

**CITY OF PEMBROKE PINES, FLORIDA
CHARTER SCHOOLS**

SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(With Independent Auditors' Reports Thereon)

**CITY OF PEMBROKE PINES, FLORIDA
CHARTER SCHOOLS**

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the City of Pembroke Pines, Florida Charter Schools (the Charter Schools) of the City of Pembroke Pines, Florida (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund for the Charter Schools of the City, as of June 30, 2025, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City, and to meet our other ethical responsibilities, in accordance with the 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 Matters

As discussed in Note 1, the financial statements of the Charter Schools were prepared for the purpose of complying with Section 218.39, Florida Statutes. They are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and the aggregate remaining fund information of the City that is attributable to the transactions of the Charter Schools. They do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the Charter Schools adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, as of July 1, 2024. As a result of the adoption, the Charter Schools restated the beginning net position of governmental activities. 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Charter Schools' internal control. 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 financial statements.

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.

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the Charter Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter Schools' 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 Charter Schools' internal control over financial reporting and compliance.

RSM US LLP

Fort Lauderdale, Florida
December 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Pembroke Pines, Florida Charter Schools (the "Schools") operating under the charter sponsored by the Broward County School Board, we offer readers of the Schools' special purpose financial statements this narrative overview and analysis of the financial activities of the Schools for the twelve-month period ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the Schools' special purpose financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflow of resources of the Schools as reported in the government-wide financial statements exceeded liabilities and deferred inflows of resources at the close of the current fiscal year by 322,787 (*net position*) which increased by \$12,304,137 from prior year.
- As of the close of the current fiscal year, the Schools' governmental funds' financial statements reported combined ending fund balances of \$12,301,664 (17.42%) of total expenditures. This represents an increase of \$7,502,160 from prior year. The entire fund balance is assigned for rent payments.

Overview of the Special Purpose Financial Statements

This discussion and analysis are intended to serve as an introduction to the Schools' special purpose financial statements. The Schools' 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 Schools' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Schools' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these 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 Schools 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 Schools' *government-wide financial statements* distinguish the functions of the Schools as being principally supported by local revenues (full-time equivalent (FTE) dollars through the Broward County School Board) (*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 Schools have no business-type activities and no component units for which they are financially accountable. The government-wide financial statements can be found in the Basic Financial Statement section 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 Schools, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds used by the Schools are considered governmental fund types, and are special revenues funds of the City of Pembroke Pines, Florida.

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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* in the government-wide financial statements. The Schools maintain three funds (governmental funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. The Schools adopt an annual appropriated budget. Budgetary comparison schedules and note have been provided to demonstrate compliance with these budgets. The governmental funds financial statements can be found in the Basic Financial Statement section 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 the special purpose financial statements can be found in the Basic Financial Statement section 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 11, the budgetary comparison schedules, the note to budgetary comparison schedules, pension schedules, schedule of pension contributions, schedule of changes in net OPEB liability and related ratios and schedule of employer contributions which can be found on pages 56 through 65 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 66-67.
- Management Letter in Accordance with the Rules of the Auditor General of the State of Florida, which can be found on pages 68-69.

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, 2025, the Schools' total net position increased by \$12,304,137 when compared to prior year primarily because of assets exceeding the liabilities during the year.

	Governmental Activities		Increase/ (Decrease)
	<u>2025</u>	<u>2024</u>	
Current assets	\$ 20,481,371	\$ 7,968,484	\$ 12,512,887
Capital assets, net of depreciation	<u>25,343,569</u>	<u>31,403,416</u>	<u>(6,059,847)</u>
Total assets	<u>45,824,940</u>	<u>39,371,900</u>	<u>6,453,040</u>
 Total deferred outflows of resources	<u>10,007,629</u>	<u>7,850,390</u>	<u>2,157,239</u>
 Current liabilities	3,323,533	3,455,377	(131,844)
Noncurrent liabilities	<u>49,364,643</u>	<u>53,876,460</u>	<u>(4,511,817)</u>
Total liabilities	<u>52,688,176</u>	<u>57,331,837</u>	<u>(4,643,661)</u>
 Total deferred inflows of resources	<u>2,821,606</u>	<u>1,871,803</u>	<u>949,803</u>
 Net position (Deficit)			
Net investment in capital assets	1,927,175	2,320,487	(393,312)
Unrestricted (deficit)	<u>(1,604,388)</u>	<u>(14,301,837)</u>	<u>12,697,449</u>
Total net position (deficit)	<u>\$ 322,787</u>	<u>\$ (11,981,350)</u>	<u>\$ 12,304,137</u>

Total assets increased by \$6,453,040 (16.4%), primarily due to a substantial rise in current assets, which grew by \$12,512,887 (157%). This increase was mainly attributed to receivables from the Charter Schools Referendum Settlement with the Broward County Public School District (see Note 12) related to the distribution of revenue sharing from the 2018 Referendum. However, this increase was offset by a decrease of \$6,059,847 (19.3%), in capital assets, net of depreciation and amortization. The decline in capital assets was primarily due to the annual depreciation and amortization of those assets.

Total liabilities decreased by \$4,643,661 (8.1%). This decrease was primarily due to a reduction in noncurrent liabilities, which resulted from the repayment of lease liabilities totaling \$5,366,142 during the year. However, these reductions were partially offset by an increase in net pension liability of \$1,045,569, driven by changes in assumptions related to projected benefit obligations. This increase was influenced by various factors, including rising healthcare costs and greater employee longevity.

Net investment in capital assets decreased by \$393,312 (16.9%) and unrestricted net position increased by \$12,697,449 (88.4%) from the prior year.

As of June 30, 2025, net investment in capital assets (e.g., improvements other than buildings and equipment) amounted to \$1,927,175 . The Schools do not have any related debt outstanding that was used to acquire these assets except for the lease and subscription-based information technology arrangements (SBITA) related liability as required by Statement 87 and Statement 96, respectively. These assets are not available for future spending.

Governmental activities. The Schools' total net position at the end of the year amounted to 263,191, an increase of \$12,304,137 (103.6%) from the previous fiscal year. The total expense of all governmental activities this year was \$70,899,327. Key elements of these changes in net position are as follows:

	Governmental Activities		Increase/ (Decrease)
	<u>2025</u>	<u>2024</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 6,773,929	\$ 6,082,866	\$ 691,063
Operating grants and contributions	4,160,311	4,372,933	(212,622)
General revenues:			
FTE non-specific revenues	71,085,585	52,897,600	18,187,985
Unrestricted investment earnings (losses)	398,654	(35,513)	434,167
Rental income	752,358	688,236	64,122
E-rate program	31,835	26,529	5,306
Other revenues	792	-	792
Total revenues	<u>83,203,464</u>	<u>64,032,651</u>	<u>19,170,813</u>
Expenses:			
Instructional services	38,666,300	37,534,571	1,131,729
Instructional support services	4,392,439	4,128,459	263,980
Food services	3,365,682	3,164,720	200,962
Student transportation services	2,823,278	2,612,873	210,405
Operation and maintenance of school	14,860,213	13,447,373	1,412,840
School administration	5,517,555	5,699,796	(182,241)
Interest	231,082	287,309	(56,227)
Other	1,042,778	1,081,740	(38,962)
Total expenses	<u>70,899,327</u>	<u>67,956,841</u>	<u>2,942,486</u>
Change in net position	12,304,137	(3,924,190)	16,228,327
Net position, beginning	(11,874,586)	(7,950,396)	(3,924,190)
Restatement - GASB 101*	(106,764)	-	(106,764)
Net position, ending	<u>\$ 322,787</u>	<u>\$ (11,874,586)</u>	<u>\$ 12,197,373</u>

* Beginning net position was restated with the implementation of GASB Statement 101, *Compensated Absences* as of July 1, 2024.

The Schools' total revenues increased by \$19,170,813 (29.9 %) during the year. This increase is mainly due to a \$18,187,985 (34.4%) increase in FTE non-specific revenues, \$434,167 increase in unrestricted investment earnings, and \$691,063 (11.4%) increase in charges for services. These increases were offset by a decrease of \$212,622 (-4.9%) in operating grants and contributions.

The increase of \$18,187,985 in FTE non-specific revenues can be attributed to several key factors. First, there was an increase of \$1,996,817 in funding from the Florida Education Finance Program (FEFP). Additionally, local capital improvement revenue funding increased by \$1,009,682 due to the mandatory distribution of local discretionary millage revenue to eligible charter schools. Finally, there was a \$13,604,444 in back taxes owed to charter schools. This payment was related to a voter-approved referendum that increased the School District's millage rate for school safety and other initiatives, which had not been distributed to charter schools between 2019 and 2023 (See Note 12).

The increase of \$691,063 in service charges is due to higher revenues from food services and student transportation, which have both seen a rise in usage by students. Additionally, the unrestricted investment earnings increased by \$434,167, resulting from improved investment performance during the fiscal year.

Total expenses increased by \$2,942,486 (4.3%) from the prior year mainly attributed by the \$5,462,399 (13.4%) increase in personnel costs. The increase in personnel costs, including benefits, was mainly attributable to the increase in teachers' salaries to distribute the referendum monies in accordance with the teachers' union collective bargaining agreement.

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

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

Budgetary Highlights

For the fiscal year ended June 30, 2025, the Schools had final estimated revenues and appropriations of \$70,443,298 and \$70,675,287, respectively, excluding other financing sources and uses.

Over the course of the year, the Schools 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 Charter Elementary Schools, East, West and Central Campuses, made the following amendments to budget:

Several amendments were made to increase budgeted revenues totaling \$557,538. This was mainly due to an increase of \$263,008 in revenues for the Governor's A+ funding program and \$374,756 in District School taxes.

Amendments were also made to increase the expenditure budget by approximately \$557,538. These adjustments include increasing the personnel costs to reflect the supplemental payouts to teachers for the Governor's A+ program, an increase in operating costs such as professional and other support services, and purchasing software related to the digital versions of textbooks. These increases were offset by an approximately \$888,000 decrease in annual true-up adjustments for health, life, and workers' compensation insurance.

After appropriations were amended, as described above, actual revenues were above the budgeted revenues by \$1,547,029, and overall actual expenditures were below final budgeted amounts by \$101,716 before transfers.

The Charter Middle Schools, West and Central Campuses, made the following amendments to budget:

Several amendments were made to increase budgeted revenues totaling \$208,251. This was mainly due to an increase of \$183,105 in revenues for the Governor's A+ funding program, and \$283,394 in District School taxes.

Amendments were also made to increase the expenditure budget by approximately \$208,251. These adjustments include increasing the personnel costs to reflect the supplemental payouts to teachers for the Governor's A+ program, an increase in operating costs such as professional and other support services, and purchasing software related to the digital versions of textbooks. These increases were offset by an approximately \$622,000 decrease in annual true-up adjustments for health, life, and workers' compensation insurance.

After appropriations were amended, as described above, actual revenues were above the budgeted revenues by \$1,372,425, and actual expenditures were below final budgeted amounts by \$114,436 before transfers.

The Charter High School made the following amendments to budget:

Several amendments were made to reduce the budgeted revenues by \$186,695. This decrease is the net result of several factors: an increase in revenue from additional funds received from the Governor's A+ funding program totaling \$296,346, \$175,324 from the Workforce Development Capitalization Incentive Grant (CAP Grant), and \$298,844 from District School taxes. However, these increases were offset by a decrease in estimated budget savings to account for the annual true-up adjustments related to health, life, and workers' compensation insurance.

Amendments were also made to decrease the expenditure budget by \$186,695. These adjustments include increasing the personnel costs to reflect the supplemental payouts to teachers for the Governor's A+ program, an increase in operating costs such as professional and other support services, and purchasing software related to the digital versions of textbooks. These increases were offset by an approximately \$995,000 decrease in annual true-up adjustments for health, life, and workers' compensation insurance.

