

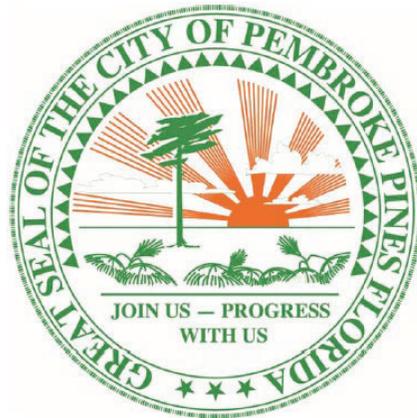
City of Pembroke Pines, Florida



Annual Comprehensive Financial Report and Compliance Reports Fiscal Year Ended September 30, 2021

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

**For the Fiscal Year Ended
September 30, 2021**



**Prepared by
The Finance Department**

City of Pembroke Pines, Florida
Fiscal Year Ended September 30, 2021

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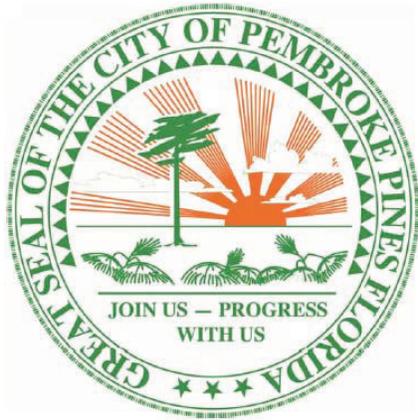
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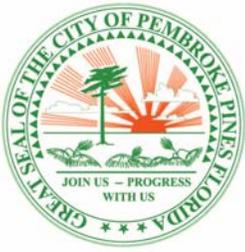


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I. INTRODUCTORY SECTION

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



**PEMBROKE PINES
CITY COMMISSION**

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April 25, 2022

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

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States, and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report of the City of Pembroke Pines for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the City of Pembroke Pines. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the City administration has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Pembroke Pines' financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As administrators, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by GLSC & Company PLLC, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Pembroke Pines' financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Pembroke Pines was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. There were no Single Audit findings during the fiscal year ended September 30, 2021.

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

Profile of the Government

The City of Pembroke Pines is a city in Broward County, Florida. The City had a population of 171,178 according to the 2020 US Census, making it the 2nd most populous city in Broward County, and the 11th most populous in Florida. The City is located about 15 miles southwest of Fort Lauderdale, in Broward County. Pembroke Pines has an area of approximately 34.25 square miles and is bordered on the east by the City of Hollywood and extends westerly to the Conservation District, and the Everglades. To the south of the City is the City of Miramar, to the northwest are the communities of Southwest Ranches, and Weston, and to the north and northeast are Cooper City, and the Town of Davie. Commercial support includes over 50 neighborhood and community shopping centers, which are capable of supplying needed goods and services for the area.

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

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

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

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

The Schools operate under a charter of the sponsoring school district, the Broward County School Board (the District) and the Florida State University (FSU). Annual budgets are legally adopted for all Charter School funds which are governmental funds. The Charter Schools' budgets are approved via a resolution at a public hearing conducted by the City Commission. The adopted budgets are integrated into the accounting software system effective July 1st. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budgets, which prior to July 1st, are legally enacted through passage of a resolution.

Section 5.06 of the City Charter provides that no officer, department or agency may legally expend or contract to expend the amounts in excess of the amounts appropriated for that general classification of expenditures. The budget is adopted at the school level, which is the legal level of control.

Factors Affecting Financial Condition

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

Economy

Throughout the course of fiscal year 2020-21, and for the early part of 2021-22, the pandemic continued to impact the state and local economy albeit at a slower pace. To that end, the Florida Economic Estimating Conference met on December 20, 2021, to adopt a new forecast for the state's economy.

According to the latest Economic Estimating Conference, during the early period of the pandemic, Florida's Gross Domestic Product (GDP) movements almost matched the nation as a whole. While the state's GDP slumped -0.3% in Fiscal Year 2019-20 and grew only 1.8% in Fiscal Year 2020-21, the Economic Estimating Conference anticipates that the state will expand at more than double the pre-pandemic rate for its 2021-22 fiscal year, posting 4.8% before decelerating to 3.1% in Fiscal Year 2022-23. Starting with Fiscal Year 2023-24, annual growth will average a more characteristic 2.0%.

Florida's February 2022 economic data also confirmed a decreasing unemployment rate and a stable, growing labor force. In February 2022, Florida's unemployment rate decreased by 0.2% over the month to 3.3%, and continued to remain below the national rate of 3.8%. Florida's unemployment rate has remained below the national rate for 15 consecutive months. The February 2022 labor force grew by 3.2% over the year, outpacing the national over-the-year labor force growth rate of 2.3%. In February 2022, Florida's labor force reached 10,471,000, increasing by 324,000, or 3.2% over the year. The unemployment rate for the City of Pembroke Pines is usually lower than that of the State and in February 2022 preliminary data released showed unemployment at 2.9%.

Inflation remains to be a cause for concern throughout the entire US economy. The 8.5% year-over-year inflation rate announced by the government is not only the worst report in 40 years, but many believe it could be the tip of the iceberg. Across the economy, the year-over-year price spikes were widespread in March. Gasoline prices have rocketed 48% in the past 12 months, and grocery prices have jumped 10%. Even excluding volatile food and energy prices, which have driven overall inflation, so-called core inflation jumped 6.5% over the past 12 months, the biggest increase since 1982. Economists believe that this latest evidence of accelerating prices will solidify expectations that the Federal Reserve will raise interest rates aggressively in the coming months to try to slow borrowing and spending in order to tame inflation.

Despite the overall slowdown of the US economy, the City of Pembroke Pines' positioning for progress in the future is undoubtedly ensured for periods that extend far beyond the sixty-two years of its existence due to its geographic location surrounded by the affluent tri-county markets of Miami-Dade, Broward, and Palm Beach Counties. The passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act provided well needed economic relief to individuals and businesses facing hardship or economic ruin and signals that the US government is willing to help minimize the impact of the downturn. The second round of assistance, the American Rescue Plan Act (ARPA) funds were received by the City and plans are being developed for its spending to assist the City in its recovery.

The economic outlook and prospects for the City continues to show a positive trajectory, as the City benefits from a stable and diverse revenue stream, and an efficiently managed service culture. Additionally, the City's 2021 taxable assessed value for fiscal year 2021-22, of \$14.9 billion increased by 5.0% over last year. This represented the tenth consecutive year of growth. New construction amounted to \$79.8 million and accounted for 11.3% of the increase.

The City will continue to affirm its efforts to increase and encourage business investment. These efforts include, but are not limited to, continued support for the Miramar-Pembroke Pines Regional Chamber of Commerce, and eliminating burdens on businesses by expediting the permitting process. The City's bright spark continues to revolve around real estate sales and development. Overall home prices have continued to increase and development sales have been strong. Broward County total home sales rose 5.9% year-over-year in January 2022, from 2,416 sales to 2,559, and existing condo sales increased 14.6%, from 1,262 to 1,446. However mortgage rates have hit an all-time high of 5%, the highest rate since 2011.

Long-Term Financial Planning

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

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

Pembroke Pines has always strived to maintain low property tax rates. The City's current millage rate for the fiscal year ending September 30, 2022 is 6.0849, which is comprised of an operating millage of 5.6690 and a debt service millage of 0.4159. This represents the lowest aggregate millage rate in the last 12 years. For the fiscal year ended September 30, 2021, the City's millage rate was 6.1009, which was comprised of an operating millage of 5.6736 and a debt service millage of 0.4273. The fiscal year 2021-22 operating millage rate, approved by the City Commission, will generate an additional \$3.0 million increase in property tax revenues.

The development of the City's capital improvement plans, as well as the annual budget, has led the City to pursue a balance between covering increasing operating costs and strengthening service levels while keeping taxes and fees affordable for residents. In this regard, the recovery of the economy as a whole and the related boost in the real estate market has been the major source of revenue increase for the 2021-22 adopted budget.

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

Relevant Financial Policies

The City adopted various financial policies in order to facilitate effective goal setting and decision making. These policies establish the framework for sound financial oversight of the City's operations.

The importance of monitoring the City's fund balance levels has become an integral part of its overall financial planning. The amount held in the City's reserves may be viewed as a gauge of the financial health of the city and whether the City is positioned financially to successfully meet its current and future needs.

Over the past years, the City has developed the budget in such a way as to preserve unassigned fund balance in the General Fund at not less than 10% of the total annual General Fund expenditures. This also provides a contingency for unexpected future events, such as hurricanes and other disasters. The City's adopted Fund Balance Policy covers the General Fund and specifies the course of action in the event that the unassigned fund balance falls below the minimum level of 10%. The City's General Fund unassigned fund balance for fiscal year 2020-21 is \$49.1 million which is 22.3% of 2021-22 adopted budgeted expenditures. This amount falls well within the established policy guidelines.

However, despite the economic downturn due to the pandemic, the City was fortunate enough to experience an increase in total General Fund reserves that can be used to meet the City's obligations and continue operations during an unforeseen emergency or crisis. Overall, total fund balance increased by \$10.3 million; and unassigned fund balance increased by \$6.1 million as additional projects were delayed due to the pandemic.

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

Major Initiatives

Despite having a second and third wave of the pandemic, the City has continued to focus on economic and programmatic expansion.

During the year the City received its first allocation of the American Rescue Plan Act (ARPA) funds in the amount of \$12.7 million, with the second tranche of an additional \$12.7 million to be received in the coming months. The City will undertake to utilize these funds for various projects, including but not limited to, replacement of roofs for numerous city buildings, the installation of interior/exterior locks and access controls for the City owned buildings at the Charter Schools, various park improvements, public safety payroll, a transportation master plan, and funding for phase 2 of the water main improvements and septic tank conversion for Pines Village.

Additionally, the City has undertaken various other projects as noted below.

Public Safety

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

- The fire department placed in service a new E-One 100' Platform Truck for Fire Station 69 replacing a 24 year old E-One 105' Platform Truck.
- Remodeled Fire Station 69's kitchen to accommodate the needs of the Fire Department improving on efficiency of work space and ability to maintain a clean food preparation environment.
- Ordered two (2) new Horton Rescue Trucks to be located at Fire Stations 69 and 89, which are our two busiest Fire Stations.
- Placed in service two (2) new Dodge Chargers for our Administrative Officers replacing older vehicles that reached the end of their expected life.
- Ordered one (1) Chevy Malibu for our Fire Prevention Bureau to use for our Fire Inspectors.
- Replaced the conventional hydraulic extrication tools (Jaws-of-Life) with state of the art battery operated hydraulic tools on two of our busiest fire engines.
- The Police Department implemented GPS technology to modernize the locating capabilities of our personnel in the field. This will increase officer safety in the event that an officer cannot be reached over their police radio or cell phone while on-duty. It will also assist with deployment strategies on active scenes/perimeters, as well as with neighborhood patrols.
- The Traffic Unit participated in numerous grant funded, High Visibility Enforcement operations for pedestrian and bicycle safety in the city. The purpose of these operations is to increase awareness and compliance with traffic laws and regulations by educating the public on safe driving, walking, and biking behaviors. This is accomplished through educational materials and free bicycle light distributions. With the assistance of our Police Grant Writer, the City obtain additional funds from what was initially provided to continue the educational, warning, and enforcement operations, at additional locations in the city.

- The Police Department's Dive Team has started a long term mapping project of all the waterways in the City of Pembroke Pines. Members are identifying the point of ingress/egress as well as the topography of the lakes for the quickest possible deployment in emergency situations. This initiative will reduce the time it takes to deploy our resources, and potentially help save lives.
- The Police Department researched and implemented Autism Calming Kits. Each Patrol Officer, SVU Detective and Victim Advocate received the kits. The calming kits afford members of our agency the opportunity to further develop outreach and adequately interact with someone who may be experiencing an autistic episode.
- The Police Department saw the completion of a FEMA wind retrofit grant with the West District Police Station receiving a new roof, a new generator, and all new hurricane impact rated doors and windows. The facility is now Category 5 rated.
- The Police Department researched and had Training Officers certified in Fair and Impartial Policing. This training was provided to all sworn police officers.
- The Police Department obtained a dual purposed HEPA filtered modern workstation for use by the Crime Scene Investigators and Technicians. The new system provides personnel with enhanced safety against harmful carcinogens during the processing of evidence.
- The Police Department added a Youth Affairs Sergeant. The additional supervisor provides needed support to School Resource Officers, the Threat Assessment Team, and our community partners.

Technology Improvements

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

- Continuing with its implementation of cameras, intercom, paging, emergency alerting, and synchronized digital clocks system including the expanding of physical network and data cabling rewiring for the Pembroke Pines Charter Schools (PPCS).
- The technology department selected a Student Information System (SIS) solution. The SIS is a management information system for education establishments to manage student data. The SIS system will provide (but not limited to) the following capabilities for Pembroke Pines Charter Schools (PPCS): registering students in courses; documenting grading, transcripts, results of student tests and other assessment scores; building student schedules; tracking student attendance; and managing many other student related data needs.
- The City has embarked on an Enterprise Resource Planning System (ERP) to replace legacy software City-wide. This will allow departments to function more cohesively in order better serve the residents of the City. The estimated cost of this project is approximately \$7.3 million and will take approximately two years to complete implementation. The City has already implemented Phase 1 –Financials and recently completed Phase 2 – Utilities, and Phase 4 – Energov. The City has spent approximately \$6.0 million through the end of 2021. Phase 3 – HR/Payroll, and Phase 5 –Asset Management are currently in process.
- The technology department also selected a Geographic Information System (GIS) solution. GIS is a framework for gathering, managing, and analyzing data. GIS integrates many types of data, analyzes spatial location and organizes layers of information into visualizations using maps and 3D scenes. With this unique capability, GIS reveals deeper insights into data, such as patterns, relationships, and situations—helping users make smarter decisions.

Utilities

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

- Completed design and bidding of Phase 2 of water and sewer main replacements in the Pines Village neighborhood of the City, which will result in improved services to those residents. This project includes replacement of water mains, new water service lines for residents, and conversion of the last remaining septic tank systems in the neighborhood to the City's sewer collection network. This will mitigate the potential of contamination to our ground water resources and benefits the environment.
- Rehabilitation of the City's sanitary sewer collection system in order to reduce storm water inflow and groundwater infiltration into the system. This will reduce the volume of unnecessary "non-sewer" water being treated and result in cost savings, and less wear and tear on the City's equipment.
- Rehabilitation of vital water treatment plant treatment units, filters, and associated infrastructure to increase efficiency and useful life of the components. This initiative also includes facility improvements such as refurbishment and painting of structures and buildings.
- Rehabilitation and replacement of significant components of the City's wastewater treatment plant, including replacement of the aeration system blowers and fine bubble diffusers, rehabilitation of the electrical system for the treated sewage pump station, and replacement of a portion of the biosolids conveyor system. This initiative also includes facility improvements such as refurbishment and painting of structures and buildings.
- Continue development of a program to mitigate the potential for sewer system blockages and backups caused by fats, oils, and grease.
- Design and construction of a new raw (well) water main pipe from the City's eastern wellfield to the water treatment plant in order to provide redundancy and more efficient delivery of water to the plant.
- Replacement of over 17,000 water meters that are 20 years and older throughout the City with new, electronic water meters that will bring a new level of accuracy and customer service to our customers.
- Continue efforts to ensure 100% compliance with local, state and federal regulations.

Economic Development and Real Estate

The City has also been involved in numerous real estate transactions over the years in order to encourage economic development as well as provide additional services to both the residents and business community of the City. Despite the slowdown of the economy, the City continues to forge ahead with various developments, and business have continued to show strong interest in relocating and even opening their doors in our City; including new interest from real estate investment trusts and investors.

On September 11, 2014, City purchased the Broward Correctional Institution Property from the State of Florida for \$13.5 million. On January 26, 2017, the City sold the property to South Florida Distribution Center, LLC for \$14.3 million. The purchaser, developed two distribution warehouse buildings with plans for a third building. The first building is 218,943 square feet and was completed in 2018 and sold to Sheridan Real Estate Investment A LLC for \$35 million. The second building, with approximately 248,770 square feet was completed in late 2019 and then sold to Sheridan Real Estate Investment B LLC along with the remaining land for \$40.37 million. Subsequently, the second building was sold in late 2021 for \$58.25 million to EverWest Real Estate Investors. Building one is being built out for light manufacturing and headquarters space for VPX Pharmaceuticals, the creator of Bang Energy beverages. EverWest leased building two back to VPX post acquisition.

On October 22, 2015, the City purchased the 27.4 acres real property from the United States Postal Service for \$17.9 million. On January 6, 2016, Commission approved the sale to Terra World Investments, LLC for \$23.5 million. Phase 1 closed in October 2017 for \$11.5 million and Terra World Investments, LLC is developing approximately 130,000 square feet of lifestyle commercial development (including restaurant, post office and retail spaces). Retail spaces have been delivered consistently since the summer of 2021. Currently a new Publix grocery store and Burlington clothing store as well as additional small shops are being constructed. The developer also received approval for 165 townhomes as well as associated parking and site improvements and closed on phase 2 of the project for \$12 million in May 2021. The parcel was then acquired by Lennar who is developing the townhome project. Units should be delivered in the 4th quarter of 2022 as the commercial construction is completed on the redevelopment site.

The former 13 acre City Hall parcel was added to the City Center Mixed Use development program. The parcel was divided into three pieces; the approximately 6.5 acre northern parcel and two approximately 3.15 acre parcels south of City Center Boulevard. On January 16, 2018, the City approved the sale of 3.15 acres of unimproved real property located south of Pines Boulevard and west of Palm Avenue to Providence One Investment, LLC. Providence One obtained approvals to build an assisted living facility with approximately 150 beds. The City and the developer closed on the real estate in March 2022 at a price in excess of \$3 million. The Commission also approved an amendment to the agreement for Purchase and Sale with the Terra Group to redevelop the remaining 9.5 acres of the former City Hall parcel. Terra's agreement defines a development program that includes the development of up to 120,000 square feet of medical office use on the northern 6.5 acres and 125 senior housing units on the southern 3 acres. As part of the agreement, Terra will reimburse the City for the demolition of the former City Hall, financially support traffic and infrastructure improvements around City Center. The City and Terra anticipate closing on the remaining parcels in third quarter of 2022.

Awards and Acknowledgements

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pembroke Pines for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020.

This was the nineteenth consecutive year that the City has earned this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement for Excellence in Financial Reporting program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

The City also received the Government Finance Officers Association's Distinguished Budget Presentation Award for the annual appropriated budget for the fiscal year beginning October 1, 2020. The City of Pembroke Pines has received this award consecutively for twenty-five years since the fiscal year beginning October 1, 1997. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including meeting program criteria as a policy document, as a financial plan, as an operational guide, and as a communications device.

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

The City's Charter Schools adopted budget received the GFOA Distinguished Budget Presentation Award for fourteen consecutive years, from fiscal year beginning July 1, 2004 to fiscal year 2016-2017. In fiscal year beginning July 1 2017, the GFOA piloted a new award program solely for school districts, titled the Award for Best Practices in School Budgeting. In the award's 2017-18 inaugural year, the Charter Schools received Special

Recognition for Implementing Best Practices in School Budgeting, and subsequently received the Award for Best Practices in School Budgeting the following fiscal year 2018-19. To further demonstrate their commitment to excellence in budgeting, the Charter Schools applied for and was awarded the Association of School Business Officials (ASBO) Meritorious Budget Award (MBA) for their 2019-2020 and 2020-2021 adopted budgets.

The Charter Schools simultaneously received the GFOA Distinguished Budget Presentation Award for fiscal years 2019-2020 and 2020-2021.

The City of Pembroke Pines is a vibrant, and diverse community, with excellent educational and cultural offerings. In 2022, we were ranked by WalletHub as one of the happiest Cities in Florida; and in 2021 we were also ranked as one of the best places to raise a family in Florida. As we continue to provide exceptional services to our residents and business community, we are committed to doing so in the most cost-effective and efficient way possible in order to minimize negative impacts on our residents.

The City continues to face a plethora of challenges head on with the vision and leadership of the City Commission, and with the strong dedication and commitment of our hard working staff. We fully comprehend that the decisions we make today, impact not only our current residents, but also the next generation. We remain dedicated to achieving the balance of fiscal responsibility and superb service delivery in order to plan ahead for a successful future.

The preparation of this report would not have been possible without the dedicated services of the Finance Department. We would like to express our appreciation to all members of staff who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Pembroke Pines.

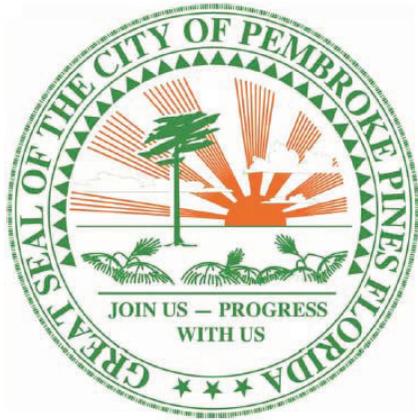
Sincerely,



Charles F. Dodge
City Manager



Lisa Chong
Finance Director



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

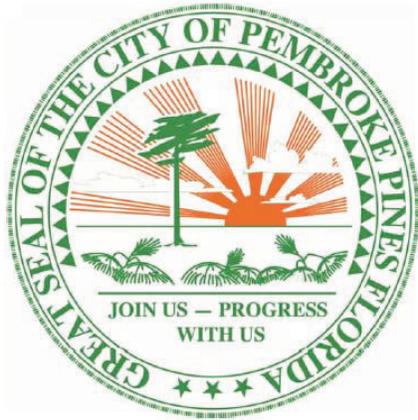
**City of Pembroke Pines
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



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LISTING OF CITY OFFICIALS

As of April 25, 2022



Frank C. Ortis

Mayor

Term: 2020 - 2024



Jay D. Schwartz

Vice Mayor – District 2

Term 2020 - 2024



Thomas Good, Jr.

Commissioner- District 1

Term: 2022 - 2026



Angelo Castillo

Commissioner - District 4

Term: 2022 - 2026



Iris A. Siple

Commissioner – District 3

Term 2020 - 2024

City Manager:

Charles F. Dodge

City Attorney:

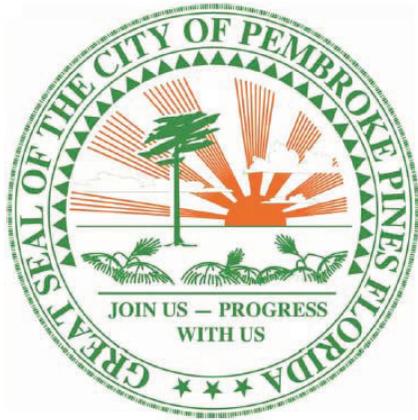
Goren, Cherof, Doody & Ezrol, P.A.

