021-22 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, 2022.

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 and lease assets - building, 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.

The right to use assets (building) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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

Assets	Years
Right of use asset (building)	14
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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Compensated Absences (Continued)

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.

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.

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)

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.

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–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 reduced by the outstanding balances of any borrowing that 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, 2022.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Net Position/Fund Balance (Continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. 87, *Leases* (GASB 87). The objective of GASB 87 is to establish a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset, and a lease receivable and deferred inflow of resources, respectively. The new lease standard also required enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contract, including those not included in the measurement of the lease liability and receivable, and the disclosures of the long-term effect of lease arrangement on a government's resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. New Accounting Pronouncement – Adopted (Continued)

The School adopted GASB 87 in the fiscal year ended June 30, 2022. The adoption of GASB 87 resulted in recognition of lease assets and lease liability amounting to $4,714,593 as of July 1, 2021.

NOTE 2. DEPOSITS AND INVESTMENTS

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

As of June 30, 2022, the School's pooled cash and cash equivalents are summarized as follows:

	Carrying Amount
State Board of Administration	$ 4,118,974
Cash on hand	300
Total pooled cash and cash equivalents	$ 4,119,274

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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

(g) State or local government taxable and tax exempt debt, general obligation and/or revenue bonds rated at least "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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

(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.

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, 2022 are provided below.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

	Fair Value	Weighted Average Life	Weighted Average Maturity	Credit Rating S&P
SBA (the Florida PRIME)	$4,118,974	71 days	28 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.

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, 2022, the Charter School had $4,118,974 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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The School has the following recurring fair value measurements as of June 30, 2022:

Investment Type	
Investments Measured at the Net Asset Value (NAV)	
State Board of Administration – Florida PRIME	$4,118,974

NOTE 3. REVENUE SOURCES

Florida State University:		
Florida education finance program	$	4,278,874
Class size reduction		741,007
District school taxes		730,177
Public education capital outlay (PECO)		369,190
ESE guaranteed allocation		167,825
Summer reading program		148,597
Supplemental academic instruction		144,263
Teacher salary allocation		135,803
Digital classroom allocation		100,172
Safe schools		276,633
Mental health allocation		127,176
Instructional materials		44,923
Library media materials		2,585
School lunch supplement		997
Science lab materials		707
School breakfast supplement		438
Total Florida State University		7,269,367
Other:		
Before and after school education program		249,735
Contributions		61,484
Food sales		15,157
Activity fee		130,072
ICMA forfeiture		(11,321)
In-house transportation		15,714
Interest		12,941
E-Rate program		944
Total other		474,726
Total local		7,744,093
Federal and State grants:		
National school lunch program		372,445
Elementary and secondary school emergency relief fund		194,906
Safety and security of school building		96,817
English language acquisition		2,622
Individuals with disabilities education act (IDEA)		116,870
NSLP non-cash assistance (commodities)		26,784
School breakfast program		60,611
Total Federal and State grants		871,055
Total Revenue Sources	$	8,615,148

NOTE 4. CAPITAL ASSETS

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Construction-in-progress	$ 146,541	$ 57,414	$ -	$ 203,955
Total capital assets not being depreciated	146,541	57,414	-	203,955
Capital assets, being depreciated/amortized:				
Equipment	298,638	49,747	(5,625)	342,760
Lease assets – Building	4,714,593	-	-	4,714,593
Total capital assets being depreciated/amortized	5,013,231	49,747	(5,625)	5,057,353
Less accumulated depreciation/amortization for:				
Equipment	(256,168)	(17,875)	5,625	(268,418)
Lease assets – Building	-	(336,757)	-	(336,757)
	(256,168)	(354,632)	5,625	(605,175)
Total capital assets being depreciated, net	4,757,063	(304,885))	-	4,452,178
Total capital assets, net	$ 4,903,604	$ (247,471)	$ -	$ 4,656,133

Depreciation and amortization expense were charged to functions/programs of the School as follows:

Governmental activities:	
Operation and maintenance of school	$ 354,632

NOTE 5. LEASES

For the year ended June 30, 2022, the financial statements include the adoption of GASB 87. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The operating lease right of use assets and liabilities are recognized at adoption date based on the present value of lease payments over the lease term. The discount rate used to calculate the present value is the School’s incremental borrowing rate of 1.3270% which is determined primarily based on the lease terms and other economic factors within the region.