After appropriations were amended, as described above, actual revenues were above the budgeted revenues by \$4,754,968, and actual expenditures were above final budgeted amounts by \$156,425 before transfers.

Capital Assets

The Schools' investment in capital assets for its governmental activities as of June 30, 2025 amounted to \$25,343,569, net of accumulated depreciation/amortization. This investment in capital assets includes improvements other than buildings, equipment, lease assets – building, SBITAs, and construction in progress.

	Governmental Activities		Increase/ (Decrease)
	<u>2025</u>	<u>2024</u>	
Improvements other than buildings	\$ 1,314,702	\$ 1,376,851	\$ (62,149)
Equipment	882,580	921,143	(38,563)
Right-to-use - Lease assets - building	22,395,337	27,994,172	(5,598,835)
Right-to-use – SBITA	260,207	620,507	(360,300)
Construction in progress	490,743	490,743	-
Total capital assets	<u>\$ 25,343,569</u>	<u>\$ 31,403,416</u>	<u>\$ (6,059,847)</u>

In fiscal year 2025, total capital purchases amounted to approximately \$80,259. The net decrease in the current year was due to the depreciation and amortization of approximately \$6.1 million.

Additional information on the Schools' capital assets can be found in Note 4 of the notes to the special purpose financial statements (page 34).

Economic Factors and Next Year's Budgets and Rates

- Capital outlay funding from the State is expected to increase by 7.72% for FY 2025-2026. The State is funding this revenue at an estimated 58% of the total maximum allocation.
- HB 1259 was passed during the 2023 Florida Legislative Session, and under this bill, school districts are mandated to share local capital improvement revenue collected through discretionary 1.5-mill local levies with charter schools. HB 1259 requires school districts to allocate a portion of these revenues to charter schools, based on their proportional enrollment within the district. For fiscal year 2025-2026, the charter schools will receive 60% of their allocation, and subsequently receive 100% of their allocation by fiscal year 2027-28.
- For fiscal year 2025-2026, the Base Student Allocation (BSA) used to calculate the Florida Education Finance Program (FEFP) revenues increased by approximately \$41.62 to \$5,373 in fiscal year 2025-2026 as per Florida State Legislature SB2500 FEFP Conference Report dated June 13, 2025.
- The State determined annual employer contribution to the Florida Retirement System will increase to 14.03% for fiscal year 2025-2026, up from 13.63% for fiscal year 2024-25.
- The Schools' student attendance rate remains stable at 94.79%.
- The Schools' enrollment is at 100% capacity.

- On August 23, 2022, Broward County voters approved an extension of the 2018 Secure the Next Generation voter initiative for an additional four years. For fiscal years 2024 through 2027, the principal uses of this revenue stream will fund teacher compensation, school resource officers and safety measures, and other activities necessary to preserve essential programs.
- The Schools have estimated revenues and appropriations in the fiscal year 2025-2026 budgets of \$86,755,456.

Requests for Information

This financial report is designed to provide the reader with a general overview of the Schools' finances, as well as demonstrate accountability for funds the Schools receive. 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, 601 City Center Way, Pembroke Pines, Florida 33025.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities
<u>ASSETS</u>	
Pooled cash and cash equivalents	\$ 10,075,533
Due from Broward County	10,338,277
Other miscellaneous receivables	43,806
Prepayments	23,755
Capital assets not being depreciated	490,743
Capital assets being depreciated, net	<u>24,852,826</u>
Total assets	<u>45,824,940</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pension	9,384,127
Deferred outflows related to OPEB	<u>623,502</u>
Total deferred outflows of resources	<u>10,007,629</u>
<u>LIABILITIES</u>	
Accrued liabilities	1,910,056
Accrued interest payable	229,570
Unearned revenue	104,883
Deposits	1,079,024
Noncurrent liabilities:	
Due within one year	6,625,193
Due in more than one year	<u>42,739,450</u>
Total liabilities	<u>52,688,176</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pension	2,702,442
Deferred inflows related to OPEB	<u>119,164</u>
Total deferred inflows of resources	<u>2,821,606</u>
<u>NET POSITION</u>	
Net investment in capital assets	1,927,175
Unrestricted	<u>(1,604,388)</u>
Total net position	<u>\$ 322,787</u>

See notes to special purpose financial statements.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
Governmental activities:				
Instructional services	\$ 38,666,300	\$ -	\$ -	\$ (38,666,300)
Instructional support services	4,392,439	-	567,427	(3,825,012)
Food services	3,365,682	1,596,907	1,487,921	(280,854)
Student transportation services	2,823,278	431,059	-	(2,392,219)
Operation and maintenance of school	14,860,213	3,442,123	21,472	(11,396,618)
School administration	5,517,555	-	2,083,491	(3,434,064)
Interest	231,082	-	-	(231,082)
Other	1,042,778	1,303,840	-	261,062
Total Charter Schools	<u>\$ 70,899,327</u>	<u>\$ 6,773,929</u>	<u>\$ 4,160,311</u>	<u>(59,965,087)</u>
General revenues:				
FTE non-specific revenues				71,085,585
Unrestricted investment earnings (losses)				398,654
Rental income				752,358
E-rate program				31,835
Other revenues				792
Total general revenues				<u>72,269,224</u>
Change in net position				12,304,137
Net position, beginning as restated (Note 1d.14)				<u>(11,981,350)</u>
Net position, ending				<u>\$ 322,787</u>

See notes to special purpose financial statements.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	Charter Elementary Schools	Charter Middle Schools	Charter High School	Total
<u>ASSETS</u>				
Pooled cash and cash equivalents	\$ 3,248,020	\$ 702,904	\$ 6,124,609	\$ 10,075,533
Due from Broward County	3,604,237	2,283,038	4,451,002	10,338,277
Other miscellaneous receivables	6,430	16,368	21,008	43,806
Prepayments	<u>8,460</u>	<u>5,944</u>	<u>9,351</u>	<u>23,755</u>
Total assets	<u>\$ 6,867,147</u>	<u>\$ 3,008,254</u>	<u>\$ 10,605,970</u>	<u>\$ 20,481,371</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</u>				
Liabilities:				
Accrued liabilities	\$ 783,646	\$ 462,507	\$ 663,903	\$ 1,910,056
Unearned revenue	37,022	23,328	44,533	104,883
Deposits	<u>271,114</u>	<u>178,174</u>	<u>629,736</u>	<u>1,079,024</u>
Total liabilities	<u>1,091,782</u>	<u>664,009</u>	<u>1,338,172</u>	<u>3,093,963</u>
Deferred inflow of resources:				
Unavailable revenue - other	<u>1,801,741</u>	<u>1,125,048</u>	<u>2,158,955</u>	<u>5,085,744</u>
Fund balances:				
Nonspendable - prepayments	8,460	5,944	9,351	23,755
Assigned for rent payments	<u>3,965,164</u>	<u>1,213,253</u>	<u>7,099,492</u>	<u>12,277,909</u>
Total fund balances	<u>3,973,624</u>	<u>1,219,197</u>	<u>7,108,843</u>	<u>12,301,664</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,065,406</u>	<u>\$ 1,883,206</u>	<u>\$ 8,447,015</u>	
Amounts reported for governmental activities in the statement of net positions are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				25,343,569
Compensated absences, shown as noncurrent liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.				(1,255,113)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:				
Deferred outflows of resources				10,007,629
Deferred inflows of resources				(2,821,606)
Revenues that are not available soon enough to pay for the current period's expenditures are considered deferred inflows in governmental funds.				5,085,744
Long-term liabilities, such as accrued interest payable, 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 funds.				(48,339,100)
Net position of governmental activities (page 12)				<u>\$ 322,787</u>

See notes to special purpose financial statements.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FISCAL YEAR ENDED JUNE 30, 2025

	<u>Charter Elementary Schools</u>	<u>Charter Middle Schools</u>	<u>Charter High School</u>	<u>Total</u>
Revenues:				
Local and state	\$ 27,309,374	\$ 16,875,924	\$ 30,117,200	\$ 74,302,498
Federal and State grants	<u>955,338</u>	<u>998,348</u>	<u>1,861,536</u>	<u>3,815,222</u>
Total revenues	<u>28,264,712</u>	<u>17,874,272</u>	<u>31,978,736</u>	<u>78,117,720</u>
Expenditures:				
Current:				
K-3 Basic	8,652,839	-	-	8,652,839
4-8 Basic	4,316,572	8,882,475	2,030,283	15,229,330
9-12 Basic	-	436	10,249,156	10,249,592
Exceptional student program	1,114,177	943,775	975,716	3,033,668
Vocational 6-12	-	-	334,577	334,577
Substitute teachers	126,706	87,850	146,666	361,222
School/other	26,098	62,746	60,271	149,115
Guidance services	361,213	374,667	950,351	1,686,231
Health services	366,564	289,674	176,544	832,782
Instructional media services	363,280	258,941	219,054	841,275
Instructional and curriculum development services	420,893	267,399	268,201	956,493
Office of Innovative Learning	158,138	146,311	142,147	446,596
Instructional staff training service	40,148	32,060	6,115	78,323
Board	15,857	10,571	5,286	31,714
General administration	17,548	10,691	21,215	49,454
School administration	2,167,928	1,384,386	1,792,749	5,345,063
Food services	1,338,107	880,883	1,146,077	3,365,067
Student transportation services	1,009,912	683,648	1,126,164	2,819,724
Operation of school	3,417,263	1,964,885	3,696,825	9,078,973
Child care supervision	644,913	-	-	644,913
Athletics	-	21,719	372,186	393,905
Debt service:				
Principal	1,923,048	902,665	2,840,823	5,666,536
Interest	106,767	51,909	129,233	287,909
Capital outlay	<u>27,996</u>	<u>15,995</u>	<u>36,268</u>	<u>80,259</u>
Total expenditures	<u>26,615,967</u>	<u>17,273,686</u>	<u>26,725,907</u>	<u>70,615,560</u>
Excess (Deficit) of revenues over (under) expenditures	<u>1,648,745</u>	<u>600,586</u>	<u>5,252,829</u>	<u>7,502,160</u>
Other financing sources (uses):				
Transfers in	-	471,000	-	471,000
Transfers out	-	-	(471,000)	(471,000)
Total other financing sources (uses)	<u>-</u>	<u>471,000</u>	<u>(471,000)</u>	<u>-</u>
Net change in fund balances	1,648,745	1,071,586	4,781,829	7,502,160
Fund balances, beginning	<u>2,324,879</u>	<u>147,611</u>	<u>2,327,014</u>	<u>4,799,504</u>
Fund balances, ending	<u>\$ 3,973,624</u>	<u>\$ 1,219,197</u>	<u>\$ 7,108,843</u>	<u>\$ 12,301,664</u>

See notes to special purpose financial statements.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

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

FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (Page 15)	\$ 7,502,160
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

The detail of the difference is as follows:

Capital outlay	80,259	
Depreciation and amortization expenses	<u>(6,140,106)</u>	
Net adjustment		(6,059,847)

Repayment of long-term debt principal on bond, leases, and SBITAs are expenditures in the governmental funds, but these activities reduce long-term liabilities in the statement of net position.	5,666,536
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	5,085,744
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference are as follows:

Compensated absences	(41,892)	
Interest expense	56,827	
Pension expense, net of contributions	(13,398)	
OPEB benefit, net of contributions	<u>108,007</u>	

Change in net position of governmental activities (page 13)	<u>\$ 12,304,137</u>
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CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

On August 20, 1997, June 2, 1998 and August 19, 1998, the City of Pembroke Pines Commission (“City Commission”) approved the creation of the City of Pembroke Pines Charter Elementary School, consisting of three campuses; the City of Pembroke Pines Charter Middle School, consisting of two campuses; and the City of Pembroke Pines Charter High School, consisting of one campus. The three schools will be referred to collectively as the Schools in these special purpose financial statements. The City of Pembroke Pines, Florida (the “City”) is a municipal corporation operating charter schools organized pursuant to Section 1002.33 of the Florida Statutes. The City of Pembroke Pines Charter Elementary School’s first school year commenced in August 1998; the City of Pembroke Pines Charter Middle School’s first school year commenced in July 1999 and the City of Pembroke Pines Charter High School’s first school year commenced in July 2000. The governing body of the Schools is the City Commission comprising five voting members which consist of the City of Pembroke Pines Mayor, Vice Mayor, and three Commissioners. The Pembroke Pines City Manager also serves as the Superintendent of the Charter Schools.