City Clerk:

Marlene Graham

Finance Director:

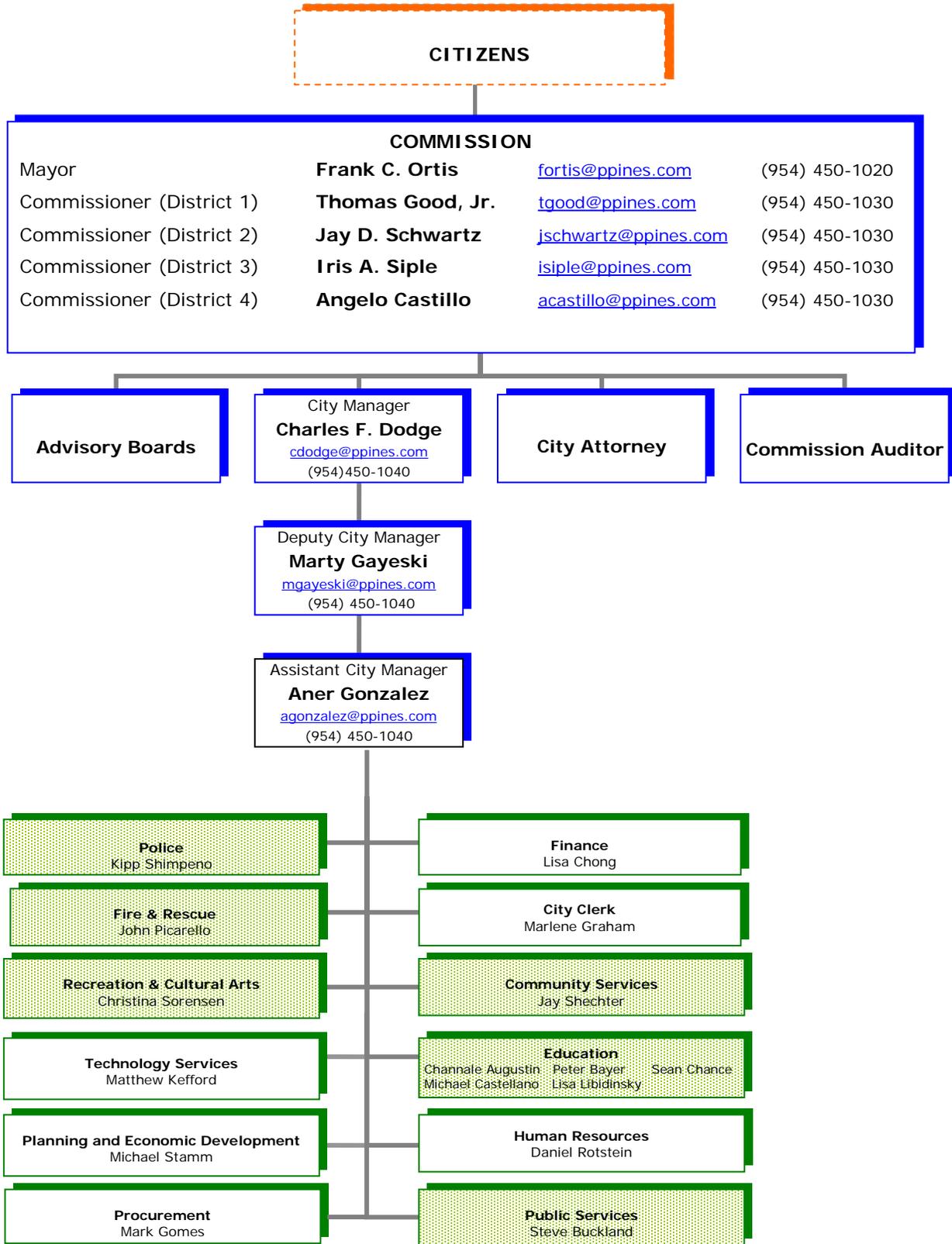
Lisa Chong



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CITY OF PEMBROKE PINES

Organizational Chart

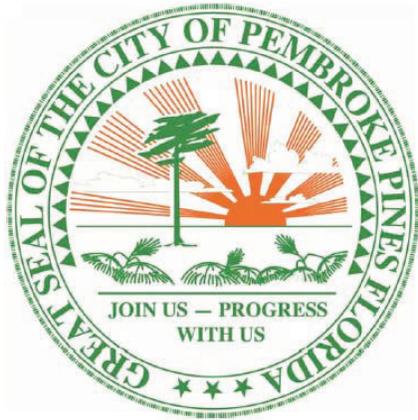


Legend

Legislative and Executive

Departments

Shading indicates direct public service provider



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II. FINANCIAL SECTION

- **Independent Auditors' Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements:**
 - **Government-wide Financial Statements**
 - **Fund Financial Statements**
 - **Notes to Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**



Independent Auditors' Report



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Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glscpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, as of and for the year ended September 30, 2021, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers, which represents 70 percent of the net position, 69 percent of the additions to, and 62 percent of the deductions from the fiduciary fund totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for Firefighters and Police Officers, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and other post-employment benefits and pension schedules as listed in the table of contents and included on pages 4 through 20 and pages 142 through 157 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, schedules of revenues, expenditures, and changes in fund balances – budget and actual and the schedule of expenditures of federal awards, state financial assistance, and local awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is found on pages 158 through 170 and pages 213 through 217, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, schedules of revenues and expenditures, and changes in fund balances – budget and actual and the schedule of expenditures of federal awards, state financial assistance, and local awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022, on our consideration of the City of Pembroke Pines, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Pembroke Pines, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pembroke Pines, Florida's internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
April 25, 2022



Management's Discussion and Analysis

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

As management of the City of Pembroke Pines, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to ix of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Pembroke Pines exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$267.7 million (*net position*), as compared with \$226.0 million for the previous fiscal year.
- The City's total net position increased by \$41.8 million (18.5%) during the current fiscal year. Included in the total net position is the governmental net position which increased by \$38.6 million (177.1%), and the business-type net position, which increased by \$3.2 million (1.3%).
- At the end of the current fiscal year, unrestricted net position of the City's governmental activities had a deficit of \$159.7 million, or 60.8% of total governmental activities expenses. The unrestricted net position of the business-type activities was \$85.8 million, or 150.0% of total business-type expenses for the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$128.3 million, an increase of \$9.4 million (7.9%) in comparison with the prior year. Approximately \$49.1 million (38.3 %) of this total amount is available for spending at the City's discretion (*unassigned fund balance*).

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 21-22 of this report.

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements on pages 158-161 of this report.

The City adopts an annual budget for its General Fund. A budgetary comparison schedule and the notes to the budgetary comparison schedule have been provided for the General Fund to demonstrate compliance with the budget, on pages 142-144. The basic governmental fund financial statements can be found on pages 23-26 of this report.

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

The basic proprietary fund financial statements can be found on pages 27-30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 31-32 of this report.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

The notes to the basic financial statements can be found on pages 33-141 of this report.

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

Required supplementary information can be found on pages 142-157 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

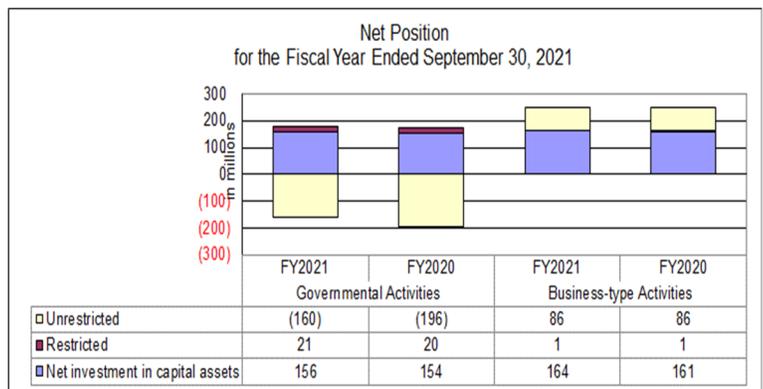
Combining and individual fund statements and schedules can be found on pages 158-161 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of the City's financial position. In the case of the City of Pembroke Pines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$267.7 million at the close of the most recent fiscal year, which represents an 18.5% increase compared to last year's net position of \$226.0 million. By far the largest portion of the City's net position, \$320.2 million (119.6%), represents net investment in capital assets, which is net of related debt. This includes land, construction-in-progress, buildings, improvements other than buildings, machinery and equipment, infrastructure, and intangibles, net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$21.4 million (8.0%), represents resources that are subject to external restrictions on how they may be used. This portion of the net position slightly increased by \$0.4 million when compared to last year mainly due to additional funds set aside for debt service as required by the bond covenants.

The unrestricted net position of (\$73.9) million is mainly attributed to the net pension and OPEB liabilities. This balance increased by \$35.3 million (32.4%) compared to last year.



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

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

In both fiscal year 2021 and 2020, the City continued to report increases in net position. For its separate business-type activities, the balances in all three categories of net position have been positive for both years.

Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 166.2	\$ 135.0	\$ 99.8	\$ 93.2	\$ 266.0	\$ 228.2
Restricted assets	19.7	23.3	8.2	8.1	27.9	31.4
Net pension asset	4.7	-	1.4	-	6.1	0.0
Unamortized bond issue costs	0.2	0.2	-	-	0.2	0.2
Capital assets, not being depreciated	71.3	69.3	22.4	15.0	93.7	84.3
Capital assets, being depreciated, net	302.7	311.2	144.0	149.1	446.7	460.3
Total assets	<u>564.8</u>	<u>539.0</u>	<u>275.8</u>	<u>265.4</u>	<u>840.6</u>	<u>804.4</u>
Total Deferred outflows of resources	<u>127.9</u>	<u>109.6</u>	<u>4.1</u>	<u>3.1</u>	<u>132.0</u>	<u>112.7</u>
Long-term liabilities	559.3	600.0	9.7	4.9	569.0	604.9
Other liabilities	69.4	49.1	16.1	13.9	85.5	63.0
Total liabilities	<u>628.7</u>	<u>649.1</u>	<u>25.8</u>	<u>18.8</u>	<u>654.5</u>	<u>667.9</u>
Total Deferred inflows of resources	<u>47.2</u>	<u>21.3</u>	<u>3.2</u>	<u>2.0</u>	<u>50.4</u>	<u>23.3</u>
Net investment in capital assets	156.0	153.6	164.2	160.5	320.2	314.1
Restricted	20.5	20.2	0.9	0.8	21.4	21.0
Unrestricted	(159.7)	(195.6)	85.8	86.4	(73.9)	(109.2)
Total net position	<u>\$ 16.8</u>	<u>\$ (21.8)</u>	<u>\$ 250.9</u>	<u>\$ 247.7</u>	<u>\$ 267.7</u>	<u>\$ 225.9</u>

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

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

Governmental activities. Net position of the City's governmental activities increased by \$38.6 million (177%) from (\$21.8) million in the last fiscal year to \$16.8 million in the current fiscal year.

Changes in Net Position (in millions) **

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 135.5	\$ 134.5	\$ 58.5	\$ 57.5	\$ 194.0	\$ 192.0
Operating grants & contributions	11.2	9.7	-	-	11.2	9.7
Capital grants & contributions	2.5	1.8	1.7	4.2	4.2	6.0
General Revenues:						
Property taxes	83.2	79.2	-	-	83.2	79.2
Utility taxes	14.8	14.6	-	-	14.8	14.6
Communications services tax	4.4	4.3	-	-	4.4	4.3
Insurance premium taxes	2.7	2.7	-	-	2.7	2.7
Local option gas tax	2.7	2.6	-	-	2.7	2.6
Franchise fees	19.2	18.9	-	-	19.2	18.9
Local business tax	3.4	3.6	-	-	3.4	3.6
Intergovernmental - unrestricted	18.8	15.8	-	-	18.8	15.8
Investment earnings not restricted	0.2	2.4	0.2	0.8	0.4	3.3
Other miscellaneous	2.7	0.7	-	0.1	2.7	0.8
Total revenues	<u>301.3</u>	<u>290.8</u>	<u>60.4</u>	<u>62.6</u>	<u>361.7</u>	<u>353.5</u>
Expenses:						
General government services	25.0	41.8	-	-	25.0	41.8
Public safety	120.5	120.9	0.2	0.2	120.7	121.1
Physical environment	3.0	3.2	-	-	3.0	3.2
Transportation	9.2	10.2	-	-	9.2	10.2
Economic environment	10.7	10.3	-	-	10.7	10.3
Human services	63.9	65.2	-	-	63.9	65.2
Culture/recreation	19.6	23.5	-	-	19.6	23.5
Interest on long-term debt	10.8	11.7	-	-	10.8	11.7
Water utility services	-	-	8.2	8.3	8.2	8.3
Sewer/wastewater services	-	-	17.6	15.5	17.6	15.5
Water-sewer combined service	-	-	31.2	35.9	31.2	35.9
Total expenses	<u>262.7</u>	<u>286.8</u>	<u>57.2</u>	<u>59.9</u>	<u>319.9</u>	<u>346.7</u>
Changes in net position	38.6	4.0	3.2	2.7	41.8	6.8
Net position, beginning	(21.8)	(25.8)	247.7	245.0	225.9	219.2
Net position, ending	<u>\$ 16.8</u>	<u>\$ (21.8)</u>	<u>\$ 250.9</u>	<u>\$ 247.7</u>	<u>\$ 267.7</u>	<u>\$ 226.0</u>

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

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

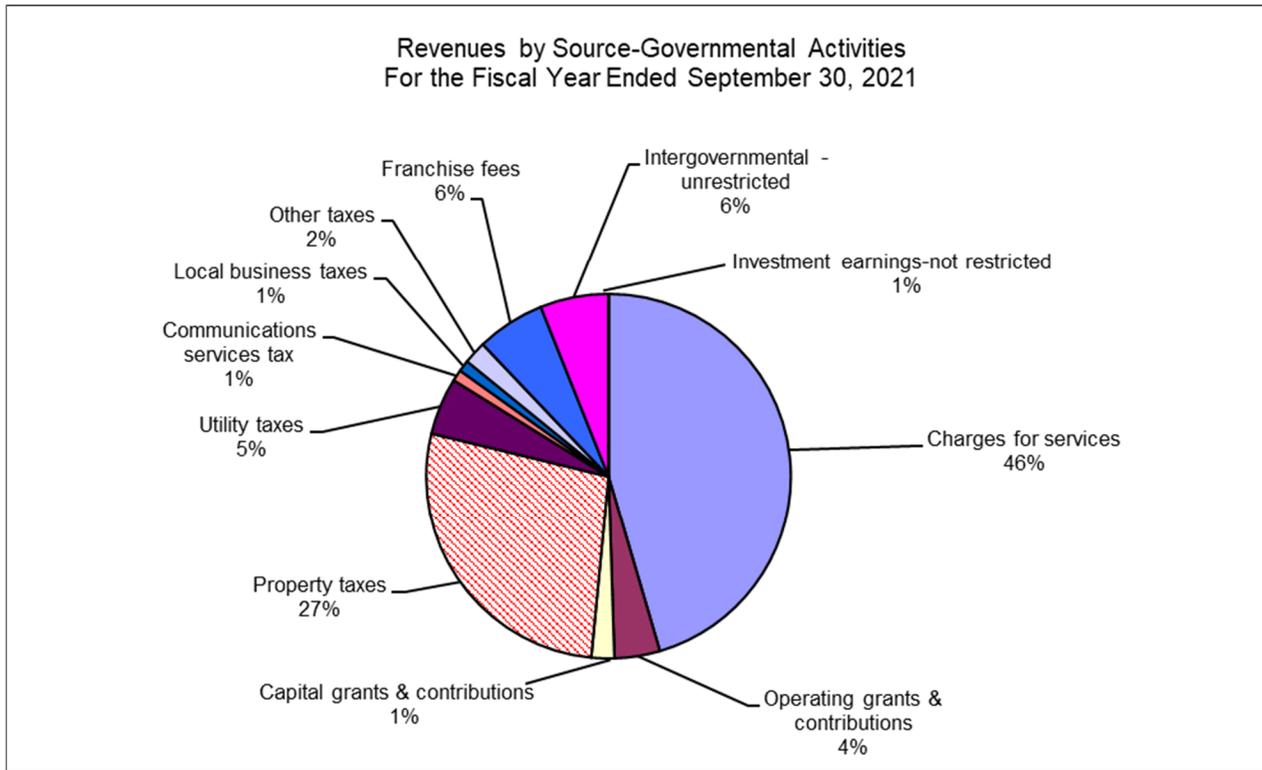
Revenues:

Revenues from governmental activities increased by approximately \$10.5 million (3.6%) over last year. Total program revenues, consisting of charges for services, operating grants and contributions, and capital grants and contributions, increased overall by \$3.2 million (2.2%), and general revenues increased by \$7.3 million (5.0%).

Program revenues showed an increase of \$1.0 million in charges for services, a \$1.5 million increase in operating grants and contributions, and a \$0.7 million increase in capital grants and contributions.

The \$1.5 million increase in operating grants and contributions was mainly from the additional funding received from the federal government for expanding the school breakfast and lunch subsidies for all students whereas in prior years, the subsidies covered only income-eligible students. The \$0.7 million increase in capital grants and contributions was mainly attributed to the additional state funding to enhance the school buildings' safety and security.

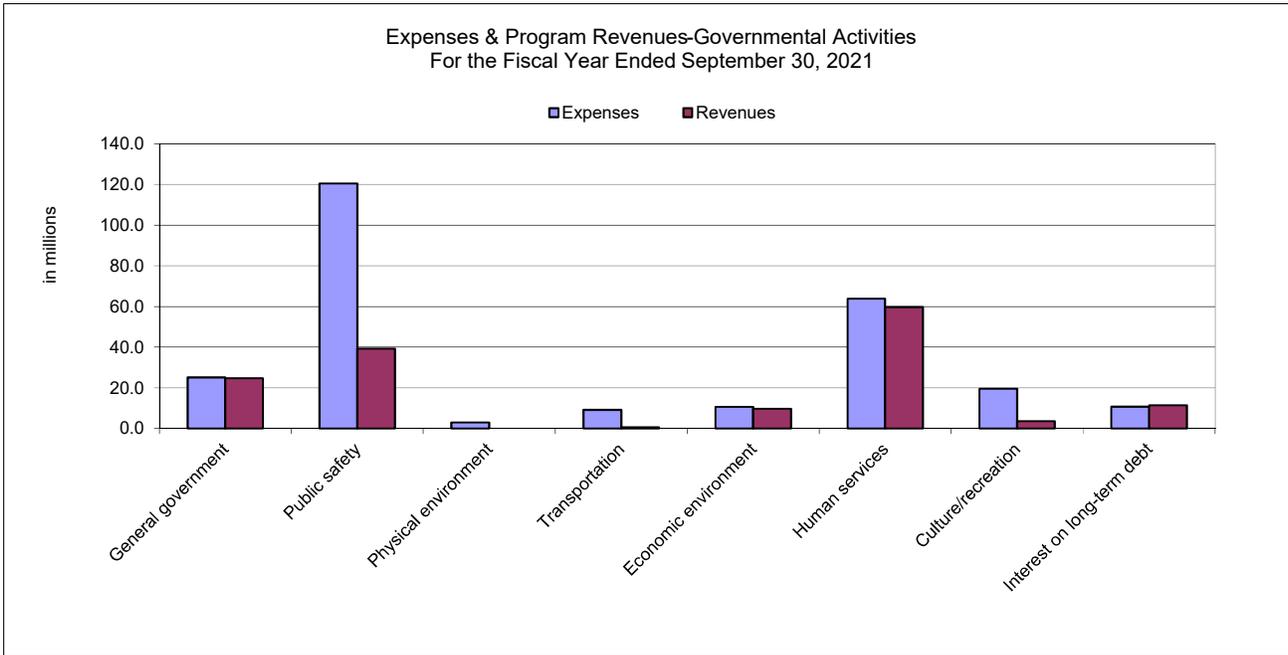
Overall, the general revenues, except for the local business tax and investment earnings not restricted, were higher than the prior fiscal year. Property taxes increased by \$4.0 million due to an increase in property tax value of 5.0%, and a \$2.0 million increase in other miscellaneous revenue derived from gain on sale of property.



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

Expenses:

Governmental activity expenditures decreased by \$24.1 million (8.4%) over last year. This decrease took place in all governmental functions/programs except economic environment services. The overall \$24.1 million decrease was mainly due to a \$16.8 million decrease in general government services, \$3.9 million decrease in culture and recreation, and a \$1.3 million decrease in human services. The decreases in general government, culture and recreation, and human services were mainly attributed to the decrease in net pension obligation arising from the changes in assumptions in determining liability and expenses.

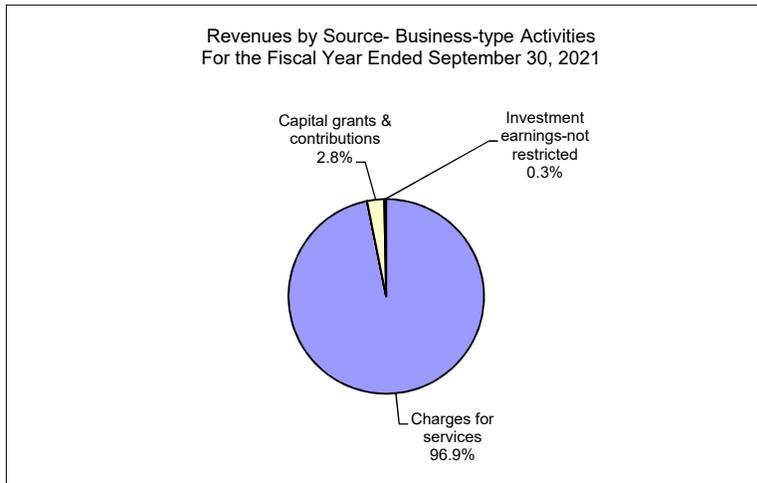


Business-type activities. The net position of the City's business-type activities increased by \$3.2 million (1.3%) from \$247.7 million in the last fiscal year to \$250.9 million in the current fiscal year.

Revenues:

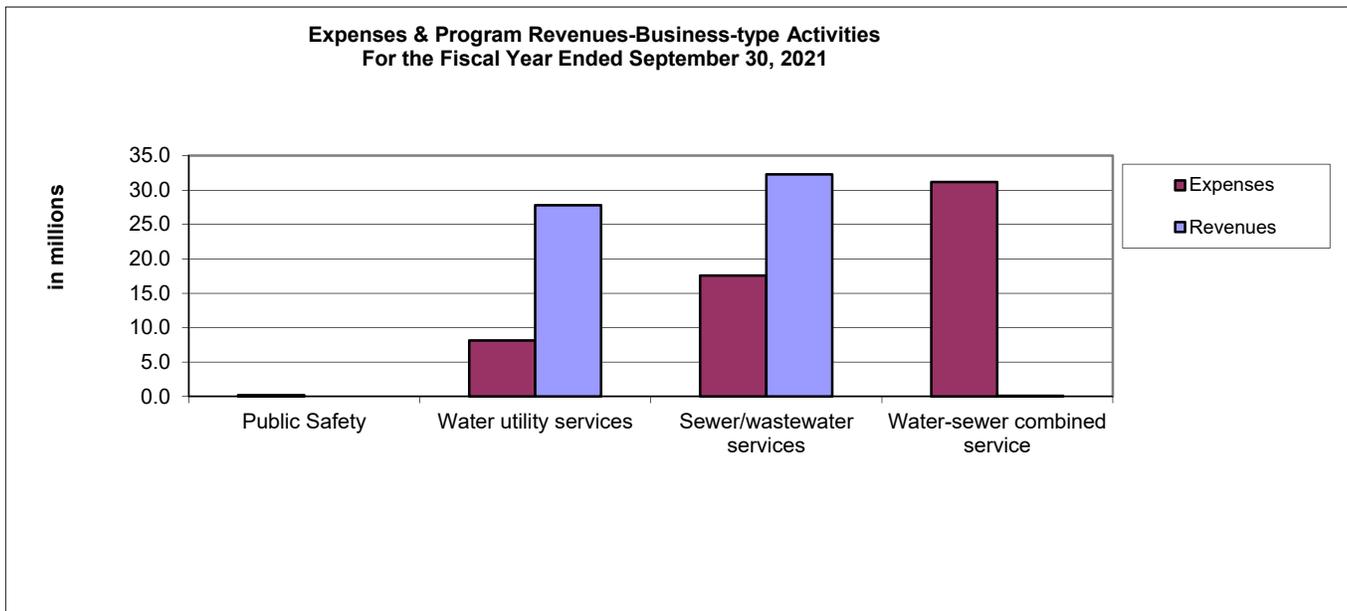
Revenues from business-type activities decreased over last year by \$2.2 million (3.5%). The main factor contributing to this was a decrease of \$2.5 million (59.5%) in capital grants and contributions and a \$0.6 million (75.0%) decrease in investment earnings not restricted. These decreases were offset by the \$1.0 million increase in charges for services.

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



Expenses:

Expenses of the business-type activities decreased by \$2.7 million (4.5%) from \$59.9 in prior year to \$57.2 million in current year. This was attributable to a \$4.7 million (13.1 %) decrease in water-sewer combined services and a \$0.1 million (1.2%) decrease in water utility services. These decreases were offset by the \$2.1 million increase in sewer/wastewater services. The \$4.7 million decrease in water-sewer combined was attributed to the \$5.8 million decrease in net pension obligation arising from the changes in assumptions in determining liability and expenses, offset by the \$1.1 million increase in administrative fees.



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

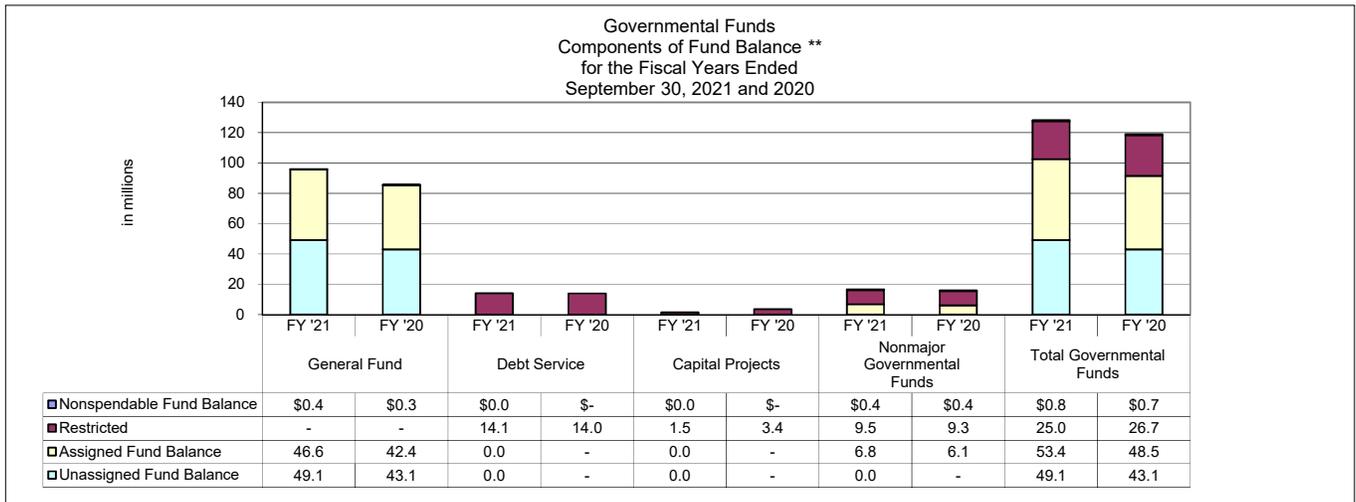
Financial Analysis of the City's Governmental Funds

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

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

As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$128.3 million, an increase of \$9.4 million in comparison with the \$118.9 million in prior year. Overall, governmental funds' assets increased by \$26.4 million and liabilities increased by \$17.0 million compared to last year.

Approximately \$49.1 million (38.3%) of total governmental fund balance represents unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted or assigned to indicate it is not available for new spending because it has already been set aside for a variety of purposes, such as construction projects, debt service, and grant expenditures, or has been assigned by the City administration for disaster assistance, rent payments and subsequent year's budget.



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

General Fund

The General Fund is the main operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenses, fixed charges, and capital improvement costs not paid through other funds are paid from this fund. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$49.1 million, as compared with \$43.1 million in the prior year. For the fiscal year 2021, the unassigned fund balance represents 24.9% of total general fund expenditures, excluding transfers. The assigned fund balance increased by \$4.2 million, as compared with \$42.4 million in prior year. The increase was due to the increase in the assigned fund balance reserved for subsequent year's budget.