NOTE 5. LEASES (Continued)

On July 1, 2021, the effective date of the adoption of GASB 87 for the School, the School entered into a 168-month lease as Lessee for the use of FSU Elementary School buildings. An initial lease liability was recorded in the amount of $4,714,593. As of June 30, 2022, the value of the lease liability is $4,148,871. The School is required to make annual fixed payments equal to the principal payment requirement on the referenced bond allocated for the School. The value of the right to use asset as of June 30, 2022 of $4,714,593 with accumulated amortization of $336,757 is included with Lease Assets – Building on Note 4 – Capital Assets.

As of June 30, 2022, the School had a minimum principal and interest payment required for its leasing activities, with a remaining term in excess of one year, as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	$ 596,837	$ 55,056	$ 651,893
2024	201,812	47,135	248,947
2025	204,988	44,457	249,445
2026	207,942	41,737	249,679
2027	291,203	38,978	330,181
2028-2032	1,566,212	135,508	1,701,720
2033-2035	1,079,877	28,777	1,108,654
	$ 4,148,871	$ 391,648	$ 4,540,519

NOTE 6. CHANGES IN NONCURRENT LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	$ 4,714,593	$ -	$ (565,722)	$4,148,871	$ 596,837
Net pension liability	3,282,184	-	(1,782,091)	1,500,093	-
Net OPEB liability	366	-	(366)	-	-
Compensated absences	178,526	145,771	(147,580)	176,717	147,579
Total	$ 8,175,669	$ 145,771	$(2,495,759)	$5,825,681	$ 744,416

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 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.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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.

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, 2022, 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, the 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, the AFC is the average of the eight highest fiscal years of salary earned during covered employment.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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 the normal retirement age; however, there is a 5 percent benefit reduction for each year remaining from a member's retirement age to the 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.

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
850-907-6500 or toll free at 844-377-1888

Funding Policy
The School's required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2022, the contribution rate was 10.82% for Regular Class Members and 18.34% for DROP Members. The School is required to contribute both for full-time and part-time members of the Plan, which amounted to $355,051. As of June 30, 2022, the number of members in this Plan increased from 82 in the previous fiscal year to 88 members. The contribution rate includes the post-employment health insurance supplement of 1.66% and the administrative/educational fee of 0.06%.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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 $93,807 for fiscal year 2022.

Fiscal Year	Annual Required Contributions	Total Employer Contributions	Percentage Contributed	Contribution Rates	
				Regular Class	DROP
2022	$ 355,051	$ 355,051	100.0%	10.82%	18.34%
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%

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, 2021, are shown below (in thousands):

	FRS	HIS
Total Pension Liability	$ 209,636,046	$ 12,719,121
Plan Fiduciary Net Position	(202,082,183)	(452,618)
Net Pension Liability	$ 7,553,863	$ 12,266,503
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	3.56%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations as of July 1, 2021. 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 $1,500,093 for its proportionate share of the net pension liability. The detail of the proportionate shares is as follows:

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

FRS Pension Plan

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	CITY OF PEMBROKE PINES FSU CHARTER SCHOOL	$ 174,262	0.005244823%	$ 229,287	0.006018715%	$ 2,273,183	$ 454,645

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	$ 47,621	0.008263835%	$ 50,097	0.008522783%	$ 1,009,001	$ 1,045,448

Basis for 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, 2021 for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015 through June 30, 2021, 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.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 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.

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 2.16% 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 2021:

1. FRS: Decreasing the maximum amortization period to 20 years for all current and future amortization bases.
2. HIS: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

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 the municipal bond rate selected by the plan sponsor. The discount rate used in the 2021 valuation was updated from 2.21% to 2.16%, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2021.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6.80% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.30%, which is consistent with the 4.17% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2021 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.80% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.80% reported investment return assumption is the same as the investment return assumption chosen by the 2021 FRS Actuarial Assumption Conference for funding policy purposes.