The Schools operate under a charter of the sponsoring school district, the Broward County School Board (the “District”). The Elementary Schools’ charter agreement was approved by the District on August 18, 1998 and was effective until June 30, 2014. The Middle School’s charter agreement was approved by the District on June 15, 1999 and was effective until June 30, 2014. The High School’s charter was approved by the City Commission on April 4, 2000 and was effective until June 30, 2015. The Elementary, Middle and High Schools’ charter agreements were renewed from July 1, 2014 to June 30, 2029. All three charters may be renewed pursuant to Section 1002.33(7)(b)(1), Florida Statutes, for such duration as may be established by mutual written agreement of the parties. At the end of the term of the charters, the District may choose not to renew the charters under grounds specified in the charter in which case the District is required to notify the Schools in writing at least 90 days prior to the charter’s expiration. Pursuant to Section 1002.33, Florida Statutes, the charter school contract provides that in the event the Schools are dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the Broward County School Board. During the term of the charter, the District may also terminate the charter if good cause is shown.

The Schools are accounted for as special revenue funds of the City of Pembroke Pines, Florida (the “City”). The special purpose financial statements contained herein present only the operations of the Schools, and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025, 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

On February 1, 2003, the City entered into a Charter Agreement with Florida State University (FSU) to create a seventh Charter School – the City of Pembroke Pines/Florida State University Charter Elementary School. This Charter School opened for the 2003-2004 School year, and has a current enrollment of 709 students for the 2024-25 school year. Its financial information is not included herein, as it is separately chartered with Florida State University and issues its own special purpose financial statements.

b. Government-Wide and Fund Financial Statements

The Schools' 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 Schools. The effect of interfund activity has been removed from these statements. 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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. FTE dollars and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements. The Schools' 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 Schools' 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Schools' 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 Schools consider revenues to be available if they are collected within 60 days of the end of the current fiscal period. When the primary requirement under a grant is incurring an eligible expenditure, the Schools recognize revenue at the time the expenditures are incurred. The Schools consider the availability period of grant revenue susceptible to accrual to be a year. Expenditures are recorded when a liability is incurred, as under accrual accounting.

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. The Schools reported unavailable revenues on their governmental fund balance sheet. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for revenue recognition in the current period. All other revenue items are considered to be measurable and available only when the Schools receive cash.

The Schools report the following major funds:

Charter Elementary Schools – The Elementary Schools consist of an East, West and Central campus, serving 2,039 student stations for the 2024-25 school year.

Charter Middle Schools – The Middle Schools consist of a West and Central campus, serving 1,345 student stations for the 2024-25 school year.

Charter High School – The Charter High School, located at the Academic Village site, serving 2,146 student stations for the 2024-25 school year.

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

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

The Schools consider all highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents. The Schools maintain their 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 which are valued at amortized costs.

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 Schools have no inventories at June 30, 2025.

4. Capital Assets

Capital assets, which include improvements other than buildings, right to use lease assets – building, equipment and right to use – subscription-based information technology arrangements (SBITA), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Schools as assets with an initial, individual cost of \$5,000 or more and useful lives of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date.

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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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 (Continued)

The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability based on the present value of payments expected to be made during the term, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA liability is reduced by the principal portion of payments made and is amortized on a straight-line basis over its useful life. The Schools monitor changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

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

<u>Assets</u>	<u>Years</u>
Right to use asset – lease (building)	8
Improvements other than buildings	5-50
Equipment	3-10
Right to use asset - SBITA	2-3

In accordance with Florida Statutes, all property and improvements, furnishings and equipment purchased with public funds will automatically revert to full ownership by the Broward County School Board upon the non-renewal or termination of the charter agreement.

5. Compensated Absences

The Schools' 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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 current employees hired prior to February 1, 2010, annual leave accumulated above 320 hours will be paid out at time of termination at a rate of: (1) 75% of the employee's ending base salary for hours above 320 and up to 640; (2) 50% of the employee's ending base salary for any hours above 640; and (3) any leave accumulated prior to February 1, 2010 will be paid out at 100% of the employee's ending base salary. For employees hired on or after February 1, 2010, annual leave accumulated above 320 hours will be paid out at time of termination at a rate of: (1) 50% of the employee's ending base salary for hours above 320 and up to 640; and (2) 25% of the employee's ending base salary for any hours above 640.

The Schools implemented GASB Statement 101, *Compensated Absences*, in 2025. Vested or accumulated vacation and sick leave that is due to employees who have retired or been terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave from governmental activities are recorded as expenses and liabilities as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year-end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The implementation also recognized Medicare and Social Security taxes and pension contributions as *salary-related payments* in calculating the compensated absences liability. A direct effect on net position resulted from this implementation, reflected in the current financial statements as a \$106,764 reduction in the beginning net position and a corresponding increase in the compensated absences liability (See Note 1d.14).

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 Schools' special purpose financial statements, and is described as follows.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Long-Term Obligations (Continued)

The City borrowed \$10,000,000 from a bank in December 1997 of which approximately \$8,000,000 was used to finance the acquisition of land and construction of the Elementary Schools. In 1998, the City issued Public Improvement Revenue Bonds, Series 1998 for \$24,055,000 of which approximately \$12,500,000 was used to finance the construction of the Middle School, and the purchase and development of the site for the City's Charter High School. During 1999, the City issued Capital Improvement Revenue Bonds, Series 1999 for \$45,240,000 of which approximately \$31,000,000 was used to finance the construction of the City of Pembroke Pines Charter High School and further expansion of the Schools. During 2001, the City issued Charter School Revenue Bonds, Series 2001A and 2001B for \$31,910,000 and \$20,060,000, respectively, which were used to finance the construction of the City of Pembroke Pines Charter Central Campus and the shared-use facility located at the Academic Village Charter High School Campus.

On December 1, 2006, \$18,935,000 of the Public Improvement Revenue Bonds, Series 1998, and \$10,985,000 of the Public Improvement Revenue Bonds, Series 2001 were advance refunded by the City's \$29,720,000 Public Improvement Revenue Refunding Bonds, Series 2006. On December 1, 2006, \$28,100,000 of the Capital Improvement Revenue Bonds, Series 1999 was advance refunded by a portion of the City's \$45,050,000 Capital Improvement Revenue Refunding Bonds, Series 2006. In October 2016, \$29,720,000 of the Public Improvement Revenue Bonds, Series 2006 was 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 May 2017, \$30,505,000 of the Capital Improvement Revenue Refunding Bonds, Series 2006 was refunded by a portion of the City's \$45,960,000 Capital Improvement Revenue Refunding Bonds, Series 2017, which resulted in rent savings of approximately \$151,000 annually for all the Charter Schools.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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 March 25, 2008, the City advance refunded the Charter School Revenue Bonds, Series 2001A and 2001B, and constructed thirty-eight (38) additional classrooms for the City of Pembroke Pines Charter Schools and twelve (12) new classrooms for the City of Pembroke Pines/Florida State University Charter Elementary School by issuing the Charter School Revenue Bonds, Series 2008 for \$64,095,000. This was done to comply with the State's Class Size Amendment. The Amendment allows for no more than 18 students in Kindergarten through Third grade classrooms and 22 students in each Fourth through Fifth grade classroom. 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 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, including the FSU Charter School. The remarket was extended to November 7, 2019.

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

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

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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

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 Schools have no restricted assets as of June 30, 2025.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Schools are 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 (highest level of decision making authority) 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 balances of the Schools are considered to be assigned for rent payments, as they are special revenue funds 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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

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

8. Revenue Sources

Revenues for current operations are received primarily from the Broward County School Board pursuant to the funding provisions included in the Schools' Charters. In accordance with the funding provisions of the charters and Section 1002.33, Florida Statutes, the Schools report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1002.33, Florida Statutes, the District 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 Schools 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 Schools during the designated full-time equivalent student survey periods.

9. Use of Estimates

The preparation of 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 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

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. Leases and Subscription Obligations

Leases and Subscription-Based Information Technology Arrangements (SBITAs) are included in capital assets and long-term liabilities on the Statement of Net Position.

An intangible right-of-use (ROU) asset represents the School's right to use an underlying asset for the lease or SBITA term. Lease obligations represent the School's liability to make lease payments arising from lease agreements or SBITA agreements. Intangible right-of-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds twelve months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments, if any, based on future performance or usage are not included in the measurement of the lease obligation. Intangible right-of-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

At the commencement of each lease and subscription, the liability is measured at the present value of payments expected to be made during the term. Subsequently, the lease and subscription liabilities are reduced by the principal portions of payments made. The ROU lease and subscription assets are measured as the initial amount of the individual liabilities, adjusted for payments made at or before the lease and subscription commencement dates, plus certain initial direct costs. Subsequently, the ROU lease and subscription assets are amortized on a straight-line basis over their useful lives.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Leases and Subscription Obligations (Continued)

Key estimates and judgments related to leases and subscriptions include how the School determines the discount rate it uses to discount the expected lease and subscription payments to present value, lease and subscription term, and lease and subscription payments.

- The interest rate charged by the lessor is used as the discount rate. When an interest rate charged by the lessor is not provided, the estimated incremental borrowing rate is used as the discount rate for leases and subscriptions.
- The lease terms include the noncancelable period of the leases and subscriptions and option years that the School is reasonably certain to exercise. Lease and subscription payments included in the measurement of the lease and subscription liabilities are composed of fixed payments and purchase option prices that the School is reasonably certain to exercise.

The School monitors changes in circumstances that would require a remeasurement of its leases and subscriptions and will remeasure the lease and subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease and subscription liabilities. Lease and subscription assets are reported with capital assets and lease and subscription liabilities are reported with noncurrent liabilities on the statement of net position. For additional information, refer to Note 5 and 6 for leases and subscriptions, respectively.

13. 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 Schools' deferred outflows of resources relate to the FRS pension and OPEB, as discussed in Note 13 and Note 14, 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 Schools' deferred inflows of resources relate to the FRS pension and OPEB, as discussed in Note 13 and Note 14, respectively.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Deferred Outflows/Deferred Inflows of Resources (Continued)

Unavailable revenue arises only under the modified accrual basis of accounting and so is reported only on the governmental funds Balance Sheet. Governmental funds report deferred inflows for unavailable revenues primarily from the Broward County Public School's Charter School Settlement Agreement (See Note 12). This amount is recognized as inflows of resources in the periods that the amount becomes available.