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

General Fund Revenues:

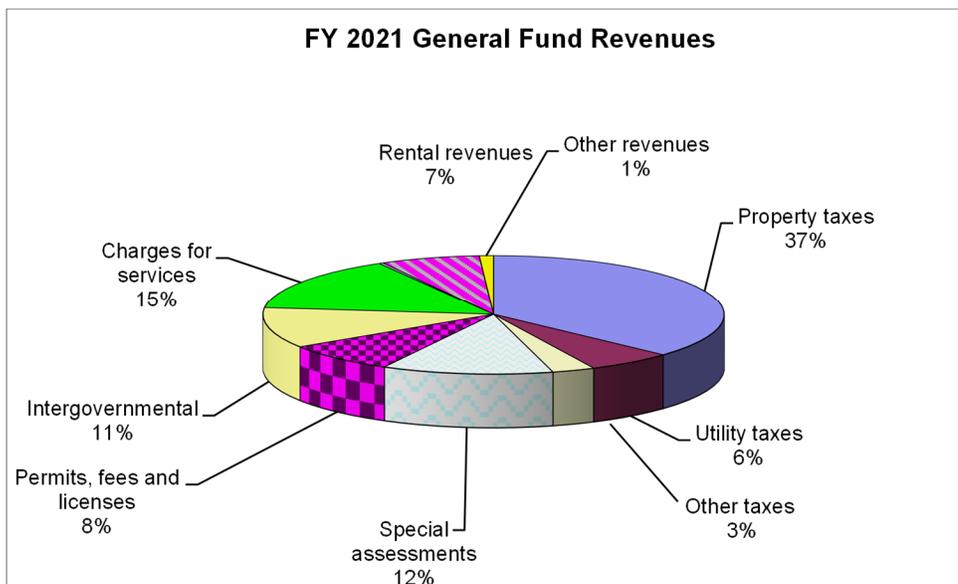
The amount of General Fund revenue by type, their percent of the total and the amount of change compared to last fiscal year are shown in the following schedule:

<u>Revenue Sources:</u>	General Fund Revenues (in millions) **					
	<u>2021</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2020</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2020</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From 2020</u>
Property taxes	\$77.4	37%	\$73.5	37%	\$3.9	5%
Utility taxes	11.6	6%	11.4	6%	0.2	2%
Other taxes	6.1	3%	6.3	3%	(0.2)	-3%
Special assessments	26.7	12%	24.1	11%	2.6	11%
Permits, fees and licenses	17.4	8%	16.9	8%	0.5	3%
Intergovernmental	23.0	11%	20.5	10%	2.5	12%
Charges for services	30.5	15%	30.1	15%	0.4	1%
Fines and forfeitures	0.6	0%	1.4	1%	(0.8)	-57%
Investment income	0.2	0%	2.0	1%	(1.8)	-90%
Rental revenues	14.1	7%	14.2	7%	(0.1)	-1%
Other revenues	0.1	1%	0.1	1%	0.0	0%
Total revenues	\$207.7	100%	\$200.5	100%	\$7.2	4%

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

Compared to the prior fiscal year, total General Fund revenues increased by \$7.2 million or 4% in 2021. This was mainly attributed to a \$3.9 million increase in property taxes, a \$2.5 million increase in intergovernmental, and a \$2.6 million increase in special assessments. These increases were offset by the decrease in investment income of \$1.8 million and fines and forfeitures of \$0.8 million.

The \$3.9 million increase in property tax and special assessment revenues are mainly due to a 5.0% increase in property taxable values from the previous year. The \$2.5 million increase in intergovernmental revenue was mainly attributed to increased grant funding received as reimbursement for COVID-19 related expenditures through the CARES Act program.



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

General Fund Expenditures:

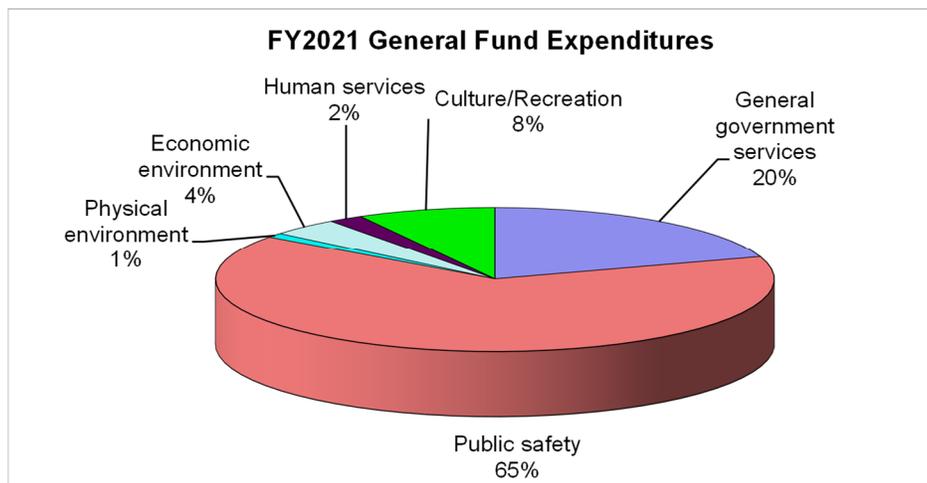
Expenditures of the General Fund are shown in the schedule below:

General Fund Expenditures (in millions) **

<u>Expenditures:</u>	<u>2021</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>2020</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2020</u>	<u>%</u> <u>Increase</u> <u>(Decrease)</u> <u>From 2020</u>
General government services	\$ 38.9	20%	\$ 33.8	18%	\$ 5.1	15%
Public safety	128.1	65%	121.0	64%	7.1	6%
Physical environment	2.7	1%	3.2	2%	(0.5)	-16%
Economic environment	8.1	4%	7.8	4%	0.3	4%
Human services	2.9	2%	5.4	3%	(2.5)	-46%
Culture/Recreation	16.2	8%	19.2	10%	(3.0)	-16%
Total expenditures	\$ 196.9	100%	\$ 190.4	101%	\$ 6.5	3%

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

The total general fund expenditures increased by \$6.5 million when compared to prior fiscal year. The general government services expenditures increased by \$5.1 million and \$7.1 million increase in public safety expenditures compared to the prior year; this was mainly attributed to the additional contribution made to the City's general pension and other post-employment benefit (OPEB) plans.



Other Major Governmental Funds:

Debt Service Fund

The fund balance in the Debt Service Fund increased by \$0.1 million (0.8%) as compared with fiscal year 2020. Additional information can be found in the Capital Assets and Debt Administration section on pages 16-17.

Capital Projects Fund

The fund balance for the Capital Projects Fund decreased by \$2.0 million. The decrease was attributed to the use of bond proceeds issued in 2020 with the ongoing implementation of the new Enterprise Resource Planning (ERP) system during the current year.

City of Pembroke Pines, Florida

Management's Discussion and Analysis

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

Unrestricted net position at the end of the year for the Utility Fund amounted to \$85.3 million compared to \$85.9 million in the prior year.

General Fund Budgetary Highlights

Revenues

The actual revenues were below the final budget by \$1.2 million (0.6%). The details of the more significant variances are highlighted below:

- \$2.5 million below budget in charges for services due to closure of various facilities providing childcare and recreation programs and services in response to the COVID-19 safer-at-home order by the CDC;
- \$1.1 million below budget in fines and forfeitures due to non-renewal of the red-zone infraction program;
- \$6.9 million above budget in additional federal funding from COVID-19 and emergency response reimbursements.

Expenditures

Actual expenditures excluding transfers to other funds were \$25.3 million or 11.4% below the final budget due largely to unspent appropriations/budget savings in the following functions:

- **General government services** - \$11.4 million of unspent appropriations throughout various divisions. This variance consisted primarily of \$ 2.3 million and \$4.5 million in the Technology Services and Public Services Departments, respectively. The Technology Services Department carried over \$2.2 million of unspent appropriations to fiscal year 2022. The \$4.5 million in unspent appropriations for public services pertains to \$1.1 million for operating (including personnel); mainly repair and maintenance, and \$3.3 million for capital. The Public Services Department carried forward \$3.1 million to fiscal year 2022.
- **Culture and recreation** - \$5.6 million budget savings consisted mainly of \$2.8 million in operating and \$2.7 million in capital line items, respectively. Savings in the operating category was mainly derived from non-personnel lines due principally to repairs and maintenance as well as professional services. Savings in the capital category were associated mainly with \$1.5 million for the Dream Park/Spring Valley new community center and \$0.6 million for renovation of the Chapel Trail Soccer Park. The \$3.8 million of unspent appropriations were carried forward to fiscal year 2022.
- **Public Safety** – variance of \$5.6 million included positive variances of \$5.1 million and \$2.9 million in the police and fire sub-functions, respectively, which was offset by the unfavorable \$2.3 million variance in emergency and disaster relief services. The positive variances in the police and fire sub-functions composed of \$4.0 million each in the operating and capital categories. The operating amount included \$0.8 million for employee compensation and \$3.2 million for numerous non-personnel items, chiefly operating supplies, repairs and maintenance, and contractual services. The savings in the personnel lines were mainly the result of vacant positions. The \$4.0 million unspent capital budget consisted mainly of \$1.7 million for purchase of police vehicles and \$0.6 million for purchase of fire truck. Most of the unspent capital budget was carried over to fiscal year 2022.
- **Physical environment** - \$0.4 million budget savings included principally \$0.3 million and \$0.1 million in operating and capital line items, respectively. The savings were primarily attributable to landscaping and contractual services.

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

- **Human services** - \$1.5 million budget savings occurred between the community service and the education sub-functions. Community Service savings of \$0.4 million included primarily \$0.1 million for repairs and maintenance as well as \$0.3 million in contractual services. The savings in education primarily reflects \$0.6 million for employee compensation and the remainder for non-personnel operating lines.

Fund balance was originally projected to decrease by \$5.9 million; subsequent budget amendments reflected an anticipated decrease of \$17.1 million due mainly to appropriations brought forward from prior year. However, the actual change in fund balance was an increase of \$10.3 million, which translated to a \$27.5 million favorable variance from the final budget. This variance was attributable to budget savings/unspent appropriations as detailed in the preceding paragraphs.

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2021, amounted to \$540.3 million (net of accumulated depreciation), compared with \$544.5 million last fiscal year. These assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total decrease in the City's capital assets for the current fiscal year was \$4.2 million (0.8%).

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Capital assets, not being depreciated:						
Land	\$53.5	\$53.5	\$3.0	\$3.1	\$56.5	\$56.6
Construction in progress	17.8	15.7	19.4	11.9	37.2	27.6
Total capital assets, not being depreciated	71.3	69.2	22.4	15.0	93.7	84.2
Capital assets, being depreciated, net						
Buildings	209.5	213.0	27.1	27.9	236.6	241.0
Improvements other than buildings	61.1	64.5	107.5	110.7	168.6	175.2
Machinery and equipment	24.7	25.8	9.4	10.4	34.1	36.2
Infrastructure	7.3	7.9	-	-	7.3	7.9
Total capital assets, being depreciated, net	302.6	311.2	144.0	149.1	446.6	460.3
Total capital assets	\$373.9	\$380.5	\$166.4	\$164.1	\$540.3	\$544.5

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

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

- \$2.7 million was spent on ERP.
- \$1.4 million was spent to purchase a generator.
- \$0.7 million was spent to purchase vehicles.
- \$0.7 million was spent on improvements to fire stations.
- \$0.5 million was spent on physical control system.

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

- \$0.8 million was spent to purchase laptops and computer equipment.

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

- \$3.9 million was spent in water plant improvements.
- \$1.9 million was spent in the sewer treatment rehabilitation.
- \$1.1 million was spent to purchase equipment.

Additional information on the City's capital assets can be found in Note 6 starting on page 68 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonds outstanding of \$261.4 million. The majority of the City's outstanding debt is secured by specified revenue sources.

Outstanding Debt (in millions) **Revenue and General Obligation Bonds**

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ 194.3	\$ 205.3	\$ 4.8	\$ 5.7	\$ 199.1	\$ 211.0
General Obligation Bonds	62.3	65.1	-	-	62.3	65.1
Total	<u>\$ 256.6</u>	<u>\$ 270.4</u>	<u>\$ 4.8</u>	<u>\$ 5.7</u>	<u>\$ 261.4</u>	<u>\$ 276.1</u>

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

All of the outstanding bonds, except the Capital Improvement Revenue Refunding Bonds, Series 2010, and the Consolidated Utility System Revenue Bonds, Series 2010 (which are Bank Direct Purchase Revenue Bonds), are insured and had, in the past, the highest bond ratings until the downgrade of the bond insurers by the Rating Agencies. On March 18, 2022, Moody's Investor Service upgraded the insurance financial strength (IFS) rating of the bond insurers from A2 to A1. Such ratings reflect only the respective views of the Rating Agencies. Generally, Rating Agencies base their ratings on information, materials, investigations, studies and assumptions made by them. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered, suspended or withdrawn entirely by the Rating Agencies, if in their judgment, circumstances warrant the change.

On July 21, 2020, S&P Global Ratings lowered its long-term rating and underlying rating to BBB from A- for the communication services tax revenue bonds. On July 2, 2020, Moody's Investors Service has upgraded the public improvement revenue bonds to Aa3 from A1 and the same time, affirmed the Aa2 rating on the City's outstanding general obligation unlimited tax, the A1 rating on the outstanding capital improvement revenue bonds, and the Baa1 rating on the outstanding communication services tax bonds.

The S&P Global Ratings assigned an AA rating to the City's capital improvement revenue bonds, Series 2019.

Additional information on the City's long-term debt can be found in Note 9.

City of Pembroke Pines, Florida

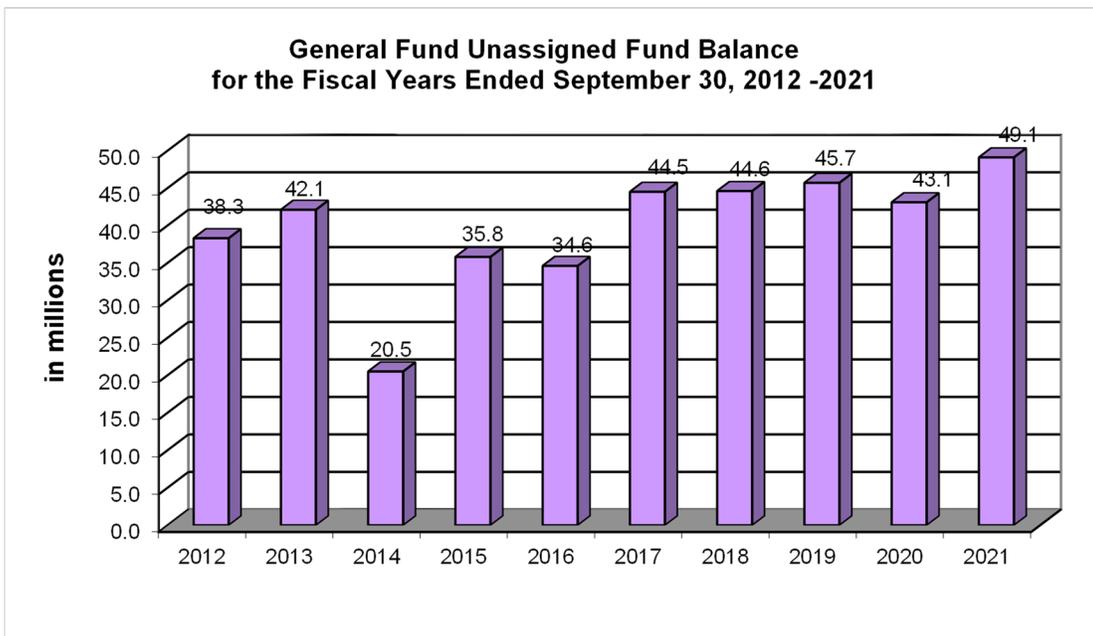
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

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

The unemployment rate for the City of Pembroke Pines for the fiscal year ended September 30, 2021 was 3.9%, as compared to 6.6% a year ago. This compares favorably to unemployment rates for Broward County and State of Florida of 4.9%, and 4.3%, respectively, for the same period.

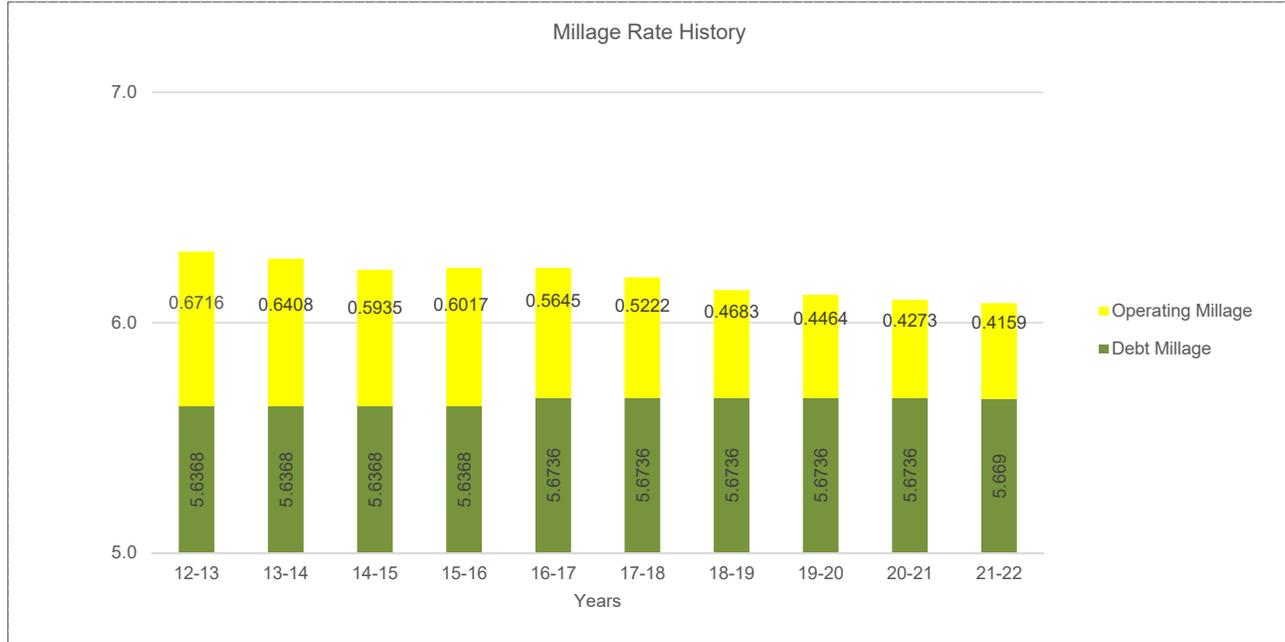
During fiscal year 2021, unassigned fund balance in the General Fund increased by \$6 million to \$49.1 million, compared to \$43.1 million from last year. The City has assigned \$44.4 million for next year's budget which includes police improvements, and disaster assistance.



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

General Fund

For fiscal year 2022, the largest revenue source, Ad Valorem (property) Tax, which is 36.4% of the total general fund revenue budget (excluding other sources), is budgeted at 5.6690 for the operating millage rate, generating \$80.0 million, which is \$2.9 million higher than fiscal year 2021 adopted budget. This increase is attributable to a 5.0% increase in taxable values. The debt service millage reflects a decrease of 0.0114 mills, moving from 0.4273 to 0.4159 mills. Ad Valorem taxes associated with the debt service millage are recorded in the Debt Service Fund.



The 2022 expenditure budget of \$220.1 million is \$7.7 million greater than the fiscal year 2021 adopted budget of \$222.2 million. The increase is primarily attributable to public safety and general government functions. Compared to fiscal year 2021, there is an increase of \$5.6 million, \$2.9 million, and \$1.5 million in public safety, culture and recreation, and general government, respectively, which are partially offset by \$2.6 million decrease in human services.

Public safety represents 62.0% of the adopted 2021-22 expenditure budget (including transfers) and shows a \$5.6 million or 4.3% increase over the 2020-21 adopted budget. The increase primarily reflects a \$5.9 million rise in appropriations for personnel and operating costs. Appropriations for personnel cost increased by \$4.9 million, \$2.0 million of this amount pertains to city contribution to the Police and Fire Pension Trust Fund and \$2.7 million for full-time personnel salaries. The latter includes \$0.3 million of prorated salaries associated with 11 new full-time positions for the Police Department. The operating budget increased by \$1.1 million which primarily consists of: \$0.5 million for repair and maintenance; \$0.3 million for various contract services; \$0.2 million for training, and \$0.1 million for operating supplies. Capital appropriations decreased by \$0.4 million, offsetting these increases.

The culture-recreation function has a year-over-year increase of \$3.0 million or 16.3%, which is driven by increases of (a) \$2.4 million for capital and (b) \$0.7 million for personnel expense (mainly wages for part-time employees due to the resumption of recreation and cultural activities). The increase in appropriations for capital consist of \$2.0 million for improvements at various parks and facilities and \$0.4 million for equipment, including two vehicles. Appropriation for operating non-personnel expense decreased by \$0.1 million primarily due to a decrease in the budget for repairs and maintenance

The \$1.5 million increase in the general government category, which comprises the City's administrative departments, is chiefly attributable to the increase in appropriation for capital items. Appropriations for machinery and equipment increased by \$1.9 million whereas, those for buildings reduced by \$0.7 million. The main component of the increase in appropriations for equipment is \$1.5 million for locks and access controls for the City buildings that house the City's Charter Schools

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

Appropriations for human services show a year-over-year decrease of \$2.6 million or 37.9%. This decrease is directly linked to the closure of two of the City's four early development centers, Bright Beginnings at Walter C. Young and Village Preschool, in June 2020

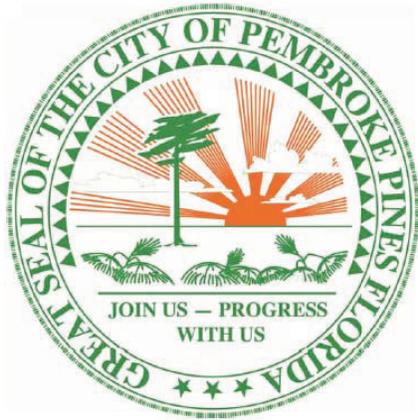
In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world. The COVID-19 coronavirus outbreak in the United States has resulted in a disruption of the City's operations. Economic uncertainties have arisen and had negatively impacted the net position of the City during the year ended September 30, 2020 which continue through fiscal year 2021. While the disruption is expected to be temporary, there is uncertainty around the duration and spread of the outbreak. Therefore, we are unable to estimate the extent of the impact of COVID-19 on our operational and financial performance at this time.

On March 11, 2021, Congress passed the American Rescue Plan Act of 2021. The bill provides additional relief to address the continued impact of COVID-19. The Coronavirus Local Fiscal Recovery Funds (CLFRF) program is a component of the American Rescue Plan Act of 2021. It provides funding to local governments to broadly respond to the COVID-19 public health emergency. The City was awarded approximately \$25.5 million through this Act with a spending deadline of December 31, 2024. The City received the first tranche of the award amounting to \$12.7 million in 2021, and the remaining \$12.7 million is expected to be received within the next fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Pembroke Pines' finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Lisa Chong, Finance Director, Finance Department, City of Pembroke Pines, 601 City Center Way, Pembroke Pines, Florida 33025.