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.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation - Mean			2.40%	1.20%

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	Current Discount Rate	1% Increase
5.80%	6.80%	7.80%
$ 2,033,205	$ 454,645	$ (864,853)

HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
1.16%	2.16%	3.16%
$ 1,208,639	$ 1,045,448	$ 911,749

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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

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

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, 2021, was 5.7 years for FRS and 6.4 years for HIS. The pension expense recognized during the year by the School amounted to $45,685 and $82,616 for FRS and HIS, respectively.

The components of deferred outflows and inflows of resources reported as of June 30, 2022 are presented below for each plan.

NOTE 9. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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

	FRS Pension Plan		
	Deferred Outflow of Resources	**Deferred Inflow of Resources**	**Total**
Changes in:			
Contributions, subsequent to measurement date	$ 254,173	$ -	$ 254,173
Assumptions/inputs	311,092	-	311,092
Projected/actual earnings	-	(1,586,145)	(1,586,145)
Experience expected/actual	77,927	-	77,927
Change in Proportion, NPL	233,878	(14,158)	219,720
	$ 877,070	**$ (1,600,303)**	**$ (723,233)**

	HIS Program		
	Deferred Outflow of Resources	**Deferred Inflow of Resources**	**Total**
Changes in:			
Contributions, subsequent to measurement date	$ 51,896	$ -	$ 51,896
Assumptions/inputs	82,149	(43,075)	39,074
Projected/actual earnings	1,090	-	1,090
Experience expected/actual	34,983	(438)	34,545
Change in Proportion, NPL	58,412	(12,483)	45,929
	$ 228,530	**$ (55,996)**	**$ 172,534**

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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

	FSU Elementary	
Year Ending June 30,	**FRS Expense**	**HIS Expense**
2023	$ (158,022)	$ 32,329
2024	(193,975)	20,777
2025	(282,232)	24,311
2026	(375,469)	21,913
2027	32,292	16,977
Thereafter	-	4,331
Total	**$ (977,406)**	**$ 120,638**

NOTE 9. PENSION PLANS (Continued)

Defined Contribution Plan (Continued)

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.

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, 2022, there were four 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 10.82% of the Plan member's gross salary to agree with the contributions to the FRS. For the year ended June 30, 2022, the School's share of contribution to the Plan was $24,451, 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, 2022, there was no receivable for ICMA forfeitures.

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.

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

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.

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.

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

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.

Employees covered by benefit terms. At September 30, 2021, 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	41
	41

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, 2022, the City's average contribution rate was 14.18% percent of covered-employee payroll.

Net OPEB Liability/(Asset)

The City's net OPEB liability/(asset) was measured as of September 30, 2021. The School's proportionate share of the City's net OPEB liability/(asset) was calculated based on the School's OPEB contributions for the reporting period ended June 30, 2022.The components of the School's proportionate share of the City's net OPEB liability/(asset) are as follows:

	FSU Charter
Total OPEB liability	$ 100,937
Plan fiduciary net position	(103,628)
Net OPEB liability/(asset)	**$ (2,961)**
Plan fiduciary net position as a percentage of total OPEB liability	102.67%
Net OPEB asset as a percentage of covered employee payroll	(3.09)%

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

Actuarial Assumptions

The total OPEB liability/(asset) as of June 30, 2022 reporting date was based on an actuarial valuation with measurement date of September 30, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.4% per annum based on the 2020 FRS actuarial assumption conference meeting
Salary Increases	3.0% per annum
Investment Rate of Return	7.2% per annum Discount rate is based on expected long-term rate of return on plan investments using building block approach plus inflation (2.4%)
Healthcare Cost Trend Rates	7.0% initial for Pre-Medicare Medical and Prescription and stop loss fees, 6.0% initial for Medicare benefits, decreasing 0.25% per year until an ultimate rate of 4.0% 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 4.8 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-20 and applied on a gender-specific basis

The actuarial assumptions used in the September 30, 2021 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%	5.5%
Mid Cap	7%	7.2%
Small Cap	8%	5.8%
International Equity	8%	4.1%
Real Estate	10%	6.2%
Fixed income	30%	2.9%
Total Real Return	100%	4.8%

Discount Rate

The discount rate used to measure the OPEB liability/(asset) was updated from 7.2% 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/(assets):