14. Restatement

For the fiscal year ended June 30, 2025, the Schools implemented GASB Statement 101, *Compensated Absences*. The implementation of this guidance impacted the beginning accrual balance of compensated absence balances, which resulted in a restatement of beginning net position and compensated absences, as follows:

	<u>Governmental Activities</u>	
	<u>Net Position</u>	<u>Compensated Absences</u>
As previously reported	\$ (11,874,586)	\$ 1,106,457
Change in accounting principles -		
GASB 101 - <i>Compensated Absences</i>	(106,764)	106,764
As restated	<u>\$ (11,981,350)</u>	<u>\$ 1,213,221</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

The Schools pool their cash, cash equivalents, and investments in accordance with legal restrictions.

As of June 30, 2025, the Schools' pooled cash and cash equivalents are summarized as follows:

<u>Description</u>	<u>Carrying Amount</u>
State Board of Administration	\$ 10,073,658
Cash on hand	<u>1,875</u>
Total pooled cash and cash equivalents	<u>\$ 10,075,533</u>

The Schools' investment objective order of priority is safety of capital, liquidity of funds, and investment income. Authorized investments of the Schools 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, and dated October 1, 2014. The average duration of the entire portfolio as a whole may not exceed five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement. This calculation also applies to the expected average life of asset-backed securities and mortgage-backed securities (rather than the stated final maturity). No more than 30% of the total investment portfolio shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement.

Authorized Investments per the Investment Policy are as follows:

List of Authorized Investments:

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

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

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

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

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

(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.

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

(k) Real estate, so long as the acquisition and sale comply 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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

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

The Schools invest in the State Board of Administration (SBA). 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. Financial statements for the SBA can be obtained on their website at prime.sbafla.com/audits. 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 Schools limit their exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio.

The Schools’ operating fund in the State Board of Administration and the sensitivity of the fair values of the Schools’ investments to market interest rate fluctuations as of June 30, 2025 is provided below.

	<u>Fair Value</u>	<u>Weighted Average Life</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating S&P</u>
SBA (the Florida PRIME)	\$ 10,073,658	80 days	47 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 Schools utilize portfolio diversification and credit quality rating in order to control this risk. The Florida PRIME is rated by Standard and Poor’s.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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 Schools categorize their 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, 2025, the Schools had \$ 10,073,658 invested in the Florida PRIME. The investments in the Florida PRIME are not restricted as to deposits or withdrawals. Florida PRIME currently meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures, and the account balance should also be considered the fair value of the investment.

The School has the following recurring fair value measurements as of June 30, 2025:

<u>Investment Type</u>	
<u>Investments Measured at Amortized Cost</u>	
State Board of Administration – Florida PRIME	\$ 10,073,658

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES

	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High School</u>	<u>Total</u>
Due from Broward County	\$ 3,604,237	\$ 2,283,038	\$ 4,451,002	\$ 10,338,277
Others	6,430	16,368	21,008	43,806
	<u>\$ 3,610,667</u>	<u>\$ 2,299,406</u>	<u>\$ 4,472,010</u>	<u>\$ 10,382,083</u>

NOTE 4. CAPITAL ASSETS

	Balance <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2025</u>
Capital assets, not being depreciated:				
Construction-in-progress	\$ 490,743	\$ -	\$ -	\$ 490,743
Total capital assets not being depreciated	<u>490,743</u>	<u>-</u>	<u>-</u>	<u>490,743</u>
Capital assets, being depreciated:				
Improvements other than buildings	2,802,064	-	-	2,802,064
Equipment	3,026,067	80,259	-	3,106,326
Right-to-use lease assets - Buildings	44,790,676	-	-	44,790,676
Right-to-use SBITA	1,215,090	-	(482,336)	732,754
Total capital assets being depreciated	<u>51,833,897</u>	<u>80,259</u>	<u>(482,336)</u>	<u>51,431,820</u>
Less accumulated depreciation for:				
Improvements other than buildings	(1,425,213)	(62,149)	-	(1,487,362)
Equipment	(2,104,924)	(118,822)	-	(2,223,746)
Right-to-use lease assets - Buildings	(16,796,504)	(5,598,835)	-	(22,395,339)
Right-to-use SBITA	(594,583)	(360,300)	482,336	(472,547)
Total accumulated depreciation	<u>(20,921,224)</u>	<u>(6,140,106)</u>	<u>482,336</u>	<u>(26,578,994)</u>
Total capital assets being depreciated, net	<u>30,912,673</u>	<u>(6,059,847)</u>	<u>-</u>	<u>24,852,826</u>
Governmental Activities Capital Assets, net	<u>\$ 31,403,416</u>	<u>\$ (6,059,847)</u>	<u>\$ -</u>	<u>\$ 25,343,569</u>

Depreciation and amortization expense was charged to functions/programs of the Schools as follows:

Governmental activities:

Operation and maintenance of school	\$ 5,781,242
Instructional services	310,100
Instruction support services	396
School administration	44,199
Food services	615
Student transportation services	3,554
	<u>\$ 6,140,106</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 5. LEASES

Leases are accounted for in accordance with the requirements of GASB Statement No. 87, Leases. 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. For additional information, refer to the disclosures below.

As of June 30, 2025, Pembroke Pines Charter Schools had three (3) active leases for the use of the facilities that were constructed and owned by the City. The leases have payments that range from \$855,885 to \$2,856,417 and interest rates of 0.9670%. As of June 30, 2025, the total combined value of the lease liability is \$23,221,090, the total combined value of the short-term lease liability is \$5,419,692. The combined value of the right to use asset, as of June 30, 2025, of \$44,790,676 with accumulated amortization of \$22,395,339 is included with the Right-to-Use Lease Assets – Building activities on Note 4 – Capital Assets.

As of June 30, 2025, the Schools had minimum principal and interest payment requirements for its leasing activities, with a remaining term of more than one year, as follows:

Fiscal Year	Governmental Activities		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$ 5,419,692	\$ 224,548	\$ 5,644,240
2027	6,762,507	172,140	6,934,647
2028	5,496,166	106,746	5,602,912
2029	5,542,725	53,598	5,596,323
	<u>\$ 23,221,090</u>	<u>\$ 557,032</u>	<u>\$ 23,778,122</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

SBITAs are accounted for in accordance with the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The School has entered various subscription-based information technology arrangements (SBITAs) for IT software. Most SBITAs have initial terms of up to two or three years and contain one or more renewals at the School's option. The School has generally included these renewal periods in the SBITA term when it is reasonably certain that the School will exercise the renewal option. Certain SBITAs require additional payments for other items such as training, support services, and variable payments that are not dependent upon an index or rate, or are not fixed in substance, which are expensed as incurred. As the interest rate implicit in the School's SBITAs is not readily determinable, the School utilizes its incremental borrowing rate to discount the SBITA payments which ranges from 2.0237% to 3.2070%. The assets acquired and capitalized under the right to use SBITAs is as follows:

Right to Use SBITA Asset Cost	\$ 732,754
Less: Accumulated Depreciation	<u>(472,547)</u>
Net Book Value	<u>\$ 260,207</u>

The principal and interest payments for the SBITA agreements outstanding as of June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2026	\$ 160,694	\$ 5,668	\$ 166,362
2027	<u>34,610</u>	<u>1,061</u>	<u>35,671</u>
	<u>\$ 195,304</u>	<u>\$ 6,729</u>	<u>\$ 202,033</u>

For the year ended June 30, 2025, the total principal reduction and interest incurred related to SBITA agreements was \$300,394 and \$11,470, respectively.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 7. REVENUE SOURCES

	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High School</u>	<u>Total</u>
Broward County School Board				
Florida Education Finance Program	\$ 13,547,021	\$ 8,353,355	\$ 15,749,441	\$ 37,649,817
Class size reduction	2,124,180	1,262,255	1,980,277	5,366,712
Public education capital outlay (PECO)	1,265,715	839,366	1,337,043	3,442,124
District school taxes	5,703,208	3,649,087	6,392,784	15,745,079
Governor's A+ funds	263,008	183,105	296,346	742,459
Supplemental academic instruction	443,281	293,969	468,269	1,205,519
Transportation revenue	237,303	342,771	676,566	1,256,640
ESE guaranteed allocation	405,607	369,783	674,116	1,449,506
Safe schools program	214,194	142,036	226,259	582,489
Local capital improvement	605,286	401,399	639,396	1,646,081
Mental health allocation	125,595	83,308	132,651	341,554
Education enrollment stabilization	96,363	63,899	101,802	262,064
School lunch supplement	3,344	2,197	3,448	8,989
School breakfast supplement	1,858	1,220	63,469	66,547
Total Broward County School Board	<u>25,035,963</u>	<u>15,987,750</u>	<u>28,741,867</u>	<u>69,765,580</u>
Other:				
Rental revenue	128,794	308,588	314,976	752,358
Food sales	528,748	426,825	641,334	1,596,907
Contributions	17,902	1,778	1,793	21,473
Before and after school education program	1,287,466	-	16,374	1,303,840
In-house transportation	153,521	107,877	169,661	431,059
Interest income	144,464	35,504	218,686	398,654
E-rate program	11,831	7,495	12,509	31,835
Other miscellaneous	685	107	-	792
Total other	<u>2,273,411</u>	<u>888,174</u>	<u>1,375,333</u>	<u>4,536,918</u>
Total Local and state	<u>27,309,374</u>	<u>16,875,924</u>	<u>30,117,200</u>	<u>74,302,498</u>
Federal and State grants:				
School breakfast program	119,042	68,845	-	187,887
National school lunch program	468,262	293,444	341,082	1,102,788
NSLP non-cash assistance (commodities)	50,481	33,164	52,049	135,694
Elementary and secondary school emergency relief fund	263,835	564,530	1,392,454	2,220,819
Safety and security school building	13,677	9,640	15,255	38,572
Student support and academic enrichment program	34,002	24,267	46,450	104,719
Individuals with disabilities education act (IDEA)	6,039	4,458	8,159	18,656
Carl Perkins Grant	-	-	6,087	6,087
Total Federal and State grants	<u>955,338</u>	<u>998,348</u>	<u>1,861,536</u>	<u>3,815,222</u>
Total Revenue Sources	<u>\$ 28,264,712</u>	<u>\$ 17,874,272</u>	<u>\$ 31,978,736</u>	<u>\$ 78,117,720</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS

<u>Transfer In</u>	<u>Transfer Out</u> <u>Charter High School</u>	<u>Total</u>	<u>Purpose</u>
Charter Middle School	\$ 471,000	\$ 471,000	Supplement current year operations

NOTE 9. CHANGES IN NONCURRENT LIABILITIES

	(As restated)			Balance <u>June 30, 2025</u>	Due Within <u>One Year</u>
	Balance	<u>Additions</u>	<u>Reductions</u>		
	<u>July 1, 2024</u>				
Lease liability	\$ 28,587,232	\$ -	\$ (5,366,142)	\$ 23,221,090	\$ 5,419,692
SBITA liability	495,698	-	(300,394)	195,304	160,694
Net pension liability	23,445,722	1,045,569	-	24,491,291	-
Net OPEB liability	134,587	67,258	-	201,845	-
Compensated absences*	1,213,221	41,892	-	1,255,113	1,044,807
Total	<u>\$ 53,876,460</u>	<u>\$1,154,719</u>	<u>\$ (5,666,536)</u>	<u>\$ 49,364,643</u>	<u>\$ 6,625,193</u>

*Restated as a result of the implementation of GASB Statement 101, Compensated Absences. The amount displayed as additions or reductions represents the net change in the liability.

NOTE 10. RISK MANAGEMENT

Health and hospitalization, workers' compensation and life insurance coverage is provided through the City of Pembroke Pines, Florida and the City, in turn, charges the Schools for this coverage. The Schools maintain their own insurance for general liability, automotive liability, School Board liability, basic and catastrophic student accident, and property and flood coverage through purchased commercial insurance with minimum deductibles for each line of coverage. There were no reductions in insurance coverage from the coverage provided in the prior year. Settled claims resulting from these risks have not exceeded commercial coverage in the past two years.