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Basic Financial Statements



Government-wide Financial Statements

City of Pembroke Pines, Florida

Statement of Net Position

September 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 85,664,176	\$ 76,731,695	\$ 162,395,871
Investments:			
Marketable securities	65,562,567	-	65,562,567
Real estate	1,479,858	16,162,295	17,642,153
Receivables, net	13,518,709	6,841,833	20,360,542
Inventories	290,534	8,113	298,647
Restricted assets:			
Pooled cash and cash equivalents	19,720,761	8,178,779	27,899,540
Prepaid costs	67,273	40,064	107,337
Net pension asset	4,662,779	1,408,894	6,071,673
Unamortized prepaid bond insurance	214,691	-	214,691
Capital assets, not being depreciated	71,273,487	22,421,256	93,694,743
Capital assets, being depreciated, net	302,667,549	143,972,912	446,640,461
Total assets	565,122,384	275,765,841	840,888,225
Deferred outflows of resources			
Deferred charge on refundings	17,338,670	-	17,338,670
Pension related	65,332,623	1,730,825	67,063,448
OPEB related	31,687,602	2,276,334	33,963,936
Total deferred outflows of resources	114,358,895	4,007,159	118,366,054
Liabilities			
Accounts payable and accrued liabilities	22,858,271	6,817,127	29,675,398
Deposits	4,654,129	-	4,654,129
Internal balances	488,740	(488,740)	-
Unearned revenue	13,090,140	4,181,658	17,271,798
Payable from restricted assets:			
Deposits	939,769	4,649,179	5,588,948
Noncurrent liabilities:			
Due within one year	27,734,672	952,897	28,687,569
Due in more than one year	559,250,651	9,698,494	568,949,145
Total liabilities	629,016,372	25,810,615	654,826,987
Deferred inflows of resources			
Pension related	11,988,198	1,486,113	13,474,311
OPEB related	21,690,398	1,553,280	23,243,678
Total deferred inflows of resources	33,678,596	3,039,393	36,717,989
Net position			
Net investment in capital assets	155,997,708	164,224,194	320,221,902
Restricted for:			
\$2 Police Education	38,604	-	38,604
Debt Service	10,816,772	864,580	11,681,352
FDLE - Confiscated	1,128,024	-	1,128,024
Justice - Confiscated	436,634	-	436,634
Road and bridge fund	6,982,424	-	6,982,424
Treasury - Confiscated	526,707	-	526,707
Wetland Mitigation Trust Fund:			
Nonexpendable	446,115	-	446,115
Expendable	27,291	-	27,291
Unrestricted	(159,613,968)	85,834,218	(73,779,750)
Total net position	\$ 16,786,311	\$ 250,922,992	\$ 267,709,303

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Activities
Fiscal Year Ended September 30, 2021

**Net (Expense) Revenue and Changes in
Net Position**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government services	\$ 25,056,610	\$ 23,853,438	\$ -	\$ 949,763	\$ (253,409)	\$ -	\$ (253,409)
Public safety	120,534,774	34,056,228	4,156,351	962,412	(81,359,783)	-	(81,359,783)
Physical environment	2,994,584	-	-	-	(2,994,584)	-	(2,994,584)
Transportation	9,181,306	-	745,599	-	(8,435,707)	-	(8,435,707)
Economic environment	10,684,941	8,223,611	1,565,214	-	(896,116)	-	(896,116)
Human services	63,941,101	54,471,340	4,609,995	586,017	(4,273,749)	-	(4,273,749)
Culture/recreation	19,574,713	3,530,020	76,238	-	(15,968,455)	-	(15,968,455)
Interest on long-term debt	10,762,155	11,371,175	-	-	609,020	-	609,020
Total governmental activities	<u>262,730,184</u>	<u>135,505,812</u>	<u>11,153,397</u>	<u>2,498,192</u>	<u>(113,572,783)</u>	<u>-</u>	<u>(113,572,783)</u>
Business-type activities:							
Public safety	162,897	-	-	-	-	(162,897)	(162,897)
Water utility services	8,170,832	27,623,717	-	154,445	-	19,607,330	19,607,330
Sewer/wastewater services	17,615,267	30,761,399	-	1,519,519	-	14,665,651	14,665,651
Water-sewer combined service	31,205,821	123,991	-	-	-	(31,081,830)	(31,081,830)
Total business-type activities	<u>57,154,817</u>	<u>58,509,107</u>	<u>-</u>	<u>1,673,964</u>	<u>-</u>	<u>3,028,254</u>	<u>3,028,254</u>
Total	<u>\$ 319,885,001</u>	<u>\$ 194,014,919</u>	<u>\$ 11,153,397</u>	<u>\$ 4,172,156</u>	<u>(113,572,783)</u>	<u>3,028,254</u>	<u>(110,544,529)</u>
General revenues:							
Property taxes, levied for debt service					5,830,413	-	5,830,413
Property taxes, levied for general purposes					77,410,365	-	77,410,365
Utility taxes					14,772,388	-	14,772,388
Communications services tax					4,388,336	-	4,388,336
Insurance premium taxes					2,681,597	-	2,681,597
Local option gas taxes					2,742,078	-	2,742,078
Franchise fees					19,226,637	-	19,226,637
Local business tax					3,433,475	-	3,433,475
Intergovernmental revenue - unrestricted					18,830,874	-	18,830,874
Miscellaneous revenues					305,415	10,448	315,863
Investment earnings not restricted					207,985	158,649	366,634
Gain on sale of capital assets					2,291,320	9,600	2,300,920
Total general revenues					<u>152,120,883</u>	<u>178,697</u>	<u>152,299,580</u>
Change in net position					<u>38,548,100</u>	<u>3,206,951</u>	<u>41,755,051</u>
Net position, beginning					<u>(21,761,789)</u>	<u>247,716,041</u>	<u>225,954,252</u>
Net position, ending					<u>\$ 16,786,311</u>	<u>\$ 250,922,992</u>	<u>\$ 267,709,303</u>

See notes to basic financial statements.



Fund Financial Statements

City of Pembroke Pines, Florida

Balance Sheet Governmental Funds September 30, 2021

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and cash equivalents	\$ 63,162,592	\$ -	\$ -	\$ 19,160,448	\$ 82,323,040
Investment in marketable securities	47,534,946	-	-	1,028,905	48,563,851
Investment in real estate	-	-	1,479,858	-	1,479,858
Franchise fees and taxes receivable	5,731,056	-	-	471,801	6,202,857
Other receivables	2,101,486	-	-	28,595	2,130,081
Inventory	290,534	-	-	-	290,534
Prepaid costs	67,273	-	-	-	67,273
Due from other funds	4,411,846	-	-	-	4,411,846
Due from other governments	3,349,393	-	-	1,316,803	4,666,196
Restricted pooled cash and cash equivalents	935,405	14,057,168	4,254,782	473,406	19,720,761
Total assets	\$ 127,584,531	\$ 14,057,168	\$ 5,734,640	\$ 22,479,958	\$ 169,856,297
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 15,391,420	\$ -	\$ 218,867	\$ 3,173,775	\$ 18,784,062
Retainage payable	148,861	-	-	28,436	177,297
Due to other funds	-	-	4,038,599	373,247	4,411,846
Due to other governments	27,675	-	-	-	27,675
Deposits	3,691,639	-	-	962,490	4,654,129
Unearned revenue	11,330,666	-	-	1,239,899	12,570,565
Deposits payable from restricted assets	939,769	-	-	-	939,769
Total liabilities	31,530,030	-	4,257,466	5,777,847	41,565,343
Fund balances:					
Nonspendable:					
Inventory and prepaid costs	357,807	-	-	-	357,807
Wetland Mitigation Trust	-	-	-	446,115	446,115
Restricted for:					
Debt covenants	-	14,057,168	-	-	14,057,168
Capital projects	-	-	1,477,174	-	1,477,174
Road and sidewalks	-	-	-	6,982,424	6,982,424
Community bus program	-	-	-	335,719	335,719
Law enforcement	-	-	-	2,129,969	2,129,969
Wetland Mitigation	-	-	-	27,291	27,291
Assigned to:					
Disaster assistance	2,125,000	-	-	-	2,125,000
Rent payments	-	-	-	6,780,593	6,780,593
Subsequent year's budget	44,433,930	-	-	-	44,433,930
Unassigned	49,137,764	-	-	-	49,137,764
Total fund balances	96,054,501	14,057,168	1,477,174	16,702,111	128,290,954
Total liabilities and fund balances	\$ 127,584,531	\$ 14,057,168	\$ 5,734,640	\$ 22,479,958	\$ 169,856,297

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2021

Fund Balances - Total governmental funds (page 23)		\$ 128,290,954
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		373,941,036
Deferred charge on refundings and Swap termination fee, included in deferred outflows of resources, relates to future periods and, therefore, is not reported in the funds.		17,338,670
Unamortized prepaid insurance is not available to pay for current-period expenditures and, therefore, is not reported in the funds.		214,691
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,618,442
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(256,607,900)	
Deferred amounts for issuance discounts/premiums	(19,388,079)	
Interest payable	(3,455,499)	
Net pension liability	(233,888,456)	
Net OPEB liability	(49,606,042)	
Compensated absences	(16,173,430)	
	(579,119,406)	(579,119,406)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds:		
Pension and OPEB related deferred outflows of resources		96,963,763
Pension and OPEB related deferred inflows of resources		(33,615,328)
Assets and liabilities of the internal service fund are included in the statement of net position adjusted by the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.		8,153,489
Net position of governmental activities (page 21)		\$ 16,786,311

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2021

Revenues	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
Taxes:					
Property taxes	\$ 77,410,365	\$ 5,830,412	\$ -	\$ -	\$ 83,240,777
Utility taxes	11,625,682	3,146,706	-	-	14,772,388
Communications services tax	-	4,388,336	-	-	4,388,336
Insurance premium taxes	2,681,597	-	-	-	2,681,597
Local option, use and fuel taxes	-	-	-	2,742,078	2,742,078
Local business tax	3,433,475	-	-	-	3,433,475
Special assessments	26,741,813	-	-	-	26,741,813
Permits, fees and licenses	17,420,809	761,568	-	1,590,902	19,773,279
Intergovernmental	22,986,338	-	-	59,122,766	82,109,104
Charges for services	30,445,912	-	-	387,226	30,833,138
Fines and forfeitures	602,884	-	-	29,608	632,492
Investment income	155,892	17,766	-	34,612	208,270
Contributions	40,721	-	-	351,884	392,605
Rental revenue	14,135,060	11,371,175	-	936,139	26,442,374
Other	47,414	-	-	548,112	595,526
Total revenues	<u>207,727,962</u>	<u>25,515,963</u>	<u>-</u>	<u>65,743,327</u>	<u>298,987,252</u>
Expenditures					
Current:					
General government	38,902,917	-	3,169,340	-	42,072,257
Public safety	128,098,682	-	-	794,358	128,893,040
Physical environment	2,670,542	-	-	16,459	2,687,001
Transportation	-	-	496,959	6,931,013	7,427,972
Economic environment	8,100,540	-	-	1,565,214	9,665,754
Human services	2,915,105	-	-	56,299,291	59,214,396
Culture and recreation	16,168,556	-	286,016	-	16,454,572
Debt Service:					
Principal	-	13,814,800	-	-	13,814,800
Interest	-	11,594,661	-	-	11,594,661
Other debt service costs	-	-	-	-	-
Total expenditures	<u>196,856,342</u>	<u>25,409,461</u>	<u>3,952,315</u>	<u>65,606,335</u>	<u>291,824,453</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,871,620</u>	<u>106,502</u>	<u>(3,952,315)</u>	<u>136,992</u>	<u>7,162,799</u>
Other financing sources (uses)					
Transfers in	-	-	-	1,283,767	1,283,767
Transfers out	(835,767)	-	-	(548,000)	(1,383,767)
Sale of equipment	291,320	-	2,000,000	-	2,291,320
Total other financing sources (uses)	<u>(544,447)</u>	<u>-</u>	<u>2,000,000</u>	<u>735,767</u>	<u>2,191,320</u>
Net change in fund balances	<u>10,327,173</u>	<u>106,502</u>	<u>(1,952,315)</u>	<u>872,759</u>	<u>9,354,119</u>
Fund balances, beginning	<u>85,727,328</u>	<u>13,950,666</u>	<u>3,429,489</u>	<u>15,829,352</u>	<u>118,936,835</u>
Fund balances, ending	<u>\$ 96,054,501</u>	<u>\$ 14,057,168</u>	<u>\$ 1,477,174</u>	<u>\$ 16,702,111</u>	<u>\$ 128,290,954</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities (page 22)
are different because:

Net change in fund balances - total governmental funds (page 25) \$ 9,354,119

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

The details of the difference is as follows:

Capital outlay	\$ 11,987,923	
Depreciation expense	(18,475,936)	
Net adjustment		(6,488,013)

The net effect of various miscellaneous transactions involving capital assets (53,422)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The details of the net effect of these differences are as follows:

Principal payments:

General Obligation Bonds	2,800,000	
Refunded Capital Improvement Revenue Bonds	3,652,400	
Refunded Public Improvement Revenue Bonds	4,092,400	
Refunded Taxable Revenue Bonds	3,270,000	
Total principal payments	13,814,800	

Prepaid Bond Insurance, Bond Discount/Premium and Loss on Refunded Bonds	692,322	
Net adjustment		14,507,122

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		(434,811)
Accrued interest		140,183
OPEB expense, net of contributions		5,431,117
Pension expense, net of contributions		15,991,805

Internal service funds are used by management to charge the cost of certain activities such as insurance and fleet management, to individual funds. The net revenue of internal service funds is reported within governmental activities.

100,000

Change in net position of governmental activities (page 22) \$ 38,548,100

City of Pembroke Pines, Florida
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-Type Activities <u>Enterprise Fund</u> <u>Utility Fund</u>	Nonmajor Governmental Activities <u>Internal Service Fund</u> <u>Public Insurance</u>
Assets		
Current assets		
Pooled cash and cash equivalents	\$ 76,731,695	\$ 3,341,136
Investment in marketable securities	-	16,998,716
Investment in real estate	16,162,295	-
Accounts receivable, net	6,841,833	-
Inventories	8,113	-
Prepaid costs	40,064	-
Total current assets	99,784,000	20,339,852
Noncurrent assets		
Restricted pooled cash and cash equivalents	8,178,779	-
Net pension asset	1,408,894	44,337
Capital assets, not being depreciated	22,421,256	-
Capital assets, being depreciated, net	143,972,912	-
Total noncurrent assets	175,981,841	44,337
Total assets	275,765,841	20,384,189
Deferred outflows of resources		
Pension related	1,730,825	17,538
OPEB related	2,276,334	38,924
Total deferred outflows of resources	4,007,159	56,462
Liabilities		
Current liabilities		
Accounts payable	6,178,194	413,738
Retainage payable	582,521	-
Compensated absences	51,200	49,532
Claims payable	-	11,119,836
Accrued interest payable	56,412	-
Current portion of bonds payable	901,697	-
Unearned revenue	4,181,658	-
Total current liabilities	11,951,682	11,583,106
Noncurrent liabilities		
Customer deposits payable from restricted assets	4,649,179	-
Compensated absences	17,842	15,347
Long-term portion of bonds payable	3,933,622	-
Net OPEB liability	5,747,030	136,701
Total noncurrent liabilities	14,347,673	152,048
Total liabilities	26,299,355	11,735,154
Deferred inflows of resources		
Pension related	1,486,113	32,145
OPEB related	1,553,280	31,123
Total deferred inflows of resources	3,039,393	63,268
Net position		
Net investment in capital assets	164,224,194	-
Restricted for debt service	864,580	-
Unrestricted	85,345,478	8,642,229
Total net position	250,434,252	\$ 8,642,229
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and enterprise fund over time	488,740	
Net position of business type activities (page 21)	\$ 250,922,992	

See notes to basic financial statements.

City of Pembroke Pines, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended September 30, 2021

	Business-Type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Operating revenues:		
Charges for services	\$ 58,509,107	\$ 20,559,427
Other	10,450	3,421,956
Total operating revenues	<u>58,519,557</u>	<u>23,981,383</u>
Operating expenses:		
Operating, administrative and maintenance	49,843,635	24,043,234
Depreciation	7,136,865	-
Total operating expenses	<u>56,980,500</u>	<u>24,043,234</u>
Operating income (loss)	<u>1,539,057</u>	<u>(61,851)</u>
Nonoperating revenues and (expenses):		
Investment income	158,648	61,851
Interest expense	(174,318)	-
Gain on disposal of capital assets	9,600	-
Total nonoperating revenues (losses)	<u>(6,070)</u>	<u>61,851</u>
Income before contributions and transfers	1,532,987	-
Transfers in	-	100,000
Capital contributions	1,673,964	-
Total contributions and transfers	<u>1,673,964</u>	<u>100,000</u>
Change in net position	3,206,951	100,000
Net position, beginning	<u>247,227,301</u>	<u>8,542,229</u>
Net position, ending	<u>\$ 250,434,252</u>	<u>\$ 8,642,229</u>

See notes to basic financial statements.

City of Pembroke Pines, Florida

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended September 30, 2021

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 58,047,015	\$ 23,981,384
Cash received from customers for deposits	100,969	-
Cash payments to suppliers for goods and services	(26,419,527)	(24,662,096)
Cash payments to employees for services	(4,107,296)	(122,606)
Interfund services used	(17,177,494)	-
Net cash provided by (used for) operating activities	10,443,667	(803,318)
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(871,205)	-
Acquisition and construction of capital assets	(7,860,794)	-
Contributions from other governments	4,181,659	-
Interest paid on revenue bonds	(184,482)	-
Proceeds from sale of equipment	9,600	-
Capital contributions	325,828	-
Net cash (used for) capital and related financing activities	(4,399,394)	-
Cash flows from noncapital and related financing activities:		
Transfers from other funds	-	100,000
Net cash provided by noncapital and related financing activities	-	100,000
Cash flows from investing activities:		
Proceeds from sale of marketable securities	10,000,000	-
Purchase of marketable securities	-	(50,113)
Proceeds from sale of investment in real estate	11,964,467	-
Income on cash and cash equivalents	158,648	61,851
Net cash provided by investing activities	22,123,115	11,738
Net increase (decrease) in equity in pooled cash and cash equivalents	28,167,388	(691,580)
Pooled cash and cash equivalents at beginning of year	56,743,086	4,032,716
Pooled cash and cash equivalents at end of year	\$ 84,910,474	\$ 3,341,136
Displayed as:		
Unrestricted	\$ 76,731,695	\$ 3,341,136
Restricted	8,178,779	-
Total pooled cash and cash equivalents	\$ 84,910,474	\$ 3,341,136

(continued)

See notes to the basic financial statements.

City of Pembroke Pines, Florida
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended September 30, 2021
(continued)

	Business-type Activities	Nonmajor Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Public Insurance</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 1,539,057	\$ (61,851)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	7,136,865	-
Pension expense (benefit)	1,048,875	(41,463)
OPEB (benefit) expense	(1,254,586)	24,389
Change in assets and liabilities:		
(Increase) in customer accounts, net	(472,542)	-
(Increase) in prepaid costs	(8,113)	-
Increase in pension assets	(1,408,894)	(44,337)
(Decrease) increase in pension related outflow of resources	(251,848)	55,352
Decrease (increase) in OPEB related outflow of resources	615,825	(9,710)
Increase in accounts payable	5,677,361	298,904
(Decrease) increase in compensated absences	(11,011)	8,422
Increase in customer deposits	100,969	-
Decrease in insurance claims payable	-	(998,649)
Decrease in net pension liability	(1,960,900)	(28,553)
Decrease in net OPEB liability	(307,391)	(5,822)
Net cash provided by (used for) operating activities	<u>\$ 10,443,667</u>	<u>\$ (803,318)</u>
Noncash Capital and Financing Activities		
Contributed capital improvements	\$ 1,348,136	\$ -

See notes to the basic financial statements.

CITY OF PEMBROKE PINES, FLORIDA
Statement of Net Position
Fiduciary Funds
September 30, 2021

	<u>Pension and OPEB Trust Funds</u>	<u>Custodial Fund</u>
Assets		
Cash and short term investments	\$ 19,703,951	\$ 481,848
Accrued interest and dividend receivables	658,753	-
Other receivables	11,403,478	-
Prepaid expenses	2,921,536	-
Investments, at fair value		
U.S. Government securities	44,240,415	-
Corporate bonds	68,451,683	-
Foreign bonds	914,811	-
Domestic equity fund	496,711,596	-
International equity fund	55,323,881	-
Real estate funds	70,116,343	-
Timber funds	19,549,670	-
Farmland funds	20,311,752	-
Mutual funds	432,996,387	-
Total investments	<u>1,208,616,538</u>	<u>-</u>
Capital assets, being depreciated, net	875,951	-
Total assets	<u>1,244,180,207</u>	<u>481,848</u>
Liabilities		
Accounts payable	1,762,888	-
Accrued liabilities	-	-
Reserve for health insurance claims	863,680	-
Total liabilities	<u>2,626,568</u>	<u>-</u>
Net Position		
Net position restricted for pension benefits	1,107,538,018	-
Net position restricted for OPEB benefits	134,015,621	-
Net position restricted for private organizations	-	481,848
Total net position restricted for benefits	<u>\$ 1,241,553,639</u>	<u>\$ 481,848</u>

See notes to basic financial statements.

CITY OF PEMBROKE PINES, FLORIDA
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2021

	<u>Pension and OPEB Trust Funds</u>	<u>Custodial Fund</u>
Additions		
Contributions:		
Plan members	\$ 3,617,565	\$ -
Employer	52,490,360	-
State	2,681,597	-
Total contributions	<u>58,789,522</u>	<u>-</u>
Investment income	199,706,341	-
Less investment expenses	4,448,417	-
Net investment income	<u>195,257,924</u>	<u>-</u>
Other additions:		
Specific stop loss and medical claims recovery	383,096	-
Fees collected for private organizations	-	17,489,606
Total other additions	<u>383,096</u>	<u>17,489,606</u>
Total additions	<u>254,430,542</u>	<u>17,489,606</u>
Deductions		
Benefit payments and insurance premiums	62,394,869	-
Refunds of contributions	17,270	-
Administrative expenses	968,116	-
Disbursement of fees collected for private organizations	-	17,034,452
Total deductions	<u>63,380,255</u>	<u>17,034,452</u>
Change in net position	191,050,287	455,154
Net position, beginning (as restated)	<u>1,050,503,352</u>	<u>26,694</u>
Net position, ending	<u>\$ 1,241,553,639</u>	<u>\$ 481,848</u>

See notes to basic financial statements.



Notes to Basic Financial Statements

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pembroke Pines (the City) was incorporated in 1960. The City operates under a Commission-Manager form of government. In addition to police and fire services, general government, recreation, and public works services provided to its residents, the City operates water and sewer utilities and maintains various trust and agency funds in a fiduciary capacity. The City also provides educational facilities to its residents with the seven (7) Charter Schools that it owns and operates in addition to those facilities provided by the School Board of Broward County.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

a. Financial Reporting Entity

The City's financial reporting entity comprises the City of Pembroke Pines as the primary government with no component units. In determining the financial reporting entity, the City complies with the provisions of GASB Statements No.14 (amended by GASB No. 61) and No.39 relating to "The Financial Reporting Entity." The criterion used for including component units consists of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself.

Blended Component Units

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

Discretely Presented Component Units

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

b. Government-wide and Fund Financial Statements

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees and communications taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following major governmental funds:

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

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

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

The City reports the following nonmajor governmental funds:

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

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

The *permanent fund (Wetland Mitigation Trust Fund)* accounts for resources which are legally restricted to the extent that only the earnings, and not the principal, may be used for purposes that support the City's long-term obligations to maintain its wetlands areas.

The City reports the following major proprietary fund:

The *utility fund* accounts for activities of providing water and wastewater services to the public.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for general liability, workers' compensation and health and life insurance coverage provided to other departments or agencies of the City on a cost reimbursement basis.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The *custodial fund* is used to account for assets held by the City in a purely custodial capacity. The reporting entity includes one custodial fund - Sanitation Fund – that is used to account for assets held by the City as the collection agent for private organizations.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utility fund and internal service fund are charges for services. Operating expenses for the utility fund and the internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

1. Deposits and Investments

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

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

2. Interfund Receivables and Payables

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

3. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Financial allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. Major receivable balances for the governmental activities include franchise fees and utility taxes, and amounts due from other governments. Business-type activities report utility billings as the major receivable.

4. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase for capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Inventories and Prepaid Items

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

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

6. Restricted Assets

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

7. Deferred Outflows/ (Inflows) of Resources

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenues) until that time. There are two items that qualify for reporting in this category: pension related activities and other post-employment benefit related activities. The City's deferred inflows of resources related to pensions are discussed in Note 14. The City's deferred inflows of resources related to other post-employment benefits are discussed in Note 13.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as prepaid bond insurance issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance issuance costs are reported as unamortized bond issue costs and amortized over the term of the related debt. Effective October 1, 2013, only bond premiums, discounts and prepaid insurance costs are deferred and amortized over the life of the bonds, all other bond issue costs are expensed in the reporting period in which they are incurred.

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

9. Net Position/Fund Balance

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Net Position/Fund Balance (continued)

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

10. Fund Balance Reserve Policy

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

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

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

e. Revenues and Expenditures/Expenses

1. Property Taxes

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues and Expenditures/Expenses (continued)

2. Compensated Absences

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

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

f. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables, the realization of pension liability, fair value, compensated absences, and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

a. Fund Accounting Requirements

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

b. Revenue Restrictions

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

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

For the year ended September 30, 2021, the City complied, in all material respects, with these revenue restrictions.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

c. New Pronouncements

Pronouncements implemented in the current year:

GASB Statement 84, *Fiduciary Activities* (GASB 84), improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of GASB 84 became effective for fiscal year 2021. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended September 30, 2021. The City used the payroll clearing account fund to accumulate resources from payroll and withholding of employee payroll deductions. Prior to GASB 84, the funds were reported in the fiduciary fund financial statements. In accordance with GASB 84, the funds were reclassified and reported in the General Fund with no impact on net position or fund balance at the beginning of the year. The remaining agency fund, which meets the criteria for fiduciary activities, is presented as a custodial fund. A change in accounting principle was made to restate the beginning fiduciary net position to comply with the new standard. The total net position restated on the custodial fund was \$26,694.

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No 41 & 61* (GASB 90), improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization as well as the relevance of financial statement information for certain component units. The Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 became effective for fiscal year 2021. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended September 30, 2021.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this statement is to establish the term annual comprehensive financial report and replace the term of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local government. The City implemented this statement for fiscal year ended September 30, 2021. No changes were made to the report's structure or content. Implementation of this standard did not have a significant impact on the City's financial statements for the fiscal year ended September 30, 2021.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented:

GASB Statement 87, *Leases* (GASB 87), increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for fiscal year 2022. The City is currently evaluating the impact, if any, that GASB 87 may have on its financial statements.

GASB Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* (GASB 89), establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for fiscal year 2022. The City is currently evaluating the impact, if any, that GASB 89 may have on its financial statements.