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability/ (Assets)**
Total OPEB Liability (October 1, 2020)	$ 87,382	$ 87,016	$ 366
Changes for the year:			
Service cost	1,199	-	1,199
Interest cost	10,419	-	10,419
Differences between expected and actual experience	(4,816)	-	(4,816)
Changes in assumptions	15,885	-	15,885
Contributions	-	14,329	(14,329)
Net Investment Income	-	11,525	(11,525)
Benefit payments	(9,132)	(9,132)	-
Administration expenses	-	(110)	110
Net change	13,555	16,612	(3,057)
Total OPEB Liability/(Asset) (September 30, 2021)	**$ 100,937**	**$ 103,628**	**$ (2,691)**

The following present the net OPEB liability/(asset) of the School using the trend rate and the discount rate, as well as what the School's net OPEB liability/(asset) 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/(Asset) (based on Trend Rate)		
1% Decrease	Current Trend	1% Increase
$ (1,574)	$ (2,691)	$ (4,029)

Net OPEB Liability/(Asset) (based on Discount Rate)		
1% Decrease 8.2%	Current Rate 7.2%	1% Increase 6.2%
$ (1,623)	$ (2,691)	$ (3,980)

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

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

In accordance with GASB 75, paragraph 86, changes in the net OPEB liability/(asset) 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, 2022, the School recognized OPEB benefit of $2,141.

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, 2021, and before the end of the employer's reporting period, June 30, 2022, should be reported as a deferred outflows of resources related to OPEB. At June 30, 2022, 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	$ 9,553	$ -	$ 9,553
Experience expected/actual	5,282	(6,343)	(1,061)
Assumptions/inputs	13,087	(8,796)	4,291
Projected/Actual earnings	-	(8,816)	(8,816)
	$ 27,922	**$ (23,955)**	**$ 3,967**

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

Reporting Period Ending June 30:	
2023	$ (1,355)
2024	(2,674)
2025	(1,343)
2026	(214)
Total	$ (5,586)

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, 2022

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Local	$ 7,764,677	$ 7,764,677	$ 7,744,093	$ (20,584)
Federal and State grants	385,349	404,843	871,055	466,212
Total revenues	8,150,026	8,169,520	8,615,148	445,628
Expenditures:				
Current:				
K-3 basic	2,327,135	2,227,818	2,339,724	(111,906)
4-8 basic	1,103,648	1,051,371	1,173,213	(121,842)
Exceptional student program	820,407	799,753	792,581	7,172
Substitute teachers	48,771	48,771	46,274	2,497
School/Other	17,419	17,419	63,657	(46,238)
Guidance services	128,862	124,743	133,798	(9,055)
Office of innovative learning	-	(762)	186,807	(187,569)
Health services	-	7,332	142,897	(135,565)
Instructional media service	90,019	85,921	88,039	(2,118)
Instructional staff training services	33,358	26,358	1,607	24,751
Board	4,383	4,433	4,542	(109)
School administration	972,495	971,374	763,824	207,550
Food services	332,891	362,779	352,537	10,242
Student transportation services	259,391	283,151	271,966	11,185
Operation of school	1,690,588	1,754,154	1,752,926	1,228
Child care supervision	173,862	126,227	109,928	16,299
Capital outlay	330,487	423,555	107,161	316,394
Total expenditures	8,333,716	8,314,397	8,331,481	(17,084)
Net change in fund balance	(183,690)	(144,877)	283,667	428,544
Fund balance, beginning	3,967,005	3,967,005	3,967,005	-
Fund balance, ending	$ 3,783,315	$ 3,822,128	$ 4,250,672	$ 428,544

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, 2022

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, 2022, 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 $19.319 more than the original expenditure budget and $19.494 more than the original revenue budget during the fiscal year ended June 30, 2022. These increases were due to the additional monies received and related expenditures on the federally funded school breakfast and lunch programs.

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

Reporting period as of:	6/30/2022		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:	6/30/2021		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**	**FRS**	**HIS**
Total pension liability	$ 209,636,046	$ 12,719,121	$ 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	(202,082,183)	(452,618)	(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	$ 7,553,863	$ 12,266,503	$ 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	96.40%	3.56%	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	0.006018715%	0.008522783%	0.005244823%	0.008263835%	0.005230315%	0.008309768%	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	$ 454,645	$ 1,045,447	$ 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	$ 3,169,001	$ 3,169,001	$ 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	14.35%	32.99%	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, 2021, 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 2.16%.