NOTE 11. 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 applicable funds. The amount, if any, of such expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Schools expect such amounts, if any, to be immaterial.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 12. CHARTER SCHOOLS REFERENDUM SETTLEMENT

On March 19, 2024, the Florida Commissioner of Education issued a memorandum to the Florida State Board of Education, finding probable cause that the Broward County School District was not in compliance with Florida law by failing to share revenues generated from the 2018 Referendum with Broward County charter schools. The memorandum recommended that the State Board of Education requires the District to submit proof of a School Board-approved plan for full payment of the withheld 2018 Referendum revenues.

To address the issue, the District reached a tentative settlement agreement in April 2024 to repay the charter schools a total of \$76.3 million. This amount will accrue interest monthly at a rate of 1 percent (12 percent annually), in accordance with Section 1002.33(17)(e) of the Florida Statutes. The terms of the settlement outline annual payments over three years, starting on July 10, 2024, and concluding on July 10, 2026. As a result of this settlement, the Schools recorded a receivable of \$9,599,084 in their financial statements, and a deferred inflow of resources, classified as unavailable revenue, amounting to \$5,085,744 was reported in the Schools' fund financial statements.

The payment schedule is as follows:

Payment Date	Amount
July 10, 2025	4,513,340
July 10, 2026	5,085,744
	<u>\$ 9,599,084</u>

NOTE 13. PENSION PLANS

Defined Benefit Plan

Florida Retirement System

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

Plan Description

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges, or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Most Pension Plan members (including renewed members), and State Community College Optional Retirement Program participants may elect to participate in the FRS Investment Plan. Florida Retirement System Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Average Final Compensation (AFC)

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

Vesting

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

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Service Retirement

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

- *Regular Class* – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.
- *Regular Class* – For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty years of creditable service regardless of the age before age 62.
- *Regular Class* – For FRS members who are in the FRS Pension Plan, the FRS Investment Plan, reemployed retirees without renewed membership in a regularly established position, or the non-integrated defined contribution plans.

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
850-778-4408 or toll free at 877-377-1737

Funding Policy

The Schools' required contribution rate is established and may be amended, by State Statute. For the fiscal year ended June 30, 2025, the contribution was 13.63% for Regular Class Members, 6.84% for Regular Class Retired Rehired Members, and 21.13% for DROP Members. The Schools are required to contribute both for full-time and part-time members of the Plan, which amounted to \$3,930,567 for FRS and HIS for the year ended June 30, 2025. As of June 30, 2025, there were 347 members in this Plan. The contribution rate includes the post-employment health insurance supplement of 2.00% and the administrative/educational fee of 0.06%.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

<u>Fiscal Year</u>	<u>Annual Required Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>	<u>Contribution Rates</u>	
				<u>Regular Class</u>	<u>DROP</u>
2025	\$ 3,930,567	\$ 3,930,567	100.0%	13.63%	21.13%
2024	2,974,710	2,974,710	100.0%	13.57%	21.13%
2023	2,620,578	2,620,578	100.0%	11.91%	18.60%
2022	2,241,335	2,241,335	100.0%	10.82%	18.34%
2021	1,934,235	1,934,235	100.0%	10.00%	16.98%
2020	1,574,740	1,574,740	100.0%	8.47%	14.60%
2019	1,476,624	1,476,624	100.0%	8.26%	14.03%
2018	1,413,716	1,413,716	100.0%	7.52%	12.99%
2017	1,311,513	1,311,513	100.0%	7.52%	12.99%
2016	1,191,296	1,191,296	100.0%	7.26%	12.88%

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 \$815,059 for fiscal year 2025.

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, 2024, are shown below:

Net Pension Liability

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Total Pension Liability	\$ 95,605,139	\$ 9,359,845	\$ 104,964,984
Plan Fiduciary Net Position	(80,024,181)	(449,512)	(80,473,693)
Net Pension Liability	\$ 15,580,958	\$ 8,910,333	\$ 24,491,291

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	4.80%	76.67%
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The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations as of June 30, 2024. 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

The Schools reported a liability of \$24,491,291 for their proportionate share of the net pension liability. The details of the proportionate share are as follow:

FRS Pension Plan							
Employer/ Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan	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
		Funding for Prior Period		Funding for Current Period			
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	\$ 716,914	0.014902670%	\$ 909,814	0.016066983%	\$ 5,938,242	\$ 6,215,465
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	437,308	0.009090421%	535,726	0.009460730%	3,622,245	3,659,855
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	629,953	0.013094983%	835,186	0.014749080%	5,217,936	5,705,638
	TOTAL	\$ 1,784,175		\$ 2,280,726		\$ 14,778,423	\$ 15,580,958

FRS Retiree Health Insurance Subsidy (HIS) Program							
Employer/ Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan	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
		Funding for Prior Period		Funding for Current Period			
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	\$ 145,289	0.022086542%	\$ 204,885	0.024200060%	\$ 3,507,637	\$ 3,630,245
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	89,324	0.013578821%	118,742	0.014025226%	2,156,498	2,103,921
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	124,393	0.018910024%	179,257	0.021173065%	3,003,164	3,176,167
	TOTAL	\$ 359,007		\$ 502,884		\$ 8,667,299	\$ 8,910,333

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 current and several prior measurement dates, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2015 through June 30, 2024, 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

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

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuations 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 2024 for the period July 1, 2018, through June 30, 2023. 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 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Index). 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 2024 for the HIS Program:

1. All demographic assumptions and method were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meeting in October 2024.
2. The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.
3. The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. 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 August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 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 August 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 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.48% 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 2024 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2024 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Asset Class	Target Allocation ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
Assumed Inflation - Mean			2.4%	1.5%

¹ As outlined in the FRS Pension Plan's investment policy available from Funds Manage on the SBA's website at www.sbafla.com

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2025.

FRS Net Pension Liability			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.70%	6.70%	7.70%
Elementary	\$ 10,932,785	\$ 6,215,465	\$ 2,263,709
Middle	6,437,557	3,659,855	1,332,941
High	10,036,017	5,705,638	2,078,027
Total	<u>\$ 27,406,359</u>	<u>\$ 15,580,958</u>	<u>\$ 5,674,677</u>

HIS Net Pension Liability			
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	2.93%	3.93%	4.93%
Elementary	\$ 4,132,568	\$ 3,630,245	\$ 3,213,237
Middle	2,395,044	2,103,921	1,862,242
High	3,615,657	3,176,167	2,811,318
Total	<u>\$ 10,143,269</u>	<u>\$ 8,910,333</u>	<u>\$ 7,886,797</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources

In accordance with GASB 68, 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 are 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 are 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 are 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 are amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2025, was 5.3 years for FRS and 6.3 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2025, are presented below:

	Collective Pension Expense		
	FRS	HIS	Total
Charter Elementary	\$ 1,085,033	\$ 219,745	\$ 1,304,778
Charter Middle	589,442	88,164	677,606
Charter High	1,043,180	191,427	1,234,607
Total	\$ 2,717,655	\$ 499,336	\$ 3,216,991

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

The components of deferred outflows and inflows of resources reported as of June 30, 2025, are presented below for each plan.

	FRS Pension Plan					
	Elementary		Middle		High	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Contributions, subsequent to measurement date	\$ 1,000,242	\$ -	\$ 644,982	\$ -	\$ 905,740	\$ -
Assumptions/inputs	851,886	-	501,617	-	782,010	-
Projected/actual earnings	-	(413,112)	-	(243,253)	-	(379,226)
Experience expected/actual	627,929	-	369,744	-	576,423	-
Change in Proportion, NPL	511,519	(73,832)	225,745	(151,660)	679,366	(160,458)
	<u>\$ 2,991,576</u>	<u>\$ (486,944)</u>	<u>\$ 1,742,088</u>	<u>\$ (394,913)</u>	<u>\$ 2,943,539</u>	<u>\$ (539,684)</u>

	HIS Program					
	Elementary		Middle		High	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Contributions, subsequent to measurement date	\$ 230,444	\$ -	\$ 139,622	\$ -	\$ 199,328	\$ -
Assumptions/inputs	64,247	(429,774)	37,234	(249,077)	56,211	(376,017)
Projected/actual earnings	-	(1,313)	-	(761)	-	(1,149)
Experience expected/actual	35,052	(6,971)	20,315	(4,040)	30,668	(6,099)
Change in Proportion, NPL	406,611	(32,841)	86,955	(72,070)	400,237	(100,789)
	<u>\$ 736,354</u>	<u>\$ (470,899)</u>	<u>\$ 284,126</u>	<u>\$ (325,948)</u>	<u>\$ 686,444</u>	<u>\$ (484,054)</u>

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year Ending June 30,	Elementary		Middle		High	
	FRS Expense	HIS Expense	FRS Expense	HIS Expense	FRS Expense	HIS Expense
2026	\$ 53,471	\$ 14,364	\$ (7,484)	\$ (32,332)	\$ 98,381	\$ 14,717
2027	1,163,259	6,411	630,364	(34,601)	1,094,386	5,177
2028	142,516	(15,476)	25,823	(57,930)	135,628	(28,602)
2029	67,808	3,188	13,634	(40,884)	88,177	(16,979)
2030	77,336	20,290	39,856	(13,144)	81,543	20,015
Thereafter	-	6,234	-	(2,553)	-	8,734
Total	<u>\$ 1,504,390</u>	<u>\$ 35,011</u>	<u>\$ 702,193</u>	<u>\$ (181,444)</u>	<u>\$ 1,498,115</u>	<u>\$ 3,062</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 13. PENSION PLANS (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 or 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 FRS or to remain in the Defined Contribution Plan with the Mission Square Retirement (MRS). At June 30, 2025, there were 15 Plan members. Effective January 1, 2002, the Schools' Plan members may make voluntary after-tax contributions of up to twenty-five percent (25%) of compensation during the fiscal year. The Schools' required contribution is 13.63% of the Plan member's gross salary to agree with the contribution to the FRS. For the year ended June 30, 2025, the Schools contributed \$168,495 and the employees contributed \$17,796 to the Plan. Provisions of the Schools' Plan may be amended by the City Commission. The Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net position of the Schools' Plan is not included in the Schools' special purpose financial statements.

Beginning in the fiscal year 2009, the Schools recorded revenue and a receivable for MRS forfeitures. These forfeitures represent the amount of non-vested accrued employer benefits. The Schools will utilize these forfeitures to offset future employer contributions to the Plan. There were no MRS forfeitures during the fiscal year ended June 30, 2025.

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)

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

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

Summary of Significant Accounting Policies

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

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

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

The City's Other Post-Employment Benefit Trust Fund does not issue separate stand-alone financial statements. Therefore, the Statement of Net Position – Fiduciary Fund and the Statement of Changes in Net Position are included within the Notes to Basic Financial Statement of the City's Annual Comprehensive Financial Report (ACFR) as published in the City's website (www.ppines.com).

Plan Description

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

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

Benefits Provided

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

The City provides post-employment benefits such as health insurance for eligible School's 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.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Contributions

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.

At September 30, 2024, the measurement date used for the City's OPEB liability, the following Schools' 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	<u>357</u>
	<u>357</u>

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, 2025, the average contribution rate was 15.017 percent of covered-employee payroll.