GASB Statement 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement achieves these objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for fiscal year 2023. The City is currently evaluating the impact, if any, that GASB 91 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented (continued):

GASB Statement 92, *Omnibus 2020*, enhances the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics and includes specific provisions regarding GASB Statement 87, Leases, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and Terminology used to refer to derivative instruments. The requirements of GASB 92 are effective for fiscal year 2022. The City is currently evaluating the impact, if any, that GASB 92 may have on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this statement are to assist state and local government in the transition away from existing interbank offered rates (IBORs), including the London Interbank Offered Rate (LIBOR) to other reference rates. The requirements of this statement are effective for the City's fiscal year ending September 30, 2022. The City is evaluating the impact, if any, that GASB 93 may have on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the City's fiscal year ending September 30, 2023. The City is evaluating the impact, if any, that GASB 94 may have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. The requirements of this statement are effective for the City's fiscal year ending September 30, 2023. The City is evaluating the impact, if any, that GASB 96 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

c. New Pronouncements (continued)

Pronouncements yet to be implemented (continued):

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objectives of this statement are 1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate cost associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans; 3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the City's fiscal year ending September 30, 2023. The City is evaluating the impact, if any, that GASB 97 may have on its financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS

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

Deposits and investments as of September 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:	<u>Balance</u>	
Cash and cash equivalents	\$ 162,395,871	
Investments:		
Marketable securities	65,592,567	
Real estate	17,642,153	
Restricted assets:		
Pooled cash and cash equivalents	27,899,540	\$ 273,500,131
Statement of net position - Fiduciary Funds:		
Cash and short-term investments	19,703,951	
Investments	<u>1,208,616,538</u>	<u>1,228,320,489</u>
Total cash and investments	<u>\$ 1,501,820,620</u>	<u>\$ 1,501,820,620</u>

Cash on hand, deposits and investments as of September 30, 2021 consist of the following:

Governmental and Business-type investments:	<u>Balance</u>	
Cash on hand	\$ 19,330	
Deposits with financial institutions	29,532,321	
Florida PRIME	160,743,762	
Florida Municipal Investment Trust (FMIvT)	29,498,264	
Investments held with external Investment manager	36,064,301	
Investment in real estate	17,642,153	\$ 273,500,131
Firefighters and Police Officers Pension Fund:		
Cash and short-term investments	17,809,957	
Investments	848,360,540	
General Employees' Pension Fund:		
Investments in mutual funds	232,035,225	
Other Post-Employment Benefits (OPEB):		
Cash and short-term investments	1,893,994	
Investments	<u>128,220,773</u>	<u>1,228,320,489</u>
Total cash and investments	<u>\$ 1,501,820,620</u>	<u>\$ 1,501,820,620</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

General Investment Policy Guidelines

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

List of Authorized Investments:

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

List of Authorized Investments (continued)

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

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

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

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Public Deposits

At September 30, 2021, the book balance of the City's public deposits was \$29,532,321 and the bank balance was \$31,926,344. The institutions in which the City's monies are deposited are certified as Qualified Public Depositories pursuant to Florida Statutes, Chapter 280 - *Florida Security for Public Deposits Act*. Therefore, the City's total bank balances on deposit are entirely insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository. The Investment Policy allows for a maximum of 50% of the portfolio may be deposited with any one financial institution.

Investments in External Investments Pools

State Board of Administration (SBA)

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

As of September 30, 2021, the City had \$160,743,762 invested in the Florida PRIME. The investments of the Florida PRIME are not restricted as to deposits or withdrawals. Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures, and the account balance should also be considered the fair value of the investment.

Florida Municipal Investment Trust (FMIvT)

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

Florida Municipal Investment Trust (FMIvT) (continued)

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

<u>FMIvT Bond Funds:</u>	<u>Balance</u>
0-2 Year High Quality Bond Fund	\$ 25,878,525
1-3 Year High Quality Bond Fund	3,456,806
Intermediate High Quality Bond Fund	162,933
Total FMIvT Bond Funds	<u>\$ 29,498,264</u>

Firefighters and Police Officers Pension Investments

The investment portfolio of the Firefighters and Police Officers pension fund are managed by a separate Board of Trustees, which have established an Operating Investment Policy, and detailed guidelines to manage the risk, diversification, maturity and liquidity requirements of the Fund. Part of the investments are measured at the net asset value (NAV), which is exempt from GASB 72 disclosure. As of September 30, 2021, \$343,321,639 out of \$848,360,540 of the Firefighters and Police Officers pension fund are measured at the NAV.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investments in External Investments Pools (continued)

General Employees' Pension Investments

The investments of the General Employees' Pension Fund are managed by the Principal Financial Group. These are pooled as separate investment accounts, under a group annuity contract and operate similar to a mutual fund. These investments are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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

Other Post-Employment Benefits (OPEB) Investments

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

	<u>Balance</u>
TD Bank Money Market	\$ 2,012,161
State Board of Administration	(118,167)
Investment Accounts:	
Fiduciary Trust	7,109
Lee Munder Capital Group - Mid Cap Core	9,864,495
Atlanta Capital Management - Small Cap Core	10,377,760
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income	32,108,856
State Street Global Advisors	28,945,364
Intercontinental Real Estate Corporation	5,023,131
Black Rock US Core Property Fund	4,838,490
Loomis Sayles & Company - Loomis Large Cap Growth Trust	20,345,202
Aristotle	16,710,366
Total cash and investments	<u>\$ 130,114,767</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate

City Center Property

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

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

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

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

At the fiscal year ended September 30, 2021, the investment in real estate for City Center is valued at \$9,377,447, which approximates fair value of the remaining unsold parcels of land.

United States Postal Service

On October 28, 2015, the City bought the United States Postal Service located at 16000 Pines Boulevard for \$17,940,783. In fiscal year 2018, the City sold a portion of it for \$11,491,428 and recognized a gain of \$2,829,056. During fiscal year 2021, the remaining investment was sold for \$12,008,573, and the City recognized a gain of \$44,106.

Weekley

On December 29, 2016, the City bought the property at 20710 SW 54th Place for \$385,000. At the fiscal year ended September 30, 2021, the fair value of this investment in real estate is estimated at \$410,287.

Vardaman

On February 15, 2017, the City bought the Vardaman Property at 20700 SW 54th Place for \$775,000. At the fiscal year ended September 30, 2021, the fair value of this investment in real estate is estimated at \$800,444.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment in Real Estate (continued)

Pando

On June 5, 2017, the City bought the Pando Property located at 5400 SW 208th Lane for \$5,500,000. At the fiscal year ended September 30, 2021, the fair value of this investment in real estate is estimated at \$5,574,117.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided in the table below as of September 30, 2021.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Years to Maturity</u>	<u>Effective Duration (Years)</u>	<u>% of the Total Fixed Income Investment Portfolio</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments	\$ 586,803	-	-	0.3%
Treasuries	10,750,979	2.11	2.09	4.8%
Mortgage pass-through	910,509	4.22	1.59	0.4%
Collateralized mortgage obligations (Agency & Private)	690,162	7.57	1.90	0.3%
Government sponsored enterprise (Agency & Private)	7,222,692	1.77	1.77	3.2%
Asset-backed securities	5,106,117	2.79	0.88	2.3%
Municipal	1,367,912	1.89	1.88	0.6%
Corporate bonds	9,429,127	2.40	2.19	4.2%
<u>Investment in External Investment Pools:</u>				
FMLvT -0-2 Year high quality bond fund	25,878,525	0.80	0.70	11.4%
FMLvT -1-3 Year high quality bond fund	3,456,806	1.50	1.42	1.5%
FMLvT -Intermediate high quality bond fund	162,933	3.90	3.60	0.1%
Florida PRIME	160,743,762	0.13	0.18	71.1%
Total Governmental & Business-type Fixed Income	\$ 226,306,327			100.0%
Weighted average effective duration of the Governmental & Business-type activities			0.52	
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
U.S. treasury securities	\$ 15,919,701	11.19	10.06	8.5%
U.S. agency securities	28,320,714	9.93	8.62	15.2%
Fixed income mutual funds	72,740,389	5.08	4.28	39.0%
Foreign bonds	914,811	-	-	0.5%
Corporate bonds	68,451,683	4.56	4.05	36.7%
Total Fixed Income Firefighters and Police Officers Pension Fund	\$ 186,347,298			100.0%
Weighted average effective duration of Police & Fire Pension Fund			5.33	
General Employees' Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal global investors core fixed income account	\$ 65,416,734	7.60	6.02	61.96%
Principal global investors bond market account	18,752,048	-	6.58	17.76%
Mellon capital management bond market index	7,635,622	-	-	7.23%
Principal US property separate account	13,768,627	6.32	4.07	13.04%
Total Fixed Income General Employees' Pension Fund	\$ 105,573,031			100.0%
Weighted average effective duration of the General Employees' Pension Fund			5.91	
Other Post-Employment Benefit (OPEB) Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds	\$ 7,652,206	2.00	5.66	23.8%
Government bonds	11,368,247	1.10	6.96	35.4%
Mortgage-backed securities	9,674,376	0.50	2.57	30.1%
US Treasury	3,414,027	0.45	0.45	10.6%
Total Fixed Income -Other Post-Employment Benefits Trust Fund	\$ 32,108,856			100.0%
Weighted average effective duration of the Other Post-Employment Benefits Trust Fund			4.64	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Governmental and Business-type Investments

The City limits its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of the investment portfolio. The Operating Investment Policy of the City states that the average effective duration of the portfolio as a whole may not exceed five (5) years, and that no more than 30% of the total investment in debt securities shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes the maturities of the underlying securities of a repurchase agreement. The Operating Investment Policy of the City limits the investment in collateralized mortgage obligations to a maximum of 30% of the portfolio. The maximum effective duration for an investment in any mortgage-backed security issued by a Federal Instrumentality is ten (10) years, and for a private corporation is five (5) years. A maximum of 50% of the City's operating investments may be directly invested in the combined categories of commercial paper and corporate obligations. The maximum duration for corporate obligations is five (5) years for both fixed and variable rate securities. The weighted average days to maturity and the weighted average life of the Florida PRIME as of September 30, 2021 are 49 days and 64 days, respectively.

Firefighters and Police Officers Pension Investments

As a means of limiting its exposure to interest rate risk, the Firefighters and Police Officers Pension Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

General Employees' Pension Investments

The General Employees' Pension Investment Policy allows for various authorized investments including all the separate accounts offered by the Principal Financial Group. In the event that the Principal Financial Group deems it necessary to offer or discontinue any separate account(s), the City Administration is authorized to execute the necessary documents to implement the change. Currently, all the investments of the General Employees' Pension Fund are invested in the separate accounts of the Principal Financial Group which operate like a mutual fund, since the investments are not evidenced by securities that exist in physical or book entry form. The General Employees' Pension Investment Policy does not limit the amount of fixed income securities of the portfolio. The weighted expected average maturity of U.S. government and agency securities shall not exceed 10 years, and the weighted expected average maturity of corporate bonds shall not exceed 10 years.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Other Post-Employment Benefits (OPEB) Investments

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

Credit Risk

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The City of Pembroke Pines utilizes portfolio diversification and credit quality rating in order to control this risk.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

<u>Investment Type</u>	<u>Credit Quality Rating</u>			<u>Fair Value</u>
	<u>Fitch</u>	<u>S&P</u>	<u>Moody's</u>	
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments		NR		\$ 586,803
Treasuries		AA+		10,750,979
Mortgage pass-through		AA+		910,509
Collateralized mortgage obligations (Agency & Private)		AA+		690,162
Government sponsored enterprise (Agency & Private)		AA+		7,222,692
Asset-backed securities		AAA		5,106,117
Municipal		AA		1,367,912
Corporate		A		9,429,127
<u>Investment in External Investment Pools:</u>				
FMLvT -0-2 Year high quality bond fund	AAAf/S1			25,878,525
FMLvT -1-3 Year high quality bond fund	AAAf/S2			3,456,806
FMLvT -Intermediate high quality bond fund	AAAf/S3			162,933
Florida PRIME		AAAm		160,743,762
Total Governmental & Business-type Fixed Income				\$ 226,306,327
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
Fixed income		Aaa		\$ 67,446,180
Fixed income		Aa		3,538,874
Fixed income		A		7,628,802
Fixed income		Aa1		3,534,081
Fixed income		Aa2		7,085,707
Fixed income		Aa3		2,368,136
Fixed income		A1		7,838,386
Fixed income		A2		15,041,549
Fixed income		A3		10,777,489
Fixed income		Baa		16,081,966
Fixed income		Ba		2,563,251
Fixed income		Baa1		8,399,748
Fixed income		Baa2		2,214,561
Fixed income		Bbb		10,966,797
Fixed income		Bb		4,692,315
Fixed income		B		3,203,778
Fixed income		Caa		73,236
Fixed income		Ccc		473,305
Fixed income		Not rated		12,419,237
Total Fixed Income Firefighters and Police Officers Pension Fund				\$ 186,347,298
General Employees' Pension Fund:				
<u>Investment in separate fixed income investments accounts:</u>				
Principal global investors core plus bond separate account		Not rated		\$ 65,416,734
Principal global investors bond market account		Not rated		18,752,048
Mellon capital management bond market index		Not rated		7,635,622
Principal US property separate account		Not rated		13,768,627
Total Fixed Income General Employees' Pension Fund				\$ 105,573,031
Other Post-Employment Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds		A-	A3	\$ 1,545,006
Corporate bonds		A-	A2	1,695,258
Corporate bonds		BBB+	A1	2,079,735
Corporate bonds		BBB+	A2	1,241,909
Corporate bonds		BBB+	A3	1,090,298
Government bonds		AA+	Aaa	11,368,247
Mortgage-backed securities		AA+	Aaa	9,674,376
US Treasury		AA+	Aaa	2,234,907
US Treasury		Not rated	Not rated	1,179,120
Total Fixed Income -Other Post-Employment Benefits Trust Fund				\$ 32,108,856

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Governmental and Business-type Investments

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

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

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

The Florida PRIME is currently rated AAAm by Standard and Poor's.

Firefighters and Police Officers Pension Investments

Credit risk is the risk that a security will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Firefighters and Police Officers Pension Plan uses portfolio diversification in order to control this risk. The Firefighters and Police Officers Pension Investment Policy stipulates that fixed investments must have a minimum credit quality of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments that are downgraded below "BAA" shall be liquidated within a reasonable time as determined by the Investment Manager, but not to the detriment of the Firefighters and Police Officers Pension Plan. If the Investment Manager determines it is prudent to hold an investment that has been downgraded below BAA, they will be required to report to the Board on the status of the bonds and the reason for holding the downgraded bond.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

General Employees' Pension Investments

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

Other Post-Employment Benefits (OPEB) Investments

The OPEB Investment Policy sets no minimum credit quality rating for the investment accounts of the Fiduciary Trust International of the South and State Street Global Advisors. The investment accounts comprise of fixed income, equity, commingled pools, and mutual funds. The fixed income portfolio's ratings from Standard and Poor's and Moody's range from A- to AA+, and Aaa to A3, respectively.

Concentration of Credit Risk

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

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

Custodial Credit Risk - Deposits

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

Custodial Credit Risk – Investments

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

Fair Value Measurement

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

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

1. Equity securities: These include common stocks and international equity funds. They are valued at the last reported sales price on the last business day of the fiscal year. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.
2. Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies and corporate bonds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.
3. Alternative investments: These investments include real estate equity and venture capital investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2021. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

4. Commercial real estate: A level 3 input would be a financial forecast (for example, of cash flows or earnings) developed using a government's own data if there is no reasonably available information that indicates that market participants would use different assumptions.

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City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

The City has the following recurring fair value measurements as of September 30, 2021:

<u>Investment Type</u>	<u>Balance</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
<u>Managed by External Investment Manager:</u>				
Temporary investments	\$ 586,803	\$ 586,803	\$ -	\$ -
Treasuries	10,750,979	10,750,979	-	-
Mortgage pass-through	910,509	-	910,509	-
Collateralized mortgage obligations (Agency & Private)	690,162	-	690,162	-
Government sponsored enterprise (Agency & Private)	7,222,692	-	7,222,692	-
Asset-backed securities	5,106,117	-	5,106,117	-
Municipal	1,367,912	-	1,367,912	-
Corporate	9,429,127	-	9,429,127	-
<u>Investment in External Investment Pools:</u>				
FMLvT -0-2 Year high quality bond fund	25,878,525	-	25,878,525	-
FMLvT -1-3 Year high quality bond fund	3,456,806	-	3,456,806	-
FMLvT -Intermediate high quality bond fund	162,933	-	162,933	-
Real estate	17,642,153	-	-	17,642,153
Total Governmental & Business-type Fixed Income	\$ 83,204,718	\$ 11,337,782	\$ 54,224,783	\$ 17,642,153
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
Common stock	\$ 318,691,603	\$ 318,691,603	\$ -	\$ -
U.S. treasury securities	15,919,701	10,620,054	5,299,647	-
U.S. agency securities	28,320,714	-	28,320,714	-
Corporate bonds	68,451,683	-	68,451,683	-
Foreign bonds	914,811	-	914,811	-
Fixed Income Mutual Funds	72,740,389	-	72,740,389	-
Total Firefighters and Police Officers Pension Fund	\$ 505,038,901	\$ 329,311,657	\$ 175,727,244	\$ -
Other Post-Employment Trust Fund:				
<u>Investment in Funds of Garcia Hamilton & Associates</u>				
Corporate bonds	\$ 7,652,206	\$ 7,652,206	\$ -	\$ -
Government bonds	11,368,247	11,368,247	-	-
Mortgage-backed securities	9,674,376	9,674,376	-	-
US Treasury	3,414,027	3,414,027	-	-
Fiduciary Trust	7,109	7,109	-	-
Lee Munder Capital Group - Mid Cap Core	9,864,495	9,864,495	-	-
Atlanta Capital Management - Small Cap Core	10,377,760	10,377,760	-	-
State Street Global Advisors	28,945,364	-	28,945,364	-
Intercontinental Real Estate Corporation	5,023,131	-	-	5,023,131
Black Rock US Core Property Fund	4,838,490	-	-	4,838,490
Loomis Sayles & Company - Loomis Large Cap Growth Trust	20,345,202	20,345,202	-	-
Aristotle	16,710,366	16,710,366	-	-
Total Other Post-Employment Benefits Trust Fund	\$ 128,220,773	\$ 89,413,788	\$ 28,945,364	\$ 9,861,621

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

<u>Investment Type</u>	<u>Balance</u>
Investments Measured at Net Asset Value (NAV)	
Florida PRIME	\$ 160,743,762
Firefighters and Police Officers Pension Fund:	
Real estate funds	70,116,343
Farmland funds	20,311,752
Timber funds	19,549,670
Commingled equity funds	233,343,874
General Employees' Pension Fund	232,035,225
Total Investment Measured at NAV	<u>\$ 736,100,626</u>
Total Investment Measured at Fair Value	<u><u>\$ 1,452,615,018</u></u>

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the City's alternative investments measured at NAV as of September 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
GOVERNMENTAL & BUSINESS-TYPE INVESTMENTS:				
Investment in External Investment Pools:				
Florida PRIME	\$ 160,743,762	\$ -	Daily	1 day
Total Governmental & Business-type Fixed Income	<u><u>\$ 160,743,762</u></u>	<u><u>\$ -</u></u>		
FIDUCIARY FUNDS:				
Firefighters and Police Officers Pension Fund:				
Real estate funds	70,116,343	-	Quarterly	10-90 Days
Farmland funds	20,311,752	-	Annual	90 Days
Timber funds	19,549,670	-	N/A	N/A
Commingled equity funds	233,343,874	-	Daily	Same Day
Total Firefighters and Police Officers Pension Fund	<u><u>\$ 343,321,639</u></u>	<u><u>\$ -</u></u>		
General Employees' Pension Fund:				
General Employees' Pension Fund	\$ 232,035,225	\$ -	Daily	1 day
Total General Employees' Pension Fund	<u><u>\$ 232,035,225</u></u>	<u><u>\$ -</u></u>		

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 4. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2021 are as follows:

<u>Receivables</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Customer accounts	\$ -	\$ -	\$ 9,451,100	\$ 9,451,100
Franchise fees and taxes	5,731,056	471,801	-	6,202,857
Due from other governments	3,349,393	1,316,803	-	4,666,196
Other receivables	2,101,486	28,595	-	2,130,081
Gross receivables	11,181,935	1,817,199	9,451,102	22,450,234
Less: allowance for uncollectible accounts	-	-	(2,609,267)	(2,609,267)
Net total receivables (fund statements)	\$ 11,181,935	\$ 1,817,199	\$ 6,841,833	\$ 19,840,967
Municipal dedication fees	-	519,575	-	519,575
Net total receivables (government wide)	<u>\$ 11,181,935</u>	<u>\$ 2,336,774</u>	<u>\$ 6,841,833</u>	<u>\$ 20,360,542</u>

NOTE 5. RESTRICTED ASSETS

The City is required to segregate and restrict certain assets in connection with ordinances governing the issuance of Revenue and General Obligation Bonds. Amounts segregated and restricted to these ordinances and related reserves for the payment of principal and interest, as well as customer deposits at September 30, 2021 are as follows:

<u>Restricted assets</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
Revenue Bonds sinking fund	\$ -	\$ 14,007,348	\$ -	\$ -	\$ -	\$14,007,348
General Obligation Bonds sinking fund	-	49,820	-	-	-	49,820
Restricted for construction projects	-	-	4,254,782	-	-	4,254,782
Restricted for Utility System Bonds	-	-	-	-	8,178,779	8,178,779
Restricted for Wetland mitigation	-	-	-	473,406	-	473,406
Customer deposits	935,405	-	-	-	-	935,405
Total restricted assets	<u>\$ 935,405</u>	<u>\$ 14,057,168</u>	<u>\$ 4,254,782</u>	<u>\$ 473,406</u>	<u>\$ 8,178,779</u>	<u>\$27,899,540</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 53,534,768	\$ -	\$ -	\$ 53,534,768
Construction-in-progress	15,711,058	8,432,444	(6,404,783)	17,738,719
Total capital assets, not being depreciated	<u>69,245,826</u>	<u>8,432,444</u>	<u>(6,404,783)</u>	<u>71,273,487</u>
Capital assets, being depreciated:				
Buildings	311,730,225	3,894,518	-	315,624,743
Improvements other than buildings	163,504,459	1,124,040	-	164,628,499
Machinery and equipment	81,710,933	6,089,076	(2,152,616)	85,647,393
Infrastructure	42,274,483	-	-	42,274,483
Intangibles	61,307	-	-	61,307
Total capital assets, being depreciated	<u>599,281,407</u>	<u>11,107,634</u>	<u>(2,152,616)</u>	<u>608,236,425</u>
Less accumulated depreciation for:				
Buildings	(98,682,344)	(7,419,160)	-	(106,101,504)
Improvements other than buildings	(98,992,002)	(4,542,889)	-	(103,534,891)
Machinery and equipment	(55,927,717)	(5,922,624)	951,821	(60,898,520)
Infrastructure	(34,381,391)	(591,263)	-	(34,972,654)
Intangibles	(61,307)	-	-	(61,307)
Total accumulated depreciation	<u>(288,044,761)</u>	<u>(18,475,936)</u>	<u>951,821</u>	<u>(305,568,876)</u>
Total capital assets, being depreciated, net	311,236,646	(7,368,302)	(1,200,795)	302,667,549
Governmental activities capital assets, net	<u>\$ 380,482,472</u>	<u>\$ 1,064,142</u>	<u>\$ (7,605,578)</u>	<u>\$ 373,941,036</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,056,488	\$ -	\$ -	\$ 3,056,488
Construction-in-progress	11,927,584	7,612,384	(175,199)	19,364,769
Total capital assets, not being depreciated	<u>14,984,072</u>	<u>7,612,384</u>	<u>(175,199)</u>	<u>22,421,257</u>
Capital assets, being depreciated:				
Buildings	41,619,029	25,115	-	41,644,144
Improvements other than buildings	222,553,437	1,471,286	-	224,024,723
Machinery and equipment	19,646,832	546,293	(24,999)	20,168,126
Total capital assets, being depreciated	<u>283,819,298</u>	<u>2,042,694</u>	<u>(24,999)</u>	<u>285,836,993</u>
Less accumulated depreciation for:				
Buildings	(13,694,997)	(849,228)	-	(14,544,225)
Improvements other than buildings	(111,855,240)	(4,654,107)	-	(116,509,347)
Machinery and equipment	(9,201,978)	(1,633,530)	24,999	(10,810,509)
Total accumulated depreciation	<u>(134,752,215)</u>	<u>(7,136,865)</u>	<u>24,999</u>	<u>(141,864,081)</u>
Total capital assets, being depreciated, net	149,067,083	(5,094,171)	-	143,972,912
Business-type activities capital assets, net	<u>\$ 164,051,155</u>	<u>\$ 2,518,213</u>	<u>\$ (175,199)</u>	<u>\$ 166,394,169</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 6. CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government services	\$ 1,674,720
Public safety	4,552,139
Physical environment	550,211
Transportation	2,826,463
Economic environment	1,256,311
Human services	3,253,019
Culture/recreation	4,363,073
Total depreciation expense - governmental activities	\$ 18,475,936
Business-type activities:	
Water-sewer combined service	\$ 7,136,865
Total depreciation expense - business-type activities	\$ 7,136,865

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances and transfers as of September 30, 2021 is follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 373,247	Provide temporary resources
General Fund	Capital Projects	4,038,599	Provide funding for ERP expenditures
Total		\$ 4,411,846	

Interfund Transfers:

Transfer in:				
	Nonmajor Governmental Funds	Internal Service Fund	Total	Purpose
Transfer out:				
General Fund	\$ 735,767	\$ 100,000	\$ 835,767	Provide temporary resources
Nonmajor Governmental Funds	548,000	-	548,000	Supplement other funds
Total	\$ 1,283,767	\$ 100,000	\$ 1,383,767	

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 8. LEASES

Operating Leases

The City is the lessor in operating leases on various buildings as described below. Depreciation expense for these leased assets for the year ended September 30, 2021 was \$1,912,900. The cost and carrying amounts of these leased assets as of September 30, 2021 were as follows:

Land	\$ 1,068,835
Buildings	<u>95,772,696</u>
Total Cost	96,841,531
Less: Accumulated Depreciation	<u>(33,301,789)</u>
Book Value as of September 30, 2021	<u>\$ 63,539,742</u>

Calvin, Giordano and Associates leases 4,768 square feet in the new City Hall. In the "Silver Emporium" Senior Citizen Multipurpose Center, the City leases 3,176 square feet to the Pines Care Medical Center. The City also leases an office to a podiatrist and the dining and gift shop area to a restaurant at the Multipurpose Center. These leases vary from 1 to 5 years and are included in the table below. The 11,950 square foot restaurant "Club 19" at the City's Golf & Racquet Club is also leased to an operator. As of September 30, 2021, Club 19 leased facilities consisted of \$72,700 in land and \$212,077 in buildings for a total cost of \$284,777. The accumulated depreciation and the net book value of the property as of September 30, 2021 are \$154,367 and \$130,410, respectively. Depreciation expense for the year was \$4,242.