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, 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.

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:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 355,051	$ 307,262	$ 247,140	$ 233,455	$ 220,019	$ 191,139	$ 171,032	$ 172,795	$ 164,502	$ 128,636
Contributions in relation to the contractually required contribution	(355,051)	(307,262)	(247,140)	(233,455)	(220,019)	(191,139)	(171,032)	(172,795)	(164,502)	(128,636)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,169,001	$ 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
Contributions as a percentage of covered-employee payroll	11.20%	10.18%	8.62%	8.40%	6.88%	6.70%	6.22%	6.17%	5.82%	4.50%

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:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date as of:	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB liability:					
Service Cost	$ 1,199	$ 1,136	$ 3,314	$ 1,424	$ 640
Interest	10,419	10,026	29,141	15,101	6,669
Benefit payments	(9,132)	(7,665)	(26,334)	(12,819)	(6,116)
Differences between expected and actual experience	(4,816)	2,871	(19,609)	20,205	3,003
Changes in assumptions	15,885	(9,230)	(8,836)	(12,006)	13,449
Net change in total OPEB liability	13,555	(2,862)	(22,324)	11,905	17,645
Total OPEB liability - beginning	87,382	90,244	112,568	100,663	83,018
Total OPEB liability - ending	$ 100,937	$ 87,382	$ 90,244	$ 112,568	$ 100,663
Plan fiduciary net position:					
Contributions - employer	$ 13,726	$ 10,299	$ 34,657	$ 12,905	$ 8,657
Contributions - member	603	-	-	-	358
Net investment income	11,525	7,379	10,535	9,908	5,121
Benefit payments	(9,132)	(7,665)	(26,334)	(12,819)	(6,116)
Administrative expense	(110)	(185)	(551)	(402)	(111)
Net change in plan fiduciary net position	16,612	9,828	18,307	9,592	7,909
Plan fiduciary net position - beginning	87,016	77,188	58,881	49,289	41,380
Plan fiduciary net position - ending	$ 103,628	$ 87,016	$ 77,188	$ 58,881	$ 49,289
Net OPEB liability/(asset) - ending	**$ (2,691)**	**$ 366**	**$ 13,056**	**$ 53,687**	**$ 51,374**
Plan fiduciary net position as a percentage of the total OPEB liability	102.67%	99.58%	85.53%	52.31%	48.96%
Covered-employee payroll **(2)**	$ 87,020	$ 84,486	$ 79,619	$ 229,813	$ 98,148
Net OPEB liability as a percentage of covered-employee payroll	-3.09%	0.43%	16.40%	23.36%	52.34%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution **(1)**	$ 5,818	$ 9,571	$ 8,916	$ 10,490	$ 5,827	$ 3,746	$ 4,910	$ 4,938	$ 5,699	$ 5,561
Contributions in relation to the actuarially determined contribution	9,498	10,299	34,657	12,905	8,657	9,258	6,101	5,699	5,702	5,587
Contribution Deficiency/(Excess)	$ (3,680)	$ (728)	$ (25,741)	$ (2,415)	$ (2,830)	$ (5,512)	$ (1,191)	$ (761)	$ (3)	$ (26)
Covered-employee payroll	$ 84,486	$ 79,619	$ 229,813	$ 98,148	$ 36,108	$ 43,781	$ 42,506	$ 41,268	$ 40,066	$ 41,248
Contributions as a percentage of covered-employee payroll	11.24%	12.94%	15.08%	13.15%	23.98%	21.15%	14.35%	13.81%	14.23%	13.54%

Note to Schedule:

Valuation date:	10/1/2021
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	2.4%
Health CPI	3.0%
Investment rate of return (2)	7.2%
Projected salary increase rate	3.0%
Healthcare cost trend rate (3)	7.0% initial
	4.0% 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 7.2% 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 0.25% until an ultimate rate of 4.0% is reached.

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, 2022, and the related notes to the special purpose financial statements and have issued our report thereon dated February 8, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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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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
February 8, 2023

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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, 2022, and have issued our report thereon dated February 8, 2023.

Auditors' Responsibility

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated February 8, 2023, 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 made in the preceding annual financial 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 assigned by the Florida Department of Education of the entity is 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
February 8, 2023

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