Net OPEB Liability

The City's net OPEB liability was measured as of September 30, 2024. The Schools' proportionate share of the City's net OPEB liability was calculated based on the Schools' OPEB contributions for the reporting period ended June 30, 2025. The components of the Schools' proportionate share of the City's net OPEB liability are as follows:

Total OPEB liability	\$ 1,187,187
Plan fiduciary net position	<u>(985,342)</u>
Net OPEB liability	<u><u>\$ 201,845</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	83.00%
Net OPEB liability as a percentage of covered employee payroll	19.99%

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 reporting date was based on an actuarial valuation with measurement date of September 30, 2024. The actuarial valuation used the following actuarial assumptions:

Inflation	2.30% per annum
Salary Increases	Ranging from 3.50% to 8.50% depending on age
Investment Rate of Return	7.65% per annum Discount rate is based on expected long-term rate of return on plan investments using building block approach plus inflation (2.30%)
Healthcare Cost Trend Rates	7.75% initial for Pre-Medicare Medical and Prescription and stop loss fees, 6.75% initial for Medicare benefits, decreasing 0.31% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate and 4.0% 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	<i>Experience/Assumption</i> gains and losses are amortized over a closed period of 5.0 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) <i>Investment gain and losses</i> are amortized over a closed period of 5 years
Mortality Rates	PUB 2010 mortality table and scaled using MP-2021 and applied on a gender-specific and job class basis.

The actuarial assumptions used in the September 30, 2024 valuation were based on the results of an actuarial experience study for the period of September 2016 through September 2023.

The changes of actuarial assumption from the prior year include an update of the discount rate from 8.11% to 7.65%, retirement rates for general employees were updated based on the July 1, 2024, Florida Retirement System actuarial valuation, and the trend rates were updated to an initial rate of 7.75% from 6.75% in the prior year.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

Discount Rate

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%	7.00%
Mid Cap	7%	7.50%
Small Cap	8%	7.50%
International Equity	8%	8.50%
Real Estate	10%	6.90%
Fixed income	30%	3.30%
Total Real Return	100%	7.65%

The discount rate used to measure the OPEB liability was updated from 8.11% in the prior valuation to 7.65%. 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.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Total OPEB Liability (June 30, 2024)	\$ 866,164	\$ 731,577	\$ 134,587
Changes for the year:			
Service cost	11,730	-	11,730
Interest cost	136,669	-	136,669
Differences between expected and actual experience	(23)	-	(23)
Changes in assumptions	285,643	-	285,643
Contributions	-	161,635	(161,635)
Net Investment Income	-	207,156	(207,156)
Benefit payments	(112,996)	(112,996)	-
Administration expenses	-	(2,030)	2,030
Net change	321,023	253,765	67,258
Total OPEB Liability (June 30, 2025)	<u>\$ 1,187,187</u>	<u>\$ 985,342</u>	<u>\$ 201,845</u>

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

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

Net OPEB Liability (based on Trend Rate)		
1% Decrease	Current Trend	1% Increase
\$ 140,834	\$ 201,845	\$ 274,230
Net OPEB Liability (based on Discount Rate)		
+1% Discount Sensitivity	Current Rate	-1% Discount Sensitivity
8.65%	7.65%	6.65%
\$ 145,190	\$ 201,845	\$ 269,435

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

In accordance with GASB 75, changes in the collective net OPEB liability are recognized in OPEB expenses 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

The OPEB expenses for the fiscal year ended June 30, 2025 is as follows:

	Collective OPEB Expenses
Charter Elementary	\$ 42,574
Charter Middle	23,859
Charter High	41,574
Total	\$ 108,007

Per GASB 75, employer contributions to the OPEB plan made subsequent to the measurement date of the collective net OPEB liability, September 30, 2024, and before the end of the employer’s reporting period, June 30, 2025, are reported as deferred outflows of resources related to OPEB and will be recognized as a reduction of the OPEB liability in the reporting period ending June 30, 2026. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTE 14. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (Continued)

OPEB Benefit and Deferred Outflows/ (Inflows) of Resources (Continued)

Charter Elementary

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Contributions, subsequent to measurement date	\$ 35,832	\$ -	\$ 35,832
Experience expected/actual	38,482	(2,711)	35,771
Assumptions/inputs	155,760	(24,278)	131,482
Projected/Actual earnings	-	(16,983)	(16,983)
	<u>\$ 230,074</u>	<u>\$ (43,972)</u>	<u>\$186,102</u>

Charter Middle

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Contributions, subsequent to measurement date	\$ 24,760	\$ -	\$ 24,760
Experience expected/actual	26,592	(1,874)	24,718
Assumptions/inputs	107,632	(16,776)	90,856
Projected/Actual earnings	-	(11,735)	(11,735)
	<u>\$ 158,984</u>	<u>\$ (30,385)</u>	<u>\$128,599</u>

Charter High

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Contributions, subsequent to measurement date	\$ 36,512	\$ -	\$ 36,512
Experience expected/actual	39,213	(2,763)	36,450
Assumptions/inputs	158,719	(24,739)	133,980
Projected/Actual earnings	-	(17,305)	(17,305)
	<u>\$ 234,444</u>	<u>\$ (44,807)</u>	<u>\$189,637</u>

TOTAL FOR ALL SCHOOLS	<u>\$ 623,502</u>	<u>\$ (119,164)</u>	<u>\$ 504,338</u>
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Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending June 30:	
2026	\$ 134,655
2027	136,746
2028	104,028
2028	31,805
Total	<u>\$ 407,234</u>

**Required Supplementary
Information
(Unaudited)**

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CHARTER ELEMENTARY SCHOOLS

FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local	\$ 25,398,808	\$ 25,922,344	\$ 27,309,374	\$ 1,387,030
Federal and State grants	<u>761,337</u>	<u>795,339</u>	<u>955,338</u>	<u>159,999</u>
Total revenues	<u>26,160,145</u>	<u>26,717,683</u>	<u>28,264,712</u>	<u>1,547,029</u>
Expenditures:				
Current:				
K-3 Basic	7,793,279	8,164,570	8,731,322	(566,752)
4-8 Basic	3,918,109	3,853,901	4,316,751	(462,850)
Exceptional student program	856,644	907,299	1,114,177	(206,878)
Substitute teachers	109,772	109,772	126,706	(16,934)
School/Others	24,252	24,252	26,098	(1,846)
Guidance services	356,721	322,982	361,213	(38,231)
Health services	566,635	495,511	366,564	128,947
Instructional media services	337,732	319,268	363,280	(44,012)
Instructional and curriculum development services	343,523	327,652	420,893	(93,241)
Office of innovative learning	139,054	150,936	158,138	(7,202)
Instructional staff training service	25,215	27,962	40,148	(12,186)
Board	17,835	17,835	15,857	1,978
General administration	14,398	14,398	17,548	(3,150)
School administration	3,456,166	3,408,291	2,188,802	1,219,489
Food services	1,244,848	1,380,164	1,338,107	42,057
Student transportation services	1,062,506	1,065,918	1,009,912	56,006
Operation of school	5,209,643	5,447,816	5,347,542	100,274
Child care supervision	657,729	655,591	644,913	10,678
Capital outlay	<u>26,084</u>	<u>23,565</u>	<u>27,996</u>	<u>(4,431)</u>
Total expenditures	<u>26,160,145</u>	<u>26,717,683</u>	<u>26,615,967</u>	<u>101,716</u>
Excess (Deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,648,745</u>	<u>1,648,745</u>
Net change in fund balances	-	-	1,648,745	1,648,745
Fund balances, beginning	<u>2,324,879</u>	<u>2,324,879</u>	<u>2,324,879</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,324,879</u>	<u>\$ 2,324,879</u>	<u>\$ 3,973,624</u>	<u>\$ 1,648,745</u>

See note to Budgetary Comparison Schedule.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CHARTER MIDDLE SCHOOLS

FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local	\$ 15,763,572	\$ 15,947,556	\$ 16,875,924	\$ 928,368
Federal and State grants	530,024	554,291	998,348	444,057
Total revenues	<u>16,293,596</u>	<u>16,501,847</u>	<u>17,874,272</u>	<u>1,372,425</u>
Expenditures:				
Current:				
4-8 Basic	8,019,849	8,125,636	8,967,365	(841,729)
9-12 Basic	1,400	1,400	436	964
Exceptional student program	854,689	831,237	943,775	(112,538)
Substitute teachers	80,658	80,658	87,850	(7,192)
School/other	49,946	49,946	62,746	(12,800)
Guidance services	308,593	281,087	374,667	(93,580)
Health services	311,100	328,457	289,674	38,783
Instructional media services	266,406	259,049	258,941	108
Instructional and curriculum development services	208,473	205,006	267,399	(62,393)
Office of innovative learning	134,816	147,435	146,311	1,124
Instructional staff training service	34,720	38,220	32,060	6,160
Board	11,890	11,890	10,571	1,319
General administration	10,536	10,536	10,691	(155)
School administration	2,287,056	2,330,591	1,398,185	932,406
Food services	954,241	962,731	880,883	81,848
Student transportation services	749,449	726,428	683,648	42,780
Operation of school	2,838,374	2,936,770	2,820,770	116,000
Athletics	39,346	44,346	21,719	22,627
Capital outlay	18,329	16,699	15,995	704
Total expenditures	<u>17,179,871</u>	<u>17,388,122</u>	<u>17,273,686</u>	<u>114,436</u>
Excess (Deficit) of revenues over (under) expenditures	(886,275)	(886,275)	600,586	1,486,861
Other financing sources:				
Transfers in	886,275	886,275	471,000	(415,275)
Total other financing sources	<u>886,275</u>	<u>886,275</u>	<u>471,000</u>	<u>(415,275)</u>
Net change in fund balances	-	-	1,071,586	1,071,586
Fund balances, beginning	<u>147,611</u>	<u>147,611</u>	<u>147,611</u>	-
Fund balances, ending	<u>\$ 147,611</u>	<u>\$ 147,611</u>	<u>\$ 1,219,197</u>	<u>\$ 1,071,586</u>

See note to Budgetary Comparison Schedule.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CHARTER HIGH SCHOOL

FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local	\$ 26,983,695	\$ 26,592,766	\$ 30,117,200	\$ 3,524,434
Federal and State grants	426,768	631,002	1,861,536	1,230,534
Total revenues	<u>27,410,463</u>	<u>27,223,768</u>	<u>31,978,736</u>	<u>4,754,968</u>
Expenditures:				
Current:				
4-8 Basic	1,816,953	1,780,074	2,033,312	(253,238)
9-12 Basic	9,548,584	9,282,928	10,335,325	(1,052,397)
Exceptional student program	863,871	840,874	975,716	(134,842)
Vocational 6-12	239,795	322,767	341,277	(18,510)
Substitute teachers	128,557	128,557	146,666	(18,109)
School/other	30,321	30,321	60,271	(29,950)
Guidance services	827,393	787,106	950,351	(163,245)
Health services	188,934	212,166	176,544	35,622
Instructional media services	192,235	194,359	219,054	(24,695)
Office of innovative learning	130,579	142,584	142,147	437
Instructional and curriculum development services	232,402	222,415	268,201	(45,786)
Instructional staff training service	8,420	6,720	6,115	605
Board	5,945	5,945	5,286	659
General administration	16,534	16,534	21,215	(4,681)
School administration	3,110,830	3,111,651	1,810,491	1,301,160
Food services	1,184,179	1,182,479	1,146,077	36,402
Student transportation services	1,233,403	1,178,312	1,126,164	52,148
Operation of school	6,568,714	6,691,485	6,553,241	138,244
Child care supervision	8,491	8,491	-	8,491
Athletics	392,037	387,446	372,186	15,260
Capital outlay	28,000	36,268	36,268	-
Total expenditures	<u>26,756,177</u>	<u>26,569,482</u>	<u>26,725,907</u>	<u>(156,425)</u>
Excess of revenues over expenditures	<u>654,286</u>	<u>654,286</u>	<u>5,252,829</u>	<u>4,598,543</u>
Other financing sources (uses):				
Transfers out	<u>(654,286)</u>	<u>(654,286)</u>	<u>(471,000)</u>	<u>183,286</u>
Total other financing sources (uses)	<u>(654,286)</u>	<u>(654,286)</u>	<u>(471,000)</u>	<u>183,286</u>
Net change in fund balances	-	-	4,781,829	4,781,829
Fund balances, beginning	<u>2,327,014</u>	<u>2,327,014</u>	<u>2,327,014</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,327,014</u>	<u>\$ 2,327,014</u>	<u>\$ 7,108,843</u>	<u>\$ 4,781,829</u>

See note to Budgetary Comparison Schedule.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

NOTE TO BUDGETARY COMPARISON SCHEDULES

FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

1. Annual budgets are legally adopted for all Charter School funds which are governmental funds. All governmental fund budgets are 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 reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at year-end. For the fiscal year ended June 30, 2025, there were no encumbrances.