The City also leases small parcels of property to various telecommunications service providers to construct, maintain and operate telecommunications facilities. The annual leases vary from 5 to 15 years with rental charges ranging between \$4,500 to \$98,787 per year. Annual rentals increase at rates from 3% to 5% per year. In addition to the annual rent, and subject to prior approval, the City shall receive 50% of any amounts received from any third-party source for co-location for the construction or use of telecommunication towers. The City received a total of \$2,363,997 from the tower rentals during the year ended September 30, 2021.

On June 11, 1986, the City leased 30 acres of the Walter C. Young Resource Center site to the School Board of Broward County for the purpose of their constructing and operating a Community Education Facility. The terms call for a rental of \$1 per year for 50 years. At the termination of the lease, all improvements made on the site by the School Board of Broward County will become the property of the City.

On December 3, 1996, the City leased two acres of the Walter C. Young Resource Center site adjacent to the Walter C. Young Middle School to the School Board of Broward County and to Broward County, jointly, for the purpose of their constructing a Library facility on the site. The terms call for a rental of \$1 per year for 30 years, plus a 20-year option to renew. At the termination of the lease, all improvements made on the site by the School Board of Broward County and by Broward County will become the property of the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 8. LEASES (continued)

Operating Leases (continued)

On April 20, 1998, the City entered into a Ground Lease Agreement with Children's Harbor, Inc., a Florida Non-Profit Organization, whereby the Organization will design, develop, construct and operate a Children's Development Center with residential and educational facilities on 7.4 acres in western Pembroke Pines to provide family type homes for abused and neglected children. The lease is for 30 years at \$1 per year with two ten-year renewal periods upon mutual consent. The leased facilities include land and buildings with a cost of \$500,000 and \$1,780,834, respectively, for a total cost of \$2,280,834. Accumulated depreciation and the net book value of the facilities as of September 30, 2021 were \$1,042,908 and \$1,237,926, respectively. Depreciation expense for the year ended September 30, 2021 was \$28,382.

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

On March 15, 2001, the City subleased the 157-acre site of the former South Florida State Hospital from the Florida Department of Children and Families for a 50-year period beginning July 1, 2001 (See Note 12. Commitments). As of September 30, 2021, the City had sub-leased portions of the site, now known as the "Senator Howard C. Forman Human Services Campus", to Citrus Health Network, Department of Children and Families, Department of Juvenile Justice, WestCare, Homes for Veterans, and several other lessees at various rentals and terms. The City also provides office space, furniture, and services on the site at no cost to Transportation Authority, Inc., a contractor utilized to provide all transportation services required for the City-operated Charter Schools, as well as to Chartwells, a Division of Compass Group USA, Inc. who is the contractor providing student meals to the Charter Schools. The City received a total of \$1,547,516 from the rental of buildings on the Campus for the year ended September 30, 2021.

On November 23, 2004, the City signed a Sub-Sublease Agreement with Susan B. Anthony Center, Inc. (SBA), a Florida Non-Profit Organization that provides transitional housing for women with children who are recovering from substance abuse. The City leases to SBA a 5.2-acre site in the Senator Howard C. Forman Human Services Campus, and constructed buildings providing a residential complex, an administrative and treatment facility, and an Early Learning Center plus land and off-site improvements. Due to operational issues, the managing entities of SBA, the Broward Behavioral Health Coalition (BBHC) and the Florida Department of Children and Families (FDCF) terminated their agreement with SBA and facilitated a transition of SBA Services to another provider, WestCare. The City signed a new Sub-Sublease Agreement with WestCare effective April 8, 2019. The City financed this construction using the proceeds from the issuance of \$7,910,000 in Variable Rate Capital Improvement Revenue Bonds maturing on October 1, 2038. (See Note 9. "Long-Term Debt"). WestCare pays rent to the City to reimburse the City for its ongoing fiscal and debt service expenditures incurred in financing the project. The project received its Certificate of Occupancy on February 2, 2006 and rentals due to the City are included in the table below from that date onward. Rental income for the year ended September 30, 2021 is \$391,991. The cost of the Center is \$7,035,387, and accumulated depreciation and net book value as of September 30, 2021 were \$2,204,422 and \$4,830,965, respectively. Depreciation expense for the year ended September 30, 2021 was \$140,708.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 8. LEASES (continued)

Operating Leases (continued)

The City receives rental revenue from various short-term rental arrangements with religious and civic groups and other organizations utilizing the Charter Schools' classrooms on weekends, and other available City sites, including the Walter C. Young Resource Center. Apartments at the two Senior Housing sites are rented on leases not exceeding one year. During the year ended September 30, 2021, the City received rental income of \$2,003,176 from the two Senior Housing Facilities located in the Southwest Focal Point Senior Center known as "Pines Point", and \$6,112,387 from the three Senior Housing Facilities located in the Senator Howard C. Forman Human Services Campus known as "Pines Place". Pines Point land and buildings costs were \$496,135 and \$17,366,392, respectively, as of September 30, 2021. The accumulated depreciation and net book value of Pines Point as of September 30, 2021 were \$8,265,145 and \$9,597,382, respectively, and depreciation expense for the year ended September 30, 2021 was \$340,369. Pines Place cost is \$55,778,161 and its accumulated depreciation and net book value as of September 30, 2021 were \$16,818,335 and \$38,959,826, respectively, and depreciation expense for the year ended September 30, 2021 was \$1,115,869.

The City also maintains a storage lot for recreational vehicles and boats and trailers and received storage rentals amounting to \$391,580 for the year ended September 30, 2021. None of these short-term rentals are included in the following table.

The approximate minimum future rentals to be received, excluding expected lease renewals on non-cancelable operating leases as of September 30, 2021 are:

Fiscal year ending September 30:	
2022	\$ 1,900,000
2023	2,080,000
2024	560,000
2025	500,000
2026	500,000
2027-2031	800,000
2032-2036	300,000
Total minimum future rentals	<u>\$ 6,640,000</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT

Revenue Bonds - The source of repayment of these bonds is the income derived from the acquired or constructed assets and/or specific revenue sources. The outstanding revenue bonds as of September 30, 2021 include the following (All capitalized terms are as defined in each bond issue's official documents):

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

These 2008 Bonds have an outstanding balance of \$6,769,000. They will mature on October 1, 2038, subject to optional redemption, purchase and tender. During any Daily Period or Weekly Period, the Series 2008 Bonds are subject to redemption by the Issuer, at the option of the Issuer, in whole at any time or in part on any Interest Payment Date, less than all of such Series 2008 Bonds to be selected by lot or in such other manner as the Trustee shall determine, at a redemption price of 100% of the outstanding principal amount thereof plus accrued interest. The Series 2008 Bonds shall be subject to mandatory tender by the Registered Owners for purchase. The principal of, premium, if any, and interest on the Series 2008 Bonds are payable from and secured by a pledge of and an irrevocable lien upon the City's Electric Franchise Revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2016, the Capital Improvement Revenue Refunding Bonds (Phase II of Forman Senior Housing Project), Series 2017, and any Additional Parity Franchise Revenue Bonds.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

On September 30, 2016, the City remarketed the Series 2008 Bonds in the principal amount of \$7,636,000 to TD Bank based on a 1.66% seven-year term Direct Purchase fixed rate, which resulted in a net present value savings of \$244,634. The debt service shown in the schedule hereunder and the following "Schedule of Debt Service on Outstanding Bonds as of September 30, 2021" is based on the 1.66% seven-year term Direct Purchase fixed rate in effect at the financial statement date of September 30, 2021 (per GASB Statement No. 38, paragraph 10).

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 241,000	\$ 110,365	\$ 351,365
2023	253,000	106,265	359,265
2024	265,000	101,966	366,966
2025	278,000	97,459	375,459
2026	292,000	92,728	384,728
2027-2031	1,694,000	383,992	2,077,992
2032-2036	2,168,000	224,466	2,392,466
2037-2039	1,578,000	40,121	1,618,121
Total	\$ 6,769,000	\$ 1,157,361	\$ 7,926,361

Capital Improvement Revenue Refunding Bonds, Series 2010 - On June 22, 2010, the City issued the Capital Improvement Revenue Refunding Bonds, Series 2010 in the amount of \$8,545,700 for the purpose of refunding the outstanding \$8,690,000 Capital Improvement Revenue Bonds, Series 1999 in order to realize a net interest cost savings. These Series 2010 Bonds have an outstanding balance of \$4,060,100 due in varying installments through December 1, 2026. The outstanding bonds bear interest at the rate of 4.1575%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Capital Improvement Revenue Refunding Bonds, Series 2017, the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2016, and any Additional Parity Franchise Revenue Bonds. The Bonds are subject to redemption at the option and direction of the Issuer in whole or in part on any date on and after the 10th anniversary of the Delivery Date at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 551,000	\$ 157,345	\$ 708,345
2023	575,000	133,938	708,938
2024	598,400	109,546	707,946
2025	746,300	81,593	827,893
2026	777,200	49,924	827,124
2027	812,200	16,884	829,084
Total	\$ 4,060,100	\$ 549,230	\$ 4,609,330

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Capital Improvement Revenue Refunding Bonds, Series 2019 - On November 7, 2019, the City issued \$58,985,000 Capital Improvement Revenue Bonds, Series 2019A and \$3,635,000 Taxable Capital Improvement Revenue Bonds, Series 2019B for the purpose of (i) refunding the outstanding Charter School Revenue Bonds, Series 2008, (ii) finance and/or reimburse the cost of certain capital improvement to the City's Enterprise Resource Planning System, (iii) finance all or a portion of the payments required to terminate the interest rate swap agreements related to the refunded bonds, and (iv) pay costs associated with the issuance of the 2019 Bonds. The Series 2019A bears an annual interest rate ranging from 3.0% to 5.0% while Series 2019B bears an annual interest rate ranging from 2.4% to 2.5%. Both are payable semi-annually on January 1 and July 1 in each year, beginning January 1, 2020. The 2019 Bonds are payable solely from and secured by a lien on the pledged funds which consist of all non-ad valorem revenues. The City covenanted, for each fiscal year in which the 2019 Bonds remain outstanding, to budget and appropriate sufficient non-ad valorem revenues for the payment of principal, interest, and any redemption price of the 2019 Bonds. The City also covenanted that it will not incur any additional debt unless it demonstrates that the non-ad valorem revenues shall cover the maximum annual debt service on the Series 2019 Bonds and such debt by at least 1.50x calculated using the average of the actual non-ad valorem for the prior two fiscal years based on audited financial statements for such fiscal year. The refunding resulted in net present value savings of \$56,059.

The Series 2019A Bonds that mature before July 1, 2030 are not subject to redemption prior to their maturities. The Series 2019A Bonds that mature on or after July 1, 2030, are subject to redemption beginning July 1, 2029, in whole or in part at any time, in any order of maturities at the option of the City, and by lot within a maturity if less than a full maturity is redeemed, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date. The Series 2019B Bonds of each maturity are subject to redemption at the option of the City in whole or in part pro-rata at any time at the redemption price that is the greater of (A) 100% of the principal amount of the Series 2019B Bonds to be redeemed and (B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019B Bonds to be redeemed, not including any portion of those payments of interest accrued unpaid as of the date on which the Series 2019B discounted at the Treasury Rate as defined in the bond document plus 20 basis points, plus any accrued and unpaid interest at the redemption date.

The refunded bonds (2008 Series) were originally issued on March 25, 2008 (reissued for federal income tax purposes on May 29, 2014) for the purposes of (i) financing the acquisition, construction and equipping of certain additions to existing educational facilities located within the City, and (ii) advance refunding the City's Charter School Revenue Bonds, Series 2001A and Charter School Revenue Bonds, Series 2001B (collectively, the "Series 2001 Bonds"). The Series 2001 Bonds were issued for the purpose of financing the acquisition, construction and equipping of educational facilities owned and operated by the City.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

In an effort to hedge its exposure to variable interest rates on the refunded bonds, the City entered into four Qualified Fixed Payor Swap with two counterparties. Under the Swap agreements, the City paid a fixed rate of interest to each of the Swap counterparties on their respective notional amounts equal to 3.794%, and the City received in return from each Swap counterparty a floating rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, on the same notional amount determined on the day of the week specified in the applicable Swap transaction.

At the best interest of the City, it fully refunded the 2008 Charter School Revenue Bonds and terminated the associated swap agreements for approximately \$10.3 million using the proceeds of the 2019 series bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$10.3 million. This difference is reported in the accompanying financial statements as a deferred outflow of resources is being charged to operations through the year 2038 using straight-line method which approximates the amount using effective interest method of amortization.

	Series 2019A		Series 2019B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Fiscal year ending September 30:						
2022	\$ -	\$ 2,602,900	\$ -	\$ 90,505	\$ -	\$ 2,693,405
2023	1,480,000	2,602,900	-	90,505	1,480,000	2,693,405
2024	1,630,000	2,528,900	-	90,505	1,630,000	2,619,405
2025	1,720,000	2,447,400	-	90,505	1,720,000	2,537,905
2026	1,440,000	2,361,400	3,635,000	90,505	5,075,000	2,451,905
2027-2031	14,640,000	10,394,500	-	81,625	14,640,000	10,476,125
2032-2036	26,155,000	5,345,400	-	-	26,155,000	5,345,400
2037-2038	11,920,000	660,850	-	-	11,920,000	660,850
Total	\$ 58,985,000	\$28,944,250	\$ 3,635,000	\$ 534,150	\$62,620,000	\$29,478,400

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 - On December 21, 2010, the City issued the Consolidated Utility System Revenue Bonds, Series 2010 in the amount of \$12,300,000 for the purpose of financing certain improvements and expansions to the City's consolidated utility system. These Bonds have an outstanding balance of \$4,835,318 due in varying installments through December 1, 2025. The outstanding bonds bear interest at the rate of 3.50%, with interest payable semi-annually on June 1st and December 1st. The Bonds are not subject to optional redemption prior to December 1, 2015. After December 1, 2015, they may be subject to optional redemption, at the direction of the Issuer, in whole or in part, on any day for which proper notice of redemption may be given in accordance with the Resolution at a redemption price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, plus a premium as set forth below:

<u>Redemption Date</u>	<u>Premium</u>
December 2, 2015 through December 1, 2020	1%
December 2, 2020 and thereafter	0%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2022	\$ 901,697	\$ 153,456	\$ 1,055,153
2023	933,256	121,344	1,054,600
2024	965,920	88,109	1,054,029
2025	999,728	53,711	1,053,439
2026	1,034,718	18,108	1,052,826
Total	\$ 4,835,319	\$ 434,728	\$ 5,270,047

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Consolidated Utility System Revenue Bonds, Series 2010 (continued)

The Master Resolution defines the following terms as follows:

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

The Utility Fund Net Revenue rate covenant for the fiscal year ended September 30, 2021 of 228.20% was computed as follows:

Operating revenues	\$	58,519,557
Plus: Investment income		158,648
Plus: Capital contributions		1,673,964
Less: Contributions in Aid of Construction		(1,348,136)
Gross Revenues		59,004,033
Less operating, administrative, and maintenance expenses		(49,843,635)
Net Revenues of the System		\$ 9,160,398
Principal payment and interest expense		1,045,523
Reserve for renewals and replacements (RR&I)		2,968,729
Total bond service requirement & RR&I		\$ 4,014,252
Bond service requirement & RR&I coverage (requirement is 120%)		228.20%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013 – On October 15, 2013, the City issued \$35,300,000 bonds for the purpose of refunding \$34,660,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2003A. This refunding was undertaken to reduce total debt service payments over the next 19 years by \$268,481 and resulted in an economic gain of \$1,867,401. The Series 2013 Bonds have an outstanding balance of \$26,110,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate of 5.762%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2014 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City's annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds may be subject to redemption prior to maturity, at the option of the City, on any business day, in whole or in part at a redemption price equal to the Make-Whole Redemption Price.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 1,480,000	\$ 1,352,555	\$ 2,832,555
2023	1,545,000	1,285,701	2,830,701
2024	1,610,000	1,213,222	2,823,222
2025	1,690,000	1,134,932	2,824,932
2026	1,770,000	1,050,253	2,820,253
2027-2031	10,325,000	3,719,706	14,044,706
2032-2034	7,690,000	681,357	8,371,357
Total	\$ 26,110,000	\$ 10,437,726	\$ 36,547,726

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014 – On September 10, 2014, the City issued \$41,540,000 bonds for the purpose of refunding \$41,075,000 outstanding Taxable Communications Services Tax Revenue Bonds, Series 2004. This refunding was undertaken to reduce total debt service payments over the next 20 years by \$741,366 and resulted in an economic gain of \$3,585,134. The Series 2014 Bonds have an outstanding balance of \$31,060,000 due in varying installments through October 1, 2033. The outstanding bonds bear an interest rate from 0.55% to 4.706%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from and secured by a pledge of and an irrevocable lien on the Communications Services Tax Revenues and Water Public Service Tax Revenues on a parity with the Series 2013 Bonds and any Additional Parity Bonds hereafter issued. The lien on and pledge of the Water Public Service Tax Revenues to the payment of the bonds shall be released upon the City demonstrating that, based on the City’s annual audited financial statements for the two fiscal years immediately preceding such release, the Communications Services Tax Revenues recognized for each of such fiscal year, without taking into consideration any Water Public Service Tax Revenues, were not less than 1.30 times the Maximum Bond Service Requirement on all parity bonds then outstanding. This lien has not yet been released. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 1,895,000	\$ 1,255,650	\$ 3,150,650
2023	1,955,000	1,193,094	3,148,094
2024	2,025,000	1,124,364	3,149,364
2025	2,090,000	1,049,714	3,139,714
2026	2,170,000	969,234	3,139,234
2027-2031	12,210,000	3,428,212	15,638,212
2032-2034	8,715,000	627,428	9,342,428
Total	\$ 31,060,000	\$ 9,647,696	\$ 40,707,696

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

Public Improvement Revenue Refunding Bonds, Series 2014 – On September 10, 2014, the City issued \$29,040,000 bonds for the purpose of refunding (1) \$17,620,000 outstanding Public Improvement Revenue Bonds, Series 2004A, and (2) \$14,020,000 outstanding Public Improvement Revenue Bonds, Series 2004B. This refunding was undertaken to reduce total debt service payments over the next 21 years by \$402,963 and resulted in an economic gain of \$4,719,785. The Series 2014 Bonds have an outstanding balance of \$22,805,000 due in varying installments through October 1, 2034. The outstanding bonds bear an interest rate from 2.0% to 5.0%, payable semi-annually on April 1st and October 1st of each year. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2016. The bonds maturing on or after October 1, 2025 are subject to redemption at the option of the City, on or after October 1, 2024, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 1,215,000	\$ 956,931	\$ 2,171,931
2023	1,275,000	907,431	2,182,431
2024	1,320,000	855,306	2,175,306
2025	1,385,000	787,681	2,172,681
2026	1,455,000	716,681	2,171,681
2027-2031	8,240,000	2,633,365	10,873,365
2032-2035	7,915,000	720,950	8,635,950
Total	\$ 22,805,000	\$ 7,578,345	\$ 30,383,345

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

General Obligation Bonds - The source of repayment of the General Obligation bonds is the unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue. The outstanding General Obligation Bonds as of September 30, 2021 are as follows:

General Obligation Bonds, Series 2015 – On June 4, 2015, the City issued \$76,045,000 bonds for the purpose of (1) refunding \$36,690,000 outstanding General Obligations Bonds, Series 2005, (2) partial refunding \$34,410,000 outstanding General Obligations Bonds, Series 2007, and (3) the issuance of an additional \$10 million General Obligations Bonds, which were used towards the construction of the new Civic Hall/City Center project. This refunding resulted in an economic gain of \$3,956,536; however, the total debt service payments did not reduce due to the additional \$10 million issuance. The Series 2015 Bonds have an outstanding balance of \$62,270,000 due in varying installments through September 1, 2036. The outstanding bonds bear an interest rate from 3.75% to 4.75%, payable semi-annually on March 1st and September 1st of each year. The Series 2015 Bonds are general obligations of the City and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the City (except exemptions provided by applicable law). There is no limitation as to the rate or amount of ad valorem taxes that can be levied for the purpose of paying the Series 2015 Bonds. The bonds maturing on or after September 1, 2025 are subject to redemption at the option of the City, on or after September 1, 2025, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 2,940,000	\$ 2,957,688	\$ 5,897,688
2023	3,085,000	2,810,688	5,895,688
2024	3,240,000	2,656,438	5,896,438
2025	3,400,000	2,494,438	5,894,438
2026	3,570,000	2,324,438	5,894,438
2027-2031	20,375,000	9,102,540	29,477,540
2032-2036	25,660,000	3,808,690	29,468,690
Total	\$ 62,270,000	\$ 26,154,920	\$ 88,424,920

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Public Improvement Revenue Refunding Bonds, Series 2016 – On October 11, 2016, the City issued \$17,386,400 bonds for the purpose of advance refunding of all of the Public Improvement Revenue Bonds, Series 2006, maturing on and after October 1, 2016 totaling \$17,310,000. This refunding was undertaken to reduce total debt service payments over the next six years by \$308,090 and resulted in an economic gain of \$1,770,793. The Series 2016 Bonds have an outstanding balance of \$5,963,800 due in varying installments through October 1, 2022. The outstanding bonds bear an interest at rate of 1.340% with interest payable semi-annually on April 1st and October 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric public service tax revenues on a parity with the Public Improvement Revenue Bonds, Series 2014, and any Additional Parity Bonds.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 2,963,900	\$ 60,056	\$ 3,023,956
2023	2,999,900	20,099	3,019,999
Total	\$ 5,963,800	\$ 80,155	\$ 6,043,955

Capital Improvement Revenue Refunding Bonds, Series 2017 - On May 24, 2017, the City issued \$45,960,000 bonds for the purpose of refunding \$30,505,000 outstanding Capital Improvement Revenue Refunding Bonds, Series 2006, and \$22,050,000 outstanding Capital Improvement Revenue Refunding Bonds, Series 2007. This refunding was undertaken to reduce total debt service payments over the next 20 years by \$526,287 and resulted in an economic gain of \$6,459,368. The Series 2017 Bonds have an outstanding balance of \$34,950,000 due in varying installments through December 1, 2036. They bear interest at rates which range from 2.00 % to 5.00%, with interest payable semi-annually on June 1st and December 1st. The principal and interest on these bonds are payable from a pledge of and lien upon the City's electric franchise revenues on a parity with the Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008, the Capital Improvement Revenue Refunding Bonds, Series 2010, and any Additional Parity Bonds and Additional Parity Franchise Revenue Bonds. The bonds maturing on or after June 1, 2027 are subject to redemption at the option of the City, on or after June 1, 2027, in such order of maturity as the City selects, plus accrued interest to the redemption date.

	Principal	Interest	Total
Fiscal year ending September 30:			
2022	\$ 3,005,000	\$ 1,537,963	\$ 4,542,963
2023	3,145,000	1,384,213	4,529,213
2024	3,310,000	1,222,838	4,532,838
2025	3,365,000	1,055,963	4,420,963
2026	3,535,000	883,463	4,418,463
2027-2031	11,260,000	2,484,540	13,744,540
2032-2036	6,170,000	924,856	7,094,856
2037	1,160,000	29,000	1,189,000
Total	\$ 34,950,000	\$ 9,522,836	\$ 44,472,836

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Outstanding Advanced Refunded Bonds

In prior years, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2021, there are no bonds outstanding that are considered defeased.