2. The Charter Schools' budgets are approved via resolution in a public hearing conducted by the City Commission. The adopted budgets are integrated into the accounting software system effective July 1st. The budgets establish 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 budgets, which prior to July 1st, are 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 the 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 including appropriated fund transfers. The adopted budgets 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 budgets include the supplemental appropriations before transfers, which have the effect of adjusting the original adopted budgets. There were supplemental expenditure appropriations before transfers of \$557,538 more than the original budget in the elementary schools, \$208,251 more than the original budget in the middle schools and \$186,695 less than the original budget in the high school during the fiscal year ended June 30, 2025. There were revenues before transfer of \$557,538 more than the original budget in the elementary schools, \$208,251 more than the original budget in the middle schools, and \$186,695 less than the original budget in the high schools.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

Charter Elementary School
Required Supplementary Information
Pension Schedule
(UNAUDITED)

Reporting period as of: Measurement date as of:	6/30/2025		6/30/2024		6/30/2023		6/30/2022		6/30/2021	
	6/30/2024		6/30/2023		6/30/2022		6/30/2021		6/30/2020	
Florida Retirement System Plan (in thousands):	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS
Total pension liability	237,370,289	\$ 15,757,752	\$ 226,204,201	\$ 16,563,149	\$ 217,434,441	\$ 11,126,966	\$ 209,636,046	\$ 12,719,121	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(198,685,586)	(756,775)	(186,357,366)	(681,815)	(180,226,405)	(535,368)	(202,082,183)	(452,618)	(161,568,265)	(378,261)
Net pension liability	<u>38,684,703</u>	<u>\$ 15,000,977</u>	<u>\$ 39,846,835</u>	<u>\$ 15,881,334</u>	<u>\$ 37,208,036</u>	<u>\$ 10,591,597</u>	<u>\$ 7,553,863</u>	<u>\$ 12,266,503</u>	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>

Plan fiduciary net position as a percentage of the total pension liability	83.70%	4.80%	82.38%	4.12%	82.89%	4.81%	96.40%	3.56%	78.85%	3.00%
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Charter Elementary Schools:										
Share of net pension liability as a percentage	0.016066983%	0.024200060%	0.014902670%	0.022086542%	0.015256345%	0.021695585%	0.014587594%	0.020373695%	0.013222129%	0.020635278%
Share of net pension liability as an amount	\$ 6,215,465	\$ 3,630,245	\$ 5,938,242	\$ 3,507,637	\$ 5,676,586	\$ 2,297,909	\$ 1,101,927	\$ 2,499,140	\$ 5,730,666	\$ 2,519,534
Covered-employee payroll	\$ 11,767,212	\$ 11,767,212	\$ 10,244,447	\$ 10,244,447	\$ 8,828,804	\$ 8,828,804	\$ 8,028,361	\$ 8,028,361	\$ 7,212,741	\$ 7,212,741
Net pension liability as a percentage of covered-employee payroll	52.82%	30.85%	57.97%	34.24%	64.30%	26.03%	13.73%	31.13%	79.45%	34.93%

Reporting period as of: Measurement date as of:	6/30/2020		6/30/2019		6/30/2018		6/30/2017		6/30/2016	
	6/30/2019		6/30/2018		6/30/2017		6/30/2016		6/30/2015	
Florida Retirement System Plan (in thousands):	FRS	HIS								
Total pension liability	\$ 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
Plan fiduciary net position	(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)
Net pension liability	<u>\$ 34,438,608</u>	<u>\$ 11,188,999</u>	<u>\$ 30,120,518</u>	<u>\$ 10,584,113</u>	<u>\$ 29,579,329</u>	<u>\$ 10,692,461</u>	<u>\$ 25,250,078</u>	<u>\$ 11,654,586</u>	<u>\$ 12,916,341</u>	<u>\$ 10,198,427</u>

Plan fiduciary net position as a percentage of the total pension liability	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%
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Charter Elementary Schools:										
Share of net pension liability as a percentage	0.013409509%	0.021056019%	0.013727637%	0.021531224%	0.013577866%	0.021325349%	0.013137343%	0.021223884%	0.014180334%	0.021143721%
Share of net pension liability as an amount	\$ 4,618,048	\$ 2,355,958	\$ 4,134,835	\$ 2,278,889	\$ 4,016,242	\$ 2,280,205	\$ 3,317,189	\$ 2,473,556	\$ 1,831,580	\$ 2,156,327
Covered-employee payroll	\$ 7,042,033	\$ 7,042,033	\$ 7,985,020	\$ 7,985,020	\$ 7,957,227	\$ 7,957,227	\$ 7,745,300	\$ 7,745,300	\$ 7,520,707	\$ 7,520,707
Net pension liability as a percentage of covered-employee payroll	65.58%	33.46%	51.78%	28.54%	50.47%	28.66%	42.83%	31.94%	24.35%	28.67%

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, 2024, using the individual entry age actuarial cost method.
2. Inflation increases for both plans is assumed at 2.40%.
3. Payroll growth, including inflation, for both plans is assumed at 3.50%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%.
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-2021.
6. The municipal bond rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS was 3.93%.

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, established and administered in accordance with section 112.363, Florida Statutes. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$7.50. The payment are at least \$45 but no more than \$225 per month, pursuant to section 112.363, Florida Statutes.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

Charter Middle School
Required Supplementary Information
Pension Schedule
(UNAUDITED)

Reporting period as of: Measurement date as of:	6/30/2025		6/30/2024		6/30/2023		6/30/2022		6/30/2021	
	6/30/2024		6/30/2023		6/30/2022		6/30/2021		6/30/2020	
Florida Retirement System Plan (in thousands):	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS
Total pension liability	\$ 237,370,289	\$ 15,757,752	\$ 226,204,201	\$ 16,563,149	\$ 217,434,441	\$ 11,126,966	\$ 209,636,046	\$ 12,719,121	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(198,685,586)	(756,775)	(186,357,366)	(681,815)	(180,226,405)	(535,368)	(202,082,183)	(452,618)	(161,568,265)	(378,261)
Net pension liability	<u>\$ 38,684,703</u>	<u>\$ 15,000,977</u>	<u>\$ 39,846,835</u>	<u>\$ 15,881,334</u>	<u>\$ 37,208,036</u>	<u>\$ 10,591,597</u>	<u>\$ 7,553,863</u>	<u>\$ 12,266,503</u>	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>

Plan fiduciary net position as a percentage of the total pension liability	83.70%	4.80%	82.38%	4.12%	82.89%	4.81%	96.40%	3.56%	78.85%	3.00%
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Charter Middle Schools:										
Share of net pension liability as a percentage	0.009460730%	0.014025226%	0.009090421%	0.013578821%	0.009755973%	0.014157382%	0.009949211%	0.014471648%	0.008672572%	0.014047239%
Share of net pension liability as an amount	\$ 3,659,855	\$ 2,103,921	\$ 3,622,245	\$ 2,156,498	\$ 3,630,006	\$ 1,499,493	\$ 751,550	\$ 1,775,165	\$ 3,758,820	\$ 1,715,145
Covered-employee payroll	\$ 7,042,058	\$ 7,042,058	\$ 5,960,910	\$ 5,960,910	\$ 5,459,960	\$ 5,459,960	\$ 5,182,179	\$ 5,182,179	\$ 5,125,177	\$ 5,125,177
Net pension liability as a percentage of covered-employee payroll	51.97%	29.88%	60.77%	36.18%	66.48%	27.46%	14.50%	34.26%	73.34%	33.47%

Reporting period as of: Measurement date as of:	6/30/2020		6/30/2019		6/30/2018		6/30/2017		6/30/2016	
	6/30/2019		6/30/2018		6/30/2017		6/30/2016		6/30/2015	
Florida Retirement System Plan (in thousands):	FRS	HIS								
Total pension liability	\$ 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
Plan fiduciary net position	(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)
Net pension liability	<u>\$ 34,438,608</u>	<u>\$ 11,188,999</u>	<u>\$ 30,120,518</u>	<u>\$ 10,584,113</u>	<u>\$ 29,579,329</u>	<u>\$ 10,692,461</u>	<u>\$ 25,250,078</u>	<u>\$ 11,654,586</u>	<u>\$ 12,916,341</u>	<u>\$ 10,198,427</u>

Plan fiduciary net position as a percentage of the total pension liability	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%
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Charter Middle Schools:										
Share of net pension liability as a percentage	0.008387837%	0.013849723%	0.009170693%	0.014329829%	0.009167388%	0.014203866%	0.008687191%	0.013636514%	0.009774085%	0.013999520%
Share of net pension liability as an amount	\$ 2,888,654	\$ 1,549,645	\$ 2,762,260	\$ 1,516,685	\$ 2,711,652	\$ 1,518,743	\$ 2,193,523	\$ 1,589,279	\$ 651,410	\$ 49,207
Covered-employee payroll	\$ 4,632,343	\$ 4,632,343	\$ 5,696,657	\$ 5,696,657	\$ 5,606,419	\$ 5,606,419	\$ 5,398,562	\$ 5,398,562	\$ 5,357,386	\$ 5,357,386
Net pension liability as a percentage of covered-employee payroll	62.36%	33.45%	48.49%	26.62%	48.37%	27.09%	40.63%	29.44%	12.16%	0.92%

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, 2024, using the individual entry age actuarial cost method.
2. Inflation increases for both plans is assumed at 2.40%.
3. Payroll growth, including inflation, for both plans is assumed at 3.50%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%.
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-2021.
6. The municipal bond rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS was 3.93%.

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, established and administered in accordance with section 112.363, Florida Statutes. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$7.50. The payment are at least \$45 but no more than \$225 per month, pursuant to section 112.363, Florida Statutes.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

Charter High School
Required Supplementary Information
Pension Schedule
(UNAUDITED)

Reporting period as of: Measurement date as of:	6/30/2025		6/30/2024		6/30/2023		6/30/2022		6/30/2021	
	6/30/2024		6/30/2023		6/30/2022		6/30/2021		6/30/2020	
Florida Retirement System Plan (in thousands):	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS	FRS	HIS
Total pension liability	\$ 237,370,289	\$ 15,757,752	\$ 226,204,201	\$ 16,563,149	\$ 217,434,441	\$ 11,126,966	\$ 209,636,046	\$ 12,719,121	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(198,685,586)	(756,775)	(186,357,366)	(681,815)	(180,226,405)	(535,368)	(202,082,183)	(452,618)	(161,568,265)	(378,261)
Net pension liability	<u>\$ 38,684,703</u>	<u>\$ 15,000,977</u>	<u>\$ 39,846,835</u>	<u>\$ 15,881,334</u>	<u>\$ 37,208,036</u>	<u>\$ 10,591,597</u>	<u>\$ 7,553,863</u>	<u>\$ 12,266,503</u>	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>

Plan fiduciary net position as a percentage of the total pension liability	83.70%	4.80%	82.38%	4.12%	82.89%	4.81%	96.40%	3.56%	78.85%	3.00%
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Charter High School:										
Share of net pension liability as a percentage	0.014749080%	0.021173065%	0.013094983%	0.018910024%	0.013994127%	0.020173943%	0.013363337%	0.019271451%	0.011554431%	0.018577679%
Share of net pension liability as an amount	\$ 5,705,638	\$ 3,176,167	\$ 5,217,936	\$ 3,003,164	\$ 5,206,940	\$ 2,136,743	\$ 1,009,448	\$ 2,363,933	\$ 5,007,861	\$ 2,268,304
Covered-employee payroll	\$ 9,971,025	\$ 9,971,025	\$ 8,898,846	\$ 8,898,846	\$ 7,627,315	\$ 7,627,315	\$ 7,368,647	\$ 7,368,647	\$ 6,822,503	\$ 6,822,503
Net pension liability as a percentage of covered-employee payroll	57.22%	31.85%	58.64%	33.75%	68.27%	28.01%	13.70%	32.08%	73.40%	33.25%

Reporting period as of: Measurement date as of:	6/30/2020		6/30/2019		6/30/2018		6/30/2017		6/30/2016	
	6/30/2019		6/30/2018		6/30/2017		6/30/2016		6/30/2015	
Florida Retirement System Plan (in thousands):	FRS	HIS								
Total pension liability	\$ 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
Plan fiduciary net position	(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)
Net pension liability	<u>\$ 34,438,608</u>	<u>\$ 11,188,999</u>	<u>\$ 30,120,518</u>	<u>\$ 10,584,113</u>	<u>\$ 29,579,329</u>	<u>\$ 10,692,461</u>	<u>\$ 25,250,078</u>	<u>\$ 11,654,586</u>	<u>\$ 12,916,341</u>	<u>\$ 10,198,427</u>

Plan fiduciary net position as a percentage of the total pension liability	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%
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Charter High School:										
Share of net pension liability as a percentage	0.011433330%	0.018604000%	0.011548723%	0.018683750%	0.012016723%	0.018962929%	0.011451996%	0.018074525%	0.012391542%	0.018101749%
Share of net pension liability as an amount	\$ 3,937,480	\$ 2,081,601	\$ 3,478,535	\$ 1,977,509	\$ 3,554,466	\$ 2,027,604	\$ 2,891,638	\$ 2,106,511	\$ 1,600,534	\$ 1,846,094
Covered-employee payroll	\$ 6,221,975	\$ 6,221,975	\$ 7,333,569	\$ 7,333,569	\$ 7,140,664	\$ 7,140,664	\$ 6,894,012	\$ 6,894,012	\$ 6,648,338	\$ 6,648,338
Net pension liability as a percentage of covered-employee payroll	63.28%	33.46%	47.43%	26.97%	49.78%	28.40%	41.94%	30.56%	24.07%	27.77%

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, 2024, using the individual entry age actuarial cost method.
2. Inflation increases for both plans is assumed at 2.40%.
3. Payroll growth, including inflation, for both plans is assumed at 3.50%.
4. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%.
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-2021.
6. The municipal bond rate (the Bond Buyer General Obligation 20-Bond Municipal Bond Index) used to determine total pension liability for HIS was 3.93%.

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, established and administered in accordance with section 112.363, Florida Statutes. For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$7.50. The payment are at least \$45 but no more than \$225 per month, pursuant to section 112.363, Florida Statutes.

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS
Charter Schools
Required Supplementary Information
Schedule of Pension Contributions
(UNAUDITED)

Fiscal year ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,930,567	\$ 2,974,710	\$ 2,620,578	\$ 2,241,335	\$ 1,934,235	\$ 1,574,740	\$ 1,476,624	\$ 1,413,716	\$ 1,311,513	\$ 1,191,296
Contributions in relation to the contractually required contribution	<u>(3,930,567)</u>	<u>(2,974,710)</u>	<u>(2,620,578)</u>	<u>(2,241,335)</u>	<u>(1,934,235)</u>	<u>(1,574,740)</u>	<u>(1,476,624)</u>	<u>(1,413,716)</u>	<u>(1,311,513)</u>	<u>(1,191,296)</u>
Contributions deficiency (excess)	<u>\$ -</u>									
 Covered-employee payroll	 \$ 28,780,295	 \$ 25,104,203	 \$ 21,916,079	 \$ 20,579,187	 \$ 19,160,421	 \$ 17,896,351	 \$ 21,015,246	 \$ 20,704,310	 \$ 20,037,874	 \$ 19,526,431
 Contributions as a percentage of covered-employee payroll	 13.66%	 11.85%	 11.96%	 10.89%	 10.09%	 8.80%	 7.03%	 6.83%	 6.55%	 6.10%

CITY OF PEMBROKE PINES, FLORIDA CHARTER SCHOOLS

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

Reporting period as of:	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date as of:	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB liability:								
Service costs	\$ 11,730	\$ 6,553	\$ 6,638	\$ 7,638	\$ 7,549	\$ 21,860	\$ 9,627	\$ 4,617
Interest	136,669	102,990	73,124	66,377	66,559	192,224	102,097	48,054
Benefit payments	(112,996)	(103,600)	36,600	(58,189)	(50,820)	(173,712)	(86,666)	(44,063)
Differences in experience	(23)	136,523	(110,361)	(30,684)	19,057	(129,348)	136,606	21,639
Changes in assumptions	<u>285,643</u>	<u>67,256</u>	<u>(75,621)</u>	<u>101,335</u>	<u>(61,274)</u>	<u>(58,288)</u>	<u>(81,173)</u>	<u>96,897</u>
Net change in total OPEB liability	321,023	209,722	(69,620)	86,477	(18,929)	(147,264)	80,491	127,144
Total OPEB liability - beginning	866,164	656,442	726,062	639,585	658,514	805,778	725,287	598,143
Total OPEB liability - ending	<u>\$ 1,187,187</u>	<u>\$ 866,164</u>	<u>\$ 656,442</u>	<u>\$ 726,062</u>	<u>\$ 639,585</u>	<u>\$ 658,514</u>	<u>\$ 805,778</u>	<u>\$ 725,287</u>
Plan fiduciary net position:								
Contributions - employer	\$ 152,146	\$ 135,843	\$ 61,658	\$ 64,325	\$ 65,131	\$ 212,527	\$ 83,182	\$ 62,377
Contributions - member	7,741	6,332	4,576	3,842	3,036	16,077	4,066	2,581
Other Contributions - Part D Subsidy, Rs Rebates)	1,748	1,515	-	-	-	-	-	-
Net investment income	207,156	91,716	(102,503)	99,101	49,193	69,494	66,989	36,899
Benefit payments	(112,996)	(103,600)	(75,621)	(58,189)	(50,820)	(173,712)	(86,666)	(44,063)
Administrative expense	<u>(2,030)</u>	<u>(1,688)</u>	<u>(1,081)</u>	<u>(705)</u>	<u>(1,226)</u>	<u>(3,632)</u>	<u>(2,717)</u>	<u>(800)</u>
Net changes in plan fiduciary net position	253,765	130,118	(112,971)	108,374	65,314	120,754	64,854	56,994
Plan fiduciary net position - beginning	731,577	601,459	714,430	606,056	540,742	419,988	355,134	298,140
Plan fiduciary net position - ending	<u>\$ 985,342</u>	<u>\$ 731,577</u>	<u>\$ 601,459</u>	<u>\$ 714,430</u>	<u>\$ 606,056</u>	<u>\$ 540,742</u>	<u>\$ 419,988</u>	<u>\$ 355,134</u>
Net OPEB liability - ending	\$ 201,845	\$ 134,587	\$ 54,983	\$ 11,632	\$ 33,529	\$ 117,772	\$ 385,790	\$ 370,153
Plan fiduciary net position as a percentage of the total OPEB liability	83.00%	84.46%	91.62%	98.40%	94.76%	82.12%	52.12%	48.96%
Covered payroll (2)	\$ 1,009,742	\$ 970,235	\$ 657,809	\$ 554,464	\$ 544,416	\$ 663,566	\$ 260,156	\$ 315,444
Net OPEB liability as a percentage of covered payroll	19.99%	13.87%	8.36%	2.10%	6.16%	17.75%	148.29%	117.34%

Note to 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 CHARTER SCHOOLS
Required Supplementary Information
Other Post-Employment Benefit Plan (OPEB)
Schedule of Employer Contributions
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution (1)	\$ 79,292	\$ 42,983	\$ 37,498	\$ 37,071	\$ 48,111	\$ 156,237	\$ 72,665	\$ 41,984	\$ 26,989	\$ 35,375
Contributions in relation to the actuarially determined contribution	152,146	135,843	61,658	64,325	65,131	212,527	83,182	62,377	66,706	43,954
Contributions deficiency (excess)	\$ (72,854)	\$ (92,860)	\$ (24,160)	\$ (27,254)	\$ (17,020)	\$ (56,289)	\$ (10,517)	\$ (20,393)	\$ (39,717)	\$ (8,579)
Covered payroll	\$ 1,009,742	\$ 970,235	\$ 657,809	\$ 554,464	\$ 544,416	\$ 663,566	\$ 260,156	\$ 315,444	\$ 315,444	\$ 306,256
Contributions as a percentage of covered payroll	15.07%	14.00%	9.37%	11.60%	11.96%	32.03%	31.97%	19.77%	21.15%	14.35%

Note to Schedule:

Measurement date	9/30/2024
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.
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	Where this information is missing, male spouses are assumed to be three years older than female spouses.
Mortality rates	PUB-2010 mortality table and scaled using MP-2021, applied on a gender-specific and job class basis
Actuarial assumptions:	
Inflation rate	2.30%
Investment rate of return (2)	7.65%
Projected salary increase rate	4.50% to 8.5%
Healthcare cost trend rate (3)	7.75% initial for Pre-Medicare Medical and Prescription and stop loss fees, 6.75% initial for Medicare benefits. Select trends are reduced 0.31% each year for nine years, and 0.10% thereafter until reaching an ultimate rate of 4.0% and 4.0% for administrative fees
Post-retirement benefits increase	Not applicable

(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 7.65% determined based on the long-term rate of return on plan investments using building block approach plus inflation, and at approximately 85-percentile.

(3) The healthcare cost trend rate grades down every year by 0.31% until an ultimate rate of 4.0% is reached.

**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**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the City of Pembroke Pines, Florida Charter Schools (the Charter Schools) of the City of Pembroke Pines, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter Schools' basic financial statements, and have issued our report thereon dated December 17, 2025. Our report included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, effective July 1, 2024. Our report is not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

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

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.

RSM US LLP

Fort Lauderdale, Florida
December 17, 2025

Management Letter Required by Chapter 10.850, Rules of the Auditor General

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

Report on the Financial Statements

We have audited the financial statements of the City of Pembroke Pines, Florida Charter Schools (the Charter Schools) of the City of Pembroke Pines, Florida as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 17, 2025. Our report included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, effective July 1, 2024. Our report is not modified with respect to this matter.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated December 17, 2025, 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 findings and recommendations reported 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 the 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 for the entity is the City of Pembroke Pines, Florida Charter Schools of the City of Pembroke Pines, Florida, and the corresponding school codes are 5051, 5081 and 5121.

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 Charter Schools has 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 Charter Schools 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 Charter Schools. It is management's responsibility to monitor the Charter Schools' financial condition, and our financial condition assessment was based in part on representations made by management and 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 Charter Schools maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Charter Schools maintained on their 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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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, Members of the City Commission, applicable management, and the Broward County School Board and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale Florida
December 17, 2025