Conduit Debt Obligations

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

Changes in Noncurrent Liabilities

Compensated absences and the net pension/OPEB liabilities of the governmental activities are generally liquidated by the General Fund, except for the compensated absences of the Charter Schools which are liquidated by the respective Special Revenue Funds. A summary of the long-term obligations for the year ended September 30, 2021, are as follows:

Governmental activities:	
General obligation bonds	\$ 62,270,000
Revenue bonds – direct placements	194,337,900
Total Governmental activities	\$ 256,607,900
Business-type activities:	
Revenue bonds – direct placements	\$ 4,835,319
Total Business-type activities	\$ 4,835,319
Total	<u><u>\$ 261,443,219</u></u>

The City's outstanding obligations from direct placements related to governmental activities and business-type activities as of September 30, 2021 aggregated to \$194,337,900 and \$4,835,319, respectively. The bond indentures contain events of default provisions such as payment defaults, cross defaults with certain other agreements, breaches of covenants or representation and warranties, the occurrence of a material adverse effect and certain bankruptcy events providing the lender the authority to pursue action in any court to enforce collection, however it is not construed as granting the lender any lien on any real property of the City. The City has no assets pledged as collateral for any of the bonds other than the reserve accounts as required by the bond documents which are restricted solely for debt service payments. Of the approximately \$261 million long-term debt obligations, only the Variable Rate Capital Improvement Revenue Refund Bonds, Series 2008 (Susan B. Anthony Center) (reissued in September 2016) (the "VRCIRRB Series 2016 ") are subject to acceleration upon events of default allowing lenders to accelerate payment of the entire principal amount outstanding if the lender determines that a material adverse change occurs. The VRCIRRB Series 2016 has an outstanding balance of \$6,769,000 at September 30, 2021. The City has no unused line of credit as of September 30, 2021.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Changes in Noncurrent Liabilities (continued)

Noncurrent liability activity for the year ended September 30, 2021 was as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds payable:					
Charter School Revenue Bonds, Series 2019 A and B	\$ 62,620,000	\$ -	\$ -	\$ 62,620,000	\$ -
Capital Improvement Refunding Revenue Bonds, Series 2010	4,586,500	-	(526,400)	4,060,100	551,000
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2013	27,535,000	-	(1,425,000)	26,110,000	1,480,000
Taxable Communications Services Tax Revenue Refunding Bonds, Series 2014	32,905,000	-	(1,845,000)	31,060,000	1,895,000
Public Improvement Refunding Revenue Bonds, Series 2014	23,975,000	-	(1,170,000)	22,805,000	1,215,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016	7,000,000	-	(231,000)	6,769,000	241,000
Public Improvement Refunding Revenue Bonds, Series 2016	8,886,200	-	(2,922,400)	5,963,800	2,963,900
Capital Improvement Refunding Revenue Bonds, Series 2017	<u>37,845,000</u>	<u>-</u>	<u>(2,895,000)</u>	<u>34,950,000</u>	<u>3,005,000</u>
Total revenue bonds	<u>205,352,700</u>	<u>-</u>	<u>(11,014,800)</u>	<u>194,337,900</u>	<u>11,350,900</u>
General obligation bonds:					
General Obligation Bonds, Series 2015	<u>65,070,000</u>	<u>-</u>	<u>(2,800,000)</u>	<u>62,270,000</u>	<u>2,940,000</u>
Total revenue and general obligation bonds	270,422,700	-	(13,814,800)	256,607,900	14,290,900
Less deferred amounts:					
For issuance discounts/premiums	<u>21,549,153</u>	<u>-</u>	<u>(2,161,074)</u>	<u>19,388,079</u>	<u>-</u>
Total bonds payable	291,971,853	-	(15,975,874)	275,995,979	14,290,900
Estimated self-insurance claims	12,118,485	20,625,101	(21,623,750)	11,119,836	1,605,014
Net pension liability	240,956,145	92,447,646	(99,515,335)	233,888,456	-
Net OPEB liability	65,667,979	15,016,940	(30,942,176)	49,742,743	-
Compensated absences	<u>15,795,077</u>	<u>11,905,284</u>	<u>(11,462,052)</u>	<u>16,238,309</u>	<u>11,838,758</u>
Governmental activity noncurrent liabilities	<u>\$ 626,509,539</u>	<u>\$ 139,994,971</u>	<u>\$ (179,519,187)</u>	<u>\$ 586,985,323</u>	<u>\$ 27,734,672</u>
Business-type activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Net pension liability	\$ 1,960,900	\$ -	\$ (1,960,900)	\$ -	\$ -
Net OPEB liability	6,054,421	1,082,098	(1,389,489)	5,747,030	-
Compensated absences	80,053	39,733	(50,744)	69,042	51,200
Consolidated Utility System Revenue Bonds, Series 2010	<u>5,706,524</u>	<u>-</u>	<u>(871,205)</u>	<u>4,835,319</u>	<u>901,697</u>
Business-type activity noncurrent liabilities	<u>\$ 13,801,898</u>	<u>\$ 1,121,831</u>	<u>\$ (4,272,338)</u>	<u>\$ 10,651,391</u>	<u>\$ 952,897</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 9. LONG-TERM DEBT (continued)

Pledged Revenues

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

Electric Franchise Fees (Franchise Revenue) are pledged to repay the outstanding \$45.8 million (including the for the Susan B. Anthony Center (SBA) Bonds) in revenue bonds issued in 2010, 2016 and 2017. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Tower 3) and the Susan B. Anthony Center. While the Franchise Revenue is pledged for the SBA Bonds, the debt service is being repaid by the rent received from the SBA. Except for the SBA Bonds, the bonds are payable solely from the Franchise Revenue and are payable through 2039. Based on the FY 2021 Franchise Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 65% of the pledged revenue. The total principal and interest remaining to be paid on the bonds (excluding the SBA Bonds) is \$49,082,166. For FY 2021, the principal and interest paid (excluding the SBA Bonds) and the total Franchise Revenue were \$5,617,411 and \$8,621,770, respectively.

Electric Public Service Taxes (Public Service Revenue) are pledged to repay the outstanding \$28.8 million in revenue bonds issued in 2014 and 2016. Proceeds from the bonds provided financing for refunding debt and construction of various City projects including the senior housing (Towers 1 and 2). The bonds are payable solely from the Public Service Revenue and are payable through 2035. Based on the FY 2021 Public Service Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 44% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$36,427,300. For FY 2021, the principal and interest paid and the total Public Service Revenue were \$5,202,601 and \$11,849,134, respectively.

Communications Services Taxes and Water Public Service Taxes (Communications and Water Tax Revenue) are pledged to repay the outstanding \$57.2 million in revenue bonds issued in 2013 and 2014. Proceeds from the bonds provided financing for the Firefighters Pension and the Police Officers and General Employees' Pension. The bonds are payable solely from the Communications and Water Tax Revenue and are payable through 2034. Based on the FY 2021 Communications and Water Tax Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 98% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$77,255,422. For FY 2021, the principal and interest paid and the total Communications and Water Tax Revenue were \$5,994,206 and \$7,064,360, respectively.

Net Revenues of the Consolidated Utility System (Utility Revenue) are pledged to repay the outstanding \$4.8 million in revenue bonds issued in 2010. Proceeds from the bonds provided financing for the Consolidated Utility System Project. The bonds are payable solely from the Utility Revenue and are payable through 2026. Based on the FY 2021 Utility Revenue, the future maximum annual principal and interest payments on the bonds are expected to require 13% of the pledged revenue. The total principal and interest remaining to be paid on the bonds is \$5,270,046. For FY 2021, the principal and interest paid and the total net revenues of the Utility system were \$1,045,523 and \$9,160,398, respectively.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 10. RISK MANAGEMENT

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

The City’s exposure on health insurance is limited to \$1,914 per month per covered employee and their covered dependents. This is for claims only and does not include administrative expenses or stop loss. Total maximum loss exposure to the City for health insurance on covered employees and dependents was \$34,955,939 for the fiscal year ended September 30, 2021. The City purchases commercial insurance for claims in excess of coverage provided by the fund, and for all other risks of loss. There were no reductions in insurance coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the risk management fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The estimated claims liability of \$11,119,836 reported in the fund at September 30, 2021 is based on the requirements of GASB Statement No. 10, as amended by Statement No. 30, includes IBNR (incurred but not reported claims) and is based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience.

Claims liabilities include specific and incremental claim adjustment expenditures/expenses. In addition, estimated recoveries on unsettled claims, such as salvage or subrogation, were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Estimated recoveries on settled claims were deducted from the liability for unpaid claims. The changes in the fund’s claims liability amount during the past two years were as follows:

	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2020-2021	\$ 12,118,485	\$ 20,625,101	\$ (21,623,750)	\$ 11,119,836
2019-2020	\$ 9,585,073	\$ 20,488,817	\$ (17,955,405)	\$ 12,118,485

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 11. CONTINGENT LIABILITIES

Litigation

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

Federal and State Assisted Programs

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

NOTE 12. COMMITMENTS

On September 28, 1990, the City entered a "Large User Wastewater Agreement" with the City of Hollywood, Florida. The agreement provides for the connection of the portion of the City's sewage collection system east of Flamingo Road to the City of Hollywood's treatment and disposal facility. The City is being charged based upon an average daily wastewater flow to cover operating and maintenance expenses, non-operating expenses, capital expenditures, bond retirement, and interest expenses. The charge to operations of the water and sewer fund under this Agreement is \$9,442,192 for the year ended September 30, 2021.

In 1986, the City entered into a lease with the Broward County School Board and Walter C. Young Resource Center for fifty (50) years at \$1 per year. The City holds title to the Resource Center. The City also entered into an Interlocal Agreement in 1989 with the Broward County School Board to operate the Walter C. Young Resource Center. The City is responsible for a prorated share of the operating costs based on its usage as defined in the agreement. The Resource Center includes a Middle School for sixth, seventh and eighth graders, and also offers adult education classes on evenings and weekends. One of the City's Early Development Centers, "Bright Beginnings", is also located at the Resource Center.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 12. COMMITMENTS (continued)

At September 30, 2021, the balance in the Trust Fund account was \$473,406. For the fiscal year ended September 30, 2021, the Trust earned \$757 in investment income, and incurred expenses of \$16,459.

On March 15, 2001, the City entered into an Interlocal Agreement with The Florida Department of Children & Families (DCF), which provides for the City to develop, operate and maintain the 157-acre site of the former South Florida State Hospital. The site was originally leased by DCF from the State of Florida on January 4, 1973.

The agreement specifies that the City will sublease the site from DCF for a 50-year period from July 1, 2001 to June 30, 2051 for a \$300 annual administration fee, and is subject to other terms and conditions relating to the City's management of the site. The City has renamed the site "Senator Howard C. Forman Human Services Campus", and has subleased the site's facilities to various lessees. (See Note 8. Operating Leases). The City constructed three senior housing towers with a total of 614 apartment units, and has constructed the Susan B. Anthony Center for women with children whom are recovering from substance abuse, containing a 40-unit Residential Complex, an administration and treatment building, and an Early Learning Center at the site. The City has financed these projects with various bond issues. (See Note 9. Long-Term Debt). The site also includes a central kitchen facility for the City's Charter Schools as well as fuel storage tanks for the Charter School buses which are parked on the site. In fiscal year 2010, the City completed the renovation of an existing building on the site, and created an Artists' Colony named "Studio 18 in the Pines."

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

Energy Savings Agreements

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 12. COMMITMENTS (continued)

COVID-19

The COVID-19 outbreak resulted in disruption of national and global markets and economies since the declaration of the pandemic in March 2020. The City continues to evaluate and monitor the potential adverse effect COVID-19 may have on its financial position, operations, and cash flows. The full impact of COVID-19 is unknown, and therefore, the City is not able to estimate the extent of the impact that COVID-19 will have on the City's operational and financial performance at this time.

On March 11, 2021, Congress passed the American Rescue Plan Act of 2021. The bill provides additional relief to address the continued impact of COVID-19. The Coronavirus Local Fiscal Recovery Funds (CLFRF) program is a component of the American Rescue Plan Act of 2021. It provides funding to local governments to broadly respond to the COVID-19 public health emergency. The City was awarded approximately \$25.5 million through this Act with a spending deadline of December 31, 2024. The City received the first tranche of the award amounting to \$12.7 million in fiscal year 2021, and the remaining \$12.7 million is expected to be received within the next fiscal year. As of September 30, 2021, the funds were unspent and are reported as a liability (unearned revenue) in the accompanying financial statements.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 12. COMMITMENTS (continued)

The City has the following construction commitments as of September 30, 2021:

Project Name	Vendor	Original Amount	Balance
Water Treatment Facility Improvements	RF Environmental Services, Inc.	\$ 2,879,686	\$ 367,749
Replacement of Emergency Generator at Various Locations	Bejar Construction, Inc.	1,631,653	131,199
Senior Center Parking Lot Improvements	Miguel Lopez Jr, Inc.	250,257	41,086
Interior/Exterior Locks at Schools	Gerelcome	1,079,396	87,749
Control Panels for Lift Stations	Sanders Company	910,437	68,012
Roof Replacement @ Various Schools	Paul Bang Roofing	1,729,980	410,748
Water Treatment Facility Improvements 2020	Cardinal Contractors. Inc.	2,599,300	907,561
Design Build Services for WWTP Rehab Phase 1	Cardinal Contractors. Inc.	5,391,255	739,577
Impact Windows and doors at Senior Center	Assured Contracting	411,476	257,671
Resurfacing Plan 2019	Weekley Asphalt Paving, Inc.	699,444	97,314
Pines Village Water Improvement Main Ph 2	Kimley-Horn	997,456	390,540
Security Fencing work at all Charter Schools	Gomez & Son Fence Corp.	654,698	56,721
Raw Water Supply Line	CPH, Inc.	389,769	267,177
Windows & Doors Replacement for Fire Stations	Contracting & Consulting	725,801	185,674
2 Centrifugal Air Blowers	TSC-Jacobs	449,285	146,244
WWTP Effluent Pump Station Electrical Rehab	Edward's Electric	1,591,297	1,362,351
Infiltration Removal Lateral & Mainline Lining	BLD Services, LLC	3,619,283	3,323,120
Elevator Modernization at Tower III (P.Place)	Maverick United	204,600	146,460
Chartwells Kitchen Cooler Freezer System Construction of Equipment & Machinery Bldg	Ram Quality Group	935,550	935,550
Charter Schools-Entry Modifications	Bejar Construction, Inc.	1,715,479	1,602,140
Resurfacing Plan 2021 -Part 1	Kalex Construction	1,118,308	1,118,308
Construction of WTP Lime Sludge Holding Ponds Sheet Piles	Weekley Asphalt Paving, Inc.	577,403	577,403
Bio-Solids Conveyor Replacement Project	Shoreline Foundation	754,890	200,857
	Atlantic Concrete	528,846	528,846
Total		<u>\$ 31,845,549</u>	<u>\$ 13,950,057</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

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

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Securities that have no quoted market price will be presented at estimated fair value as provided by the custodial bank and investment counsel. The Plan considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents. As of September 30, 2021, the Plan held \$128,220,773 in investments and \$1,893,994 in cash and short-term investments.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

The City's Other Post-Employment Benefits Trust Fund does not issue separate stand-alone financial statements. Therefore, included below is the Statement of Net Position – Fiduciary Fund as of September 30, 2021 and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year then ended.

Other Post-Employment Benefits (OPEB) Trust Fund Statement of Net Position Fiduciary Fund September 30, 2021

	<u>2021</u>
Assets	
Cash and short-term investments	\$ 1,893,994
Miscellaneous accounts receivable	5,000,000
Investments	
Fiduciary Trust	7,109
Lee Munder Capital Group - Mid Cap Core	9,864,495
Atlanta Capital Management - Small Cap Core	10,377,760
Garcia Hamilton & Associates - Barclay's Aggregate Fixed Income	32,108,856
State Street Global Advisors	28,945,364
Intercontinental Real Estate Corporation	5,023,131
Black Rock US Core Property Fund	4,838,490
Loomis Sayles & Company - Loomis Large Cap Growth Trust	20,345,202
Aristotle	16,710,366
Total assets	<u>135,114,767</u>
Liabilities	
Accounts payable	235,466
Reserve for health insurance claims	863,680
Total liabilities	<u>1,099,146</u>
Net Position	
Net position restricted for OPEB	<u>\$ 134,015,621</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Other Post-Employment Benefits (OPEB) Trust Fund Statement of Changes in Net Position Fiduciary Fund For the Year Ended September 30, 2021

	<u>2021</u>
Additions:	
Contributions	
Plan members	\$ 742,359
Employer	16,693,958
Total contributions	<u>17,436,317</u>
Investment income:	
Investment income	20,172,712
Less investment expenses	<u>502,958</u>
Net investment income	<u>19,669,754</u>
Other additions:	
Part D subsidy	<u>383,096</u>
Total other additions	<u>383,096</u>
Total additions	37,489,167
Deductions	
Benefit payments and insurance	11,437,476
Administrative expenses	<u>140,698</u>
Total deductions	<u>11,578,174</u>
Change in net position	25,910,993
Net position, beginning	<u>108,104,628</u>
Net position, ending	<u>\$ 134,015,621</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Plan Description

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

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

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

Benefits Provided

Medical/Prescription Drug Plan Benefits

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Benefits Provided (continued)

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

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

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

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

Life Insurance Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

At September 30, 2020, the measurement date used to measure the OPEB liability, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	530
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,101</u>
	<u>1,631</u>

Contributions and Reserves

Funding Policy

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

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

For the fiscal year ended September 30, 2021, the Plan members contributed \$742,359 and the City contributed \$16,693,958. The ADC for the fiscal year ended September 30, 2021 is \$7,162,911.

Reserves

The balance in the Plan's legally required reserves as of September 30, 2021 was \$863,680.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Net OPEB Liabilities

The City's net OPEB liability was measured as of September 30, 2020. The components of the net OPEB liability are as follows:

	2020
Total OPEB Liability	\$ 163,565,642
Plan Fiduciary Net Position	(108,075,869)
Net OPEB Liability	\$ 55,489,773
Plan fiduciary net position as a percentage of total OPEB liability	66.07%
Net OPEB liability as a percentage of covered payroll	54.62%

Actuarial Assumptions

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

Inflation	3.0% per annum
Salary Increases	3.0% per annum
Investment Rate of Return	8.0% per annum
	Discount rate is based on expected long-term rate of return on plan investments using building block approach plus inflation (3%)
Healthcare Cost Trend Rates	6.50% initial for Pre-Medicare Medical and Prescription and stop loss fees, 5.50% initial for Medicare benefits, decreasing 0.5% per year until an ultimate rate of 4.5% is reached and 4.5% for administrative fees
Marriage Rate	The assumed number of eligible spouses is based on the current information in the census provided.
Spouse Age	Male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age of 65
Actuarial Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	<i>Experience/Assumptions</i> gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (those without future service remaining count as 0 years in the averaging)
	Investment gain and losses are amortized over a closed period of 5 years
Mortality Rates	Pub 2010 mortality table and scaled using Scale MP-19 and applied on a gender-specific basis

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period of September 2017 through September 2019.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Actuarial Assumptions (Continued)

Investments

Authorized investments are subject to limitations prescribed in the OPEB Investment Policy. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the OPEB Trust fund are currently invested in money markets, mutual funds, and various investment accounts. Fiduciary Trust International of the South acts as the custodian, and the investment portfolio is managed by an Investment Consultant. The Plan's net investment income for the year ended September 30, 2021 was \$20,172,712. As of September 30, 2021, the Plan held no single investment that exceeded 5% of net position. Additional information can be found in Note 3. Deposits and Investments.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money weighted rate of return on the Plan's investment for the year ended September 30, 2021 was 9.7%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	37%	8.3%
Mid Cap	7%	10.2%
Small Cap	8%	9.3%
International Equity	8%	6.7%
Real Estate	10%	6.5%
Fixed Income	30%	2.2%
Total	100%	6.4%

Discount Rate

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Reporting period as of September 30, 2020	\$ 167,204,526	\$ 95,482,126	\$ 71,722,400
Changes for the year:			
Service cost	1,450,661	-	1,450,661
Interest cost	12,794,169	-	12,794,169
Differences between expected and actual experience	3,663,232	-	3,663,232
Changes in assumptions or other inputs	(11,778,163)	-	(11,778,163)
Contributions - Employer	-	11,659,238	(11,659,238)
Contributions - Employees	-	622,506	(622,506)
Other Contributions (Part D subsidy, Rx Rebates)	-	860,351	(860,351)
Net Investment Income	-	9,455,947	(9,455,947)
Benefit payments	(9,768,783)	(9,768,783)	-
Admin Expense	-	(235,516)	235,516
Net changes	(3,638,884)	12,593,743	(16,232,627)
Reporting period as of September 30, 2021	\$ 163,565,642	\$ 108,075,869	\$ 55,489,773

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

Net OPEB Liability (based on Trend Rate)		
1% Decrease	Current Rate	1% Increase
\$ 36,488,000	\$ 55,490,000	\$ 73,320,000

Net OPEB Liability (based on Discount Rate)		
1% Decrease (7.0%)	Current Rate (8.0%)	1% Increase (9.0%)
\$ 72,751,000	\$ 55,490,000	\$ 37,169,000

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

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

1. Difference between expected and actual experience with regard to economic and demographic factors – amortized over 4.8 years
2. Changes of assumptions or other inputs – amortized over 4.8 years
3. Differences between expected and actual earnings on OPEB plan investments – amortized over five years

For the year ended September 30, 2021, the City recognized OPEB expense of \$7,633,426.

Per GASB 75, paragraph 68, employer contributions to the OPEB plan made subsequent to the measurement date of the collective net OPEB liability, September 30, 2020, and before the end of the employer’s reporting period, September 30, 2021, should be reported as deferred outflows of resources related to OPEB and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions, subsequent to measurement date	\$ 16,693,884	\$ -
Differences between expected and actual experience	12,379,111	(4,861,767)
Assumptions/inputs	4,890,941	(16,253,693)
Projected and actual earnings on investments	-	(2,128,217)
Net changes	\$ 33,963,936	\$ (23,243,677)

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

Year ending September 30:	Amount to be recognized
2022	\$ 1,876,646
2023	(2,080,208)
2024	(3,704,028)
2025	(2,066,035)
Total	\$ (5,973,625)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

NOTE 14. MUNICIPAL EMPLOYEES' RETIREMENT PENSION PLANS

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

General Employees' Pension Plan

Summary of Significant Accounting Policies

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

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

Plan's Membership Information

At October 1, 2020, the date of the latest actuarial valuation, the Plan's membership consisted of:

Active plan members	21
Retired plan members and beneficiaries currently receiving benefits	423
Disabled plan members receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	<u>193</u>
Total	<u><u>637</u></u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

The General Employees' Pension Trust Fund Board comprises of the City Commission. The General Employees' Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Net Position – Fiduciary Fund and the Statement of Changes in Net Position – Fiduciary Fund for the fiscal year ended September 30, 2021.

General Employees' Pension Trust Fund Statement of Net Position Fiduciary Fund September 30, 2021

Assets

Investments	
Bond Market Index	\$ 18,756,646
Income Separate	65,416,734
Equity Income	33,962,038
High Income	7,635,622
Origin Emerging Markets	3,828,949
International Small Cap	2,316,837
Diversified International	10,300,710
Large Cap Growth I	34,688,075
Large Cap S&P 500 Index	19,681,215
Mid Cap Growth III	5,082,467
Mid Cap Value I	4,921,529
Overseas	7,076,200
U.S. Property	13,768,627
Small Cap Growth I	2,315,804
Small Cap Value II	<u>2,283,772</u>
Total investments	232,035,225
Miscellaneous accounts receivable	<u>4,000,000</u>
Total assets	<u>236,035,225</u>
Liabilities	<u>-</u>
Net Position	
Net position held in trust for pension benefits	<u>\$ 236,035,225</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

General Employees' Pension Trust Fund Statement of Changes in Net Position Fiduciary Fund For the Year Ended September 30, 2021

Additions:

Contributions	
Plan members	\$ 135,762
Employer	<u>7,500,000</u>
Total contributions	<u>7,635,762</u>
Investment income:	
Investment income	33,525,833
Less investment expenses	<u>(65,954)</u>
Net investment income	<u>33,459,879</u>
Total additions	<u>41,095,641</u>

Deductions

Pension benefits	<u>12,470,598</u>
Total deductions	<u>12,470,598</u>
Change in net position	28,625,043
Net position, beginning	<u>207,410,182</u>
Net position, ending	<u>\$ 236,035,225</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Plan Description

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

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

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

Eligibility

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

Service Retirement Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Service Retirement Benefits (continued)

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

Disability Benefits

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

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

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

Cost of Living Adjustments

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

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

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

Funding Policy

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

Effective February 1, 2010, non-bargaining unit participants are required to contribute 7.25% of regular wages down from 8.5%. Effective July 1, 2010, bargaining unit members are no longer required to contribute to the Plan since the Plan was closed, and the benefits were frozen. In fiscal year 2021, employee contributions for active members amounted to \$135,762.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Funding Policy (continued)

The City's Actuarial Determined Contribution (ADC) for fiscal year 2021 amounted to \$2,243,128 as compared to the ADC of \$1,671,161 in fiscal year 2020. In fiscal year 2021, the City contributed \$7,500,000, which is \$5,256,872 in excess of the ADC in order to reduce the unfunded liability.

The City's ADC for fiscal year 2021 is based on the actuarial report using the Entry Age Cost method.

On April 1, 2004 the City deposited \$19,370,924 into the General Employees' Pension Plan as a lump sum contribution. This was part of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, to pay for the enhanced benefit of a 2% cost of living adjustment as approved by the City Commission, and to maintain the City's ADC at the "pre-cost of living" level for the existing Plan participants. See also Note 9 for additional information on the bond issue. Series 2004 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2014 (Series 2014 Bonds). (See Note 9. Long-term debt).

Investments

As of September 30, 2021, the Plan held no single investment that exceeded 5% of net assets. Authorized investments are subject to limitations prescribed in the City's Investment Policy as adopted per Ordinance 1515, dated May 18, 2005. Investments in equities are limited to 60% of the portfolio, of which international equities shall not exceed 20% of the equity portfolio. Property and/or real estate securities shall not exceed 10% of the total portfolio at cost, and there is no limitation on fixed income securities. The assets of the General Employees' Pension fund are currently invested in various separate investment accounts offered by the Principal Financial Group. The Plan's net investment income for the year ended September 30, 2021 was \$33,459,879, an increase of \$15,829,787 from last year's net investment income of \$17,630,092.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on the Plan's investment for the measurement period of October 1, 2019 to September 30, 2020 was 9.13%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

DROP Plan

Effective March 17, 1999, the City created the Deferred Retirement Option Plan (DROP) under Ordinance 1297. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the General Employees' Pension Plan becomes eligible to participate in the DROP on the first day of the month coincident with or next following the active participant's normal retirement date. Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit is transferred to an account designated by the participant for investment. The maximum period of DROP participation was five (5) years. Effective Dec 1, 2017, the maximum period of DROP participation is eight (8) years under ordinance 1894.

Net Pension Liability of the City

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

Total pension liability	201,338,509	
Plan fiduciary net position	<u>(207,410,182)</u>	
City net pension asset	<u><u>(6,071,673)</u></u>	
Plan fiduciary net position as a percentage of total pension liability		103.02%
Net pension asset as a percentage of covered payroll		303.16%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Actuarial Assumptions

The net pension liability reported as of September 30, 2021 was determined using an actuarial valuation as of September 30, 2020, with update procedures used to roll forward the total pension liability to September 30, 2021.

The actuarial valuation for September 30, 2020 used the following actuarial assumptions:

Measurement date	September 30, 2020
Actuarial cost method	Entry Age Cost
Long-term rate of return on assets	6.00%
Discount rate	6.00%
Long-term inflation rate	2.25%
Salary increase assumption	Table S-5 from the Actuary's Pension Handbook plus 2.50%.
COLA increase assumption	2.00% and 3.00% increase per year depending on location.
Retirement age assumption	Age 55 and 10 years of service.
Plan changes	None
Mortality rate	Based on PubG-2010 General median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates. Mortality Improvement (MI): MP-2018 is the improvement scale used on the 2019 State of Florida Valuation.
Disability rate	1987 Commissioner's Group Disability Table, six-month elimination period, male and female.
Withdrawal rate	2003 Society of Actuaries Basic Plan Age Table, multiplied by 0.75.
Marital assumptions	75% married; male is 3 years older than the female.
Future employer contributions	Assumed employer contributions are equal to: <ul style="list-style-type: none">• Employer Contribution is assumed to continue at 9.51% of payroll throughout the projection period.• Expenses are assumed to start at \$62,000 and grow with the inflation assumption throughout the projection period. This is the best estimate available of upcoming years' expenses.

The long-term rate of return of 6.00% is used to calculate the actuarial present value of projected payments for each future period when the projected Fiduciary Net Position is greater than the projected expected benefit payments. Otherwise, a municipal bond rate of 3.22% is used. The municipal bond rate is from Bloomberg Barclays Municipal GO Long Term (17+ Y) Index, which includes 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher securities, as of the September 30, 2020 measurement date. The discount rate is a single rate that incorporates the long-term rate of return and municipal bond rate as described.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Actuarial Assumptions (continued)

	<u>Expected Return</u>		<u>Risk</u>
	<u>Geometric</u>	<u>Arithmetic</u>	<u>Standard</u> <u>Deviation</u>
Equity			
US Equity - Large Cap	6.20%	7.70%	18.10%
US Equity - Mid Cap	6.20%	8.00%	20.00%
US Equity - Small Cap	6.20%	8.55%	22.90%
Non-US Equity	6.20%	8.00%	19.90%
Real Estate			
REITS	5.65%	7.30%	19.10%
Real Estate (Direct Property)	5.00%	5.35%	8.30%
Fixed Income			
Cash	1.30%	1.30%	0.80%
TIPS	2.15%	2.35%	6.00%
Core Bond	2.55%	2.70%	5.60%
Aggregate Credit	2.90%	3.10%	6.30%
Long Credit	3.45%	3.95%	10.10%
LT Gov't/Credit Bond	2.95%	3.45%	10.40%
LT Gov't (Treasuries)	2.20%	2.85%	11.40%
Ultra Long Gov't (STRIPS)	1.70%	4.05%	22.50%
Aggregate HQ Corporate	2.55%	2.75%	6.50%
Long HQ Corporate	2.80%	3.30%	10.30%
High Yield Bond	4.20%	4.65%	9.80%

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

City Net Pension Asset		
1% Decrease (5.00%)	Current rate (6.00%)	1% Increase (7.00%)
17,989,230	(6,071,673)	(26,051,202)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Actuarial Assumptions (continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Reporting period as of September 30, 2020	\$ 206,425,337	\$ 197,950,983	\$ 8,474,354
Service cost	295,178	-	295,178
Interest	12,022,266	-	12,022,266
Benefit payments	(11,830,697)	(11,830,697)	-
Differences between expected and actual experience	(768,541)	-	(768,541)
Changes in assumptions	(4,805,034)	-	(4,805,034)
Employee contributions	-	161,054	(161,054)
Employer contributions	-	3,500,000	(3,500,000)
Net investment income	-	17,635,642	(17,635,642)
Administration expenses	-	(6,800)	6,800
Net Change	<u>(5,086,828)</u>	<u>9,459,199</u>	<u>(14,546,027)</u>
Reporting period as of September 30, 2021	<u>\$ 201,338,509</u>	<u>\$ 207,410,182</u>	<u>\$ (6,071,673)</u>

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources

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

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

Contributions to the pension plan from the City are not included in collective pension expense. The pension expense (benefit) for the fiscal year ended September 30, 2021 is \$(8,278,312).

Employer contributions were made subsequent to the September 30, 2020 measurement date of the Net Pension Liabilities and before the end of the September 30, 2021 reporting period. GASB 68 paragraph 34 requires these contributions be reported as deferred outflows of resources. The components of deferred outflows and inflows of resources schedules for the fiscal year ended September 30, 2021, are presented below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	\$ 7,500,000	\$ -	\$ 7,500,000
Projected/Actual Earnings	-	(6,414,943)	(6,414,943)
	\$ 8,775,627	\$ (6,414,943)	\$ 1,085,057

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

General Employees' Pension Plan (continued)

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

Amounts reported as deferred outflows and (inflows) of resources related to the general employees' pension plan will be recognized in the pension expense as follows:

<u>Reporting Period</u> <u>Ending September 30,</u>	<u>Amount to be</u> <u>Recognized</u>
2022	\$ (3,126,155)
2023	(1,293,901)
2024	(784,838)
2025	(1,210,049)
Total	\$ (6,414,943)

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers

Summary of Significant Accounting Policies

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

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

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

Plans' Membership Information

At October 1, 2020, the date of the latest actuarial valuation, the Plan's membership consisted of:

Fully vested, partially vested and non-vested active employees	344
Inactive employees entitled to benefits but not yet receiving them	6
Retirees and beneficiaries	457
Total	<u>807</u>

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Plan Description

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Eligibility

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

Service Retirement Benefits

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

Police Officers

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

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

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

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

Firefighters

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Service Retirement Benefits (continued)

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

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

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

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

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

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

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

Early retirement benefits are calculated in a manner similar to those for normal retirement, except that continuous service and average monthly earnings shall be determined as of the early retirement date.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Disability Benefits

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

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

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

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

Death Benefits

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

Refund of Employee Contributions

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

Termination Benefits

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

13th Check Benefits

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

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

Deferred Retirement Option Plan (DROP)

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

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

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

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Cost of Living Adjustment (COLA)

Effective April 1, 2005 and April 1 of each year thereafter, firefighter retirees, their beneficiaries and DROP participants who were receiving benefits or enrolled in the DROP on or after June 18, 2003 will receive thereafter a 2% increase in their retirement benefit or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, provided in collective bargaining agreement to bargaining unit members, for the City's fiscal year commencing the preceding October 1, whichever is greater. Upon retirement, firefighter members who were hired on or after April 1, 2006 shall receive a fixed 3% increase to their monthly retirement benefit on April 1 of each year following retirement. Firefighters hired on or after May 1, 2010, who retire or enter the DROP, and their beneficiaries, shall receive a 1.5% increase to their retirement benefit on October 1st each year following retirement. If benefit is received for less than one year, COLA is prorated for that first year.

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

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

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

Funding Policy

The City of Pembroke Pines contributes an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The City's contribution, excluding amounts from the State, was \$28,296,402 for the year ended September 30, 2021.

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Funding Policy (continued)

The State contributions totaled \$2,681,597 for the year ended September 30, 2021 and are recorded as revenues and expenditures in the General Fund before being reported as contributions in the pension trust fund. The State contributions consist of local Insurance Premium Tax revenues which are used to fund additional benefits for members of the Plan, in accordance with Florida Statutes 175 and 185.

Members of the Plan who are certified firefighters and police officers make regular contributions to the Plan at a rate equal to 10.4% of their respective annual earnings until completion of 26 2/3 year of continuous service. Effective October 1, 2015, members that were hired after May 1, 2010 are required to contribute 7.0% of their annual earnings instead of 10.4%. Member contributions for the fiscal year ended September 30, 2021 amounted to \$2,739,444.

On October 17, 2003 the City contributed \$36,720,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2003A (Series 2003 Bonds). The Series 2003 Bonds were issued to finance the enhanced benefits for firefighter members of the Plan. Benefits included, but were not limited to, a minimum of 2% cost of living adjustment for firefighter members, and up to 1,000 hours of unused leave can be included as part of the earnings used to calculate pension benefits. See also Note 9 for additional information on the bond issue. Series 2003 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2013 (Series 2013 Bonds).

On April 1, 2004 the City contributed \$26,200,000 to the Plan as a result of the Taxable Communications Services Tax Revenue Bonds, Series 2004 (Series 2004 Bonds). The Series 2004 Bonds were issued, amongst other reasons, to finance the enhanced benefits for police officer members of the Plan, as well as to maintain the City's contribution at the same percentage level of payroll prior to the enhanced benefits. These benefits were similar to the firefighter members, and included, but were not limited to, a 1.5% cost of living adjustment, and up to 1,000 hours of unused sick leave can be included as part of earnings used to calculate pension benefits. Series 2004 Bonds were refunded by Communications Services Tax Revenue Bonds, Series 2014 (Series 2014 Bonds). See also Note 9 for additional information on the bond issue.

All eligible employees, as a condition of membership, must agree in writing, on becoming a member, to make the contribution specified in the Plan. These contributions are in the form of payroll deductions until the member has completed twenty-six and two-thirds years of continuous service.

Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the Plan actuarially sound.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Property and Equipment

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

Property and equipment consist of the following at September 30, 2021:

	<u>Estimated</u> <u>Useful Lives</u>	<u>FY 2021</u>
Land	-	\$ 28,000
Construction in progress	-	169,075
Building	39 years	757,249
Building improvements	39 years	90,834
Equipment	5 years	27,600
		<u>1,072,758</u>
Less: accumulated depreciation		<u>(196,807)</u>
Property and equipment, net		<u>\$ 875,951</u>

These assets commenced depreciation in December 2007 when they were placed in service. For the year ended September 30, 2021, the depreciation expense amounted to \$19,977.

Investments

Investments are reported at fair value as of September 30, 2021. The fair value of the quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

Unrealized gains and losses are presented as net appreciation/ (depreciation) in fair value of investments along with the gains and losses realized on the sales of the investments. Purchases and sales of investments are recorded on a trade-date basis.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Investments (continued)

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

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

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

Types of Investments

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

Type of Investment	Investment Policy	Actual Allocation
Domestic equities	42% to 62%	58.55%
International equities	0% to 10%	6.52%
Fixed income	15% to 35%	21.97%
Real assets	0% to 20%	12.96%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Types of Investments (continued)

The Plan's net investment income for the year ended September 30, 2021 was \$142,128,291, as compared to last year's net investment income of \$51,825,234.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. The annual money-weighted rate of return on the Plan's investment for the year ended September 30, 2021 was 19.63%.

Net Pension Liability of the City

The components of the net pension liability of the Plan at September 30, 2021 were as follows:

Reporting date	<u>2021</u>
Total pension liability	\$ 944,594,484
Plan fiduciary net position	(734,988,542)
City net pension liability	<u>\$ 209,605,942</u>
Plan fiduciary net position as a percentage of total pension liability	77.81%
Net pension liability as a percentage of covered payroll	697.61%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020, and rolled forward to the measurement date of September 30, 2021, using the following most significant actuarial assumptions: 7.75% for the investment rate of return, 3.00% to 8.00% for projected salary increases and 2.75% for inflation.

The actuarial valuation for October 1, 2020 used the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Amortization Method	Level Percentage, Closed
Amortization Period	30 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	3% - 8%
Investment Rate of Return	7.75%
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post-employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for makes and females, without projected mortality improvements.
Cost-of-Living Increases	Firefighters: 0.0%, 1.5%, 2.0%, or 3.0% Police: 0.0%, 1.5%, 2.0%, 2.5% or 3.0%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Actuarial Assumptions (continued)

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

A discount rate of 7.75% was used to measure the total pension liability. The discount rate was based on the expected rate of return on Plan investments of 7.75%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rates. Based on these assumptions, the Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long Term expected real rate of return</u>
Large Cap	34%	8.3%
Mid Cap	8%	10.2%
Small Cap	10%	9.3%
International Equity	8%	6.7%
Real Estate	15%	6.6%
Fixed Income	25%	2.0%

The expected rate of inflation is 2.75%.

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Net Pension Liability

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

City Net Pension Liability		
1% Decrease (6.75%)	Current rate (7.75%)	1% Increase (8.75%)
\$ 300,794,464	\$ 209,605,942	\$ 117,479,459

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Reporting period as of September 30, 2020	\$ 900,783,499	\$ 686,503,222	\$ 214,280,277
Changes for the year:			
Service cost	9,170,806	-	9,170,806
Interest	69,213,834	-	69,213,834
Benefit payments, including refunds	(36,106,324)	(36,106,324)	-
Differences between expected and actual experience	8,829,679	-	8,829,679
Changes of benefit terms	390,575		390,575
Changes in assumptions	(7,687,585)	-	(7,687,585)
Contributions - members	-	2,682,831	(2,682,831)
Contributions - city and state	-	30,795,916	(30,795,916)
Net investment income	-	51,835,953	(51,835,953)
Administration expenses	-	(723,056)	723,056
Net Change	43,810,985	48,485,320	(4,674,335)
Reporting period as of September 30, 2021	\$ 944,594,484	\$ 734,988,542	\$ 209,605,942

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2014 to September 30, 2019.

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

Pension Expense and Deferred Outflows/ (Inflows) of Resources

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

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

Contributions to the pension plan from the City are not included in collective pension expense. The pension expense for the fiscal year ended September 30, 2021 is \$28,860,761.

Employer contributions made subsequent to the September 30, 2020 measurement date of the Net Pension Liability and before the end of the September 30, 2021 reporting period should be reported as deferred outflows of resources per GASB 68 paragraph 34. The components of deferred outflows and inflows of resources as of September 30, 2021 are presented below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Contributions, subsequent to measurement date	\$ 28,296,401	\$ -	\$ 28,296,401
Assumptions/inputs	5,681,572	(6,016,371)	(334,799)
Projected/Actual earnings	5,404,436	-	5,404,436
Experience expected/actual	11,935,181	-	11,935,181
	\$ 51,317,590	\$ (6,016,371)	\$ 45,301,219

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

City Pension Fund for Firefighters and Police Officers (continued)

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

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

<u>Reporting Period</u> <u>Ending September 30,</u>	<u>Amount to be</u> <u>Recognized</u>
2022	\$ 4,420,963
2023	5,680,757
2024	6,506,486
2025	396,612
Total	<u>\$ 17,004,818</u>

Florida Retirement System (FRS) - Charter School Employees

On August 16, 2006, the City Commission passed Resolution number 3105 which mandated that all Pembroke Pines Charter Schools' full-time employees hired after August 7, 2006 and all part-time employees regardless of the date of hire will join the Florida Retirement System (FRS) Pension Plan. Individuals who were members of the ICMA-RC Defined Contribution Plan were given a one-time irrevocable election to participate in the FRS Pension Plan.

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

Plan Description

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Florida Retirement System (FRS) - Charter School Employees

Type of Benefit

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

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

Average Final Compensation (AFC)

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

Vesting

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Service Retirement

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

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

FRS issues an annual financial report. A copy can be obtained by contacting the Division of Retirement at:

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Funding Policy

The Charter Schools' required contribution rate is established, and may be amended, by State Statute. For the fiscal year ended June 30, 2020, the contribution rate was 10.0% for Regular Class Members and 16.98% for DROP Members. The Schools are required to contribute both for full-time and part-time members of the Plan, which amounted to \$2,241,497. As of June 30, 2021, there were 586 members in this Plan. The contribution rate includes the post-employment health insurance supplement of 1.66% and the administrative/educational fee of 0.06%.

Since year 2012, the State mandated that employees contribute to the FRS Pension Plan. In fiscal year 2021, the contribution rate was 3%. The required employee contribution amounted to \$741,239 for fiscal year ended June 30, 2021.

Fiscal <u>Year</u>	Annual Required	Total Employer	Percentage	Contribution Rates	
	<u>Contributions</u>	<u>Contributions</u>	<u>Contributed</u>	<u>Regular Class</u>	<u>DROP</u>
2021	\$ 2,241,497	\$ 2,241,497	100.0%	10.00%	16.98%
2020	1,821,880	1,821,880	100.0%	8.47%	14.60%
2019	1,710,079	1,710,079	100.0%	8.26%	14.03%
2018	1,633,735	1,633,735	100.0%	7.52%	12.99%
2017	1,502,652	1,502,652	100.0%	7.52%	12.99%
2016	1,362,328	1,362,328	100.0%	7.26%	12.88%
2015	1,374,878	1,374,878	100.0%	7.37%	12.28%
2014	1,321,708	1,321,708	100.0%	6.95%	12.84%
2013	1,013,184	1,013,184	100.0%	5.18%	5.44%
2012	930,174	930,174	100.0%	4.91%	4.42%

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Net Pension Liabilities

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

	FRS	HIS
Total Pension Liability	\$ 204,909,739	\$ 12,588,098
Plan Fiduciary Net Position	(161,568,265)	(378,261)
Net pension liability	\$ 43,341,474	\$ 12,209,837

Plan Fiduciary Net Position as a	78.85%	3.00%
Percentage of the Total Pension Liability		

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2020. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. Each plan's fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The Charter Schools reported a liability of \$24,282,514 for their proportionate share of the net pension liability as of June 30, 2021. The detail of the Schools' proportionate shares is as follows:

FRS Pension Plan:

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date ¹	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	CITY OF PEMBROKE PINES FSU CHARTER SCHOOL	\$ 162,177	0.005230315%	\$ 174,262	0.005244823%	\$1,801,198	\$ 2,273,183
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	415,792	0.013409509%	439,313	0.013222129%	4,617,922	5,730,666
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	260,083	0.008387837%	288,151	0.008672572%	2,888,575	3,758,820
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	354,516	0.011433330%	383,903	0.011554431%	3,937,372	5,007,861

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Net Pension Liabilities (continued)

FRS Retiree Health Insurance Subsidy (HIS) Program:

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding for Prior Period	Proportion at Prior Measurement Date	Employer Contribution for Pension Plan Funding for Current Period	Proportion at Current Measurement Date	Employer Proportionate Share of Net Pension Liability/(Asset) at Prior Measurement Date ¹	Employer Proportionate Share of Net Pension Liability/(Asset) at Measurement Date
16309	CITY OF PEMBROKE PINES FSU CHARTER SCHOOL	\$ 46,143	0.008309768%	\$ 47,621	0.008263835%	\$ 929,780	\$ 1,009,001
16310	CITY OF PEMBROKE PINES CHARTER ELEMENTARY SCHOOL	116,922	0.021056019%	118,911	0.020635278%	2,355,958	2,519,534
16311	CITY OF PEMBROKE PINES CHARTER MIDDLE SCHOOL	76,906	0.013849723%	80,948	0.014047239%	1,549,645	1,715,145
16312	CITY OF PEMBROKE PINES CHARTER HIGH SCHOOL	103,306	0.018604000%	107,054	0.018577679%	2,081,601	2,268,304

Basis of Allocation

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

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Actuarial Methods and Assumptions

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

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

The following changes in actuarial assumptions occurred in 2020:

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Actuarial Methods and Assumptions (continued)

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

Long-Term Expected Rate of Return

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

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

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Long-Term Expected Rate of Return (continued)

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

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, 2021.

	<u>FRS Net Pension Liability</u>		
	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	5.80%	6.80%	7.80%
Charter FSU	\$ 3,629,892	\$ 2,273,183	\$ 1,140,055
Elementary	9,150,910	5,730,666	2,874,063
Middle	6,002,204	3,758,820	1,885,136
High	7,996,712	5,007,861	2,511,559

	<u>HIS Net Pension Liability</u>		
	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.21%	2.21%	3.21%
Charter FSU	\$ 1,166,360	\$ 1,009,001	\$ 880,203
Elementary	2,912,469	2,519,534	2,197,918
Middle	1,982,631	1,715,145	1,496,208
High	2,622,059	2,268,304	1,978,758

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

Pension Expense and Deferred Outflows/ (Inflows) of Resources

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

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

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

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021, was 5.9 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2021, are presented below:

	Collective Pension Expense
FSU Elementary	\$ 557,646
Charter Elementary	1,267,098
Charter Middle	873,530
Charter High	1,246,190
Total	\$ 3,944,464

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

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

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

FRS Pension Plan

	<u>FSU Elementary</u>		<u>Elementary</u>		<u>Middle</u>		<u>High</u>		<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	
Changes in:									
Contributions, subsequent to measurement date	\$ 229,287	\$ -	\$ 555,724	\$ -	\$ 379,022	\$ -	\$ 509,085	\$ -	\$1,673,118
Assumptions/inputs	411,519	-	1,037,433	-	680,466	-	906,582	-	3,036,000
Projected/Actual earnings	135,348	-	341,209	-	223,804	-	298,173	-	998,534
Experience expected/actual	86,999	-	219,324	-	143,858	-	191,661	-	641,842
Change in Proportion, NPL	52,133	(28,469)	39,788	(124,311)	88,465	(143,710)	62,770	(89,266)	(142,600)
	\$ 915,286	\$ (28,469)	\$ 2,193,478	\$ (124,311)	\$ 1,515,615	\$ (143,710)	\$ 1,968,271	\$ (89,266)	\$ 6,206,894

HIS Pension Plan

	<u>FSU Elementary</u>		<u>Elementary</u>		<u>Middle</u>		<u>High</u>		<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	
Changes in:									
Contributions, subsequent to measurement date	\$ 50,097	\$ -	\$ 119,757	\$ -	\$ 85,064	\$ -	\$ 113,278	\$ -	\$ 368,196
Assumptions/inputs	108,496	(58,669)	270,922	(146,501)	184,427	(99,729)	243,907	(131,893)	370,960
Projected/Actual earnings	806	-	2,012	-	1,369	-	1,811	-	5,998
Experience expected/actual	41,274	(778)	103,064	(1,944)	70,160	(1,323)	92,787	(1,750)	301,490
Change in Proportion, NPL	46,343	(20,760)	18,906	(109,309)	50,434	(58,910)	48,294	(25,675)	(50,677)
	\$ 247,016	\$ (80,207)	\$ 514,661	\$ (257,754)	\$ 391,454	\$ (159,962)	\$ 500,077	\$ (159,318)	\$ 995,967

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

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

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

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date, June 30, 2020, and prior to the Charter Schools' fiscal year end, June 30, 2021, will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year	FSU Elementary		Elementary	
	<u>FRS Expense</u>	<u>HIS Expense</u>	<u>FRS Expense</u>	<u>HIS Expense</u>
Ending June 30,				
2022	\$ 134,020	\$ 29,141	\$ 294,616	\$ 24,880
2023	213,826	25,966	500,421	34,285
2024	182,376	14,840	426,270	4,170
2025	104,380	18,161	244,169	19,727
2026	22,928	15,630	47,967	27,853
Thereafter	-	12,974	-	26,235
Total	\$ 657,530	\$ 116,712	\$ 1,513,443	\$ 137,150

Year	Middle		High	
	<u>FRS Expense</u>	<u>HIS Expense</u>	<u>FRS Expense</u>	<u>HIS Expense</u>
Ending June 30,				
2022	\$ 189,658	\$ 33,021	\$ 273,648	\$ 70,914
2023	326,199	30,747	442,142	49,908
2024	278,330	13,285	374,980	18,103
2025	158,622	19,513	224,116	23,648
2026	40,074	23,841	55,034	34,012
Thereafter	-	26,021	-	30,896
Total	\$ 992,883	\$ 146,428	\$ 1,369,920	\$ 227,481

City of Pembroke Pines, Florida

Notes to Basic Financial Statements
Fiscal Year Ended September 30, 2021

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

Aggregate amount for all pension plans

	General Employees' Pension	Firefighters and Police Officers' Pension	Florida Retirement System/HIS	Total
Net pension assets	\$ 6,071,673	\$ -	\$ -	\$ 6,071,973
Net pension liabilities	-	209,605,942	24,282,514	233,888,456
Deferred outflows of resources	7,500,000	51,317,590	8,245,858	67,063,448
Deferred inflows of resources	6,414,943	6,016,371	1,042,997	13,474,311
Pension (benefit) expense	(8,278,312)	28,860,761	3,944,464	24,526,913

Defined Contribution Plans

Charter School and Early Development Center Employees

Effective July 1, 2000, the City established a defined contribution plan for employees of the Charter Schools and Early Development Centers (the Charter Schools' Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance 1345 and amended by Ordinance 1401 dated April 3, 2002. If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover the benefits into his new employer's pension plan providing said plan permits rollovers.

At September 30, 2021, there were 30 Plan members. Effective January 1, 2002, the Charter Schools' Plan members may make voluntary after-tax contributions of up to 25 percent of compensation during the fiscal year. Such contributions are 100 percent vested at all times. The City's required contribution was 10 percent of the Charter School Plan member's gross salary and 5.0% for the Early Development Centers Plan members. For the year ended June 30, 2021, the City contributed \$169,049 to the Charter Schools' Plan, and the members contributed \$12,919. Provisions of the Charter Schools' Plan may be amended by the City Commission. The Charter Schools' Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries. Therefore, the net assets of the Charter Schools' Plan are not included in the City's financial statements.

Effective October 1, 2006 all new hires of the City's Charter Schools are required to join the defined benefit plan of the Florida Retirement System (FRS). Existing members of the defined contribution plan were given the option to continue with their defined contribution plan or to select the FRS. The City's contribution rate to the defined contribution plan equals to the required contribution rate for the FRS. The City's Early Development Center employees remain in the original defined contribution plan with the City continuing to contribute 5.0% of covered payroll.

General Bargaining Unit Employees

Effective October 1, 2014, the City established a defined contribution plan for General bargaining-unit employees created in accordance with Internal Revenue Service Code Section 401(a) and Resolution 3456 dated May 20, 2015. At September 30, 2021, there were 146 participants. The City's required contribution was 9.0% of the non-exempt employees' base wages and 12.0% for the exempt employees' base wages. For the 2021 fiscal year, the City contributed \$971,064.



Required Supplementary Information

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 94,811,338	\$ 94,811,338	\$ 95,151,119	\$ 339,781
Permits, fees and licenses	44,256,717	44,256,717	44,162,622	(94,095)
Intergovernmental revenue	13,842,155	16,091,787	22,986,338	6,894,551
Charges for services	35,174,618	32,982,734	30,445,912	(2,536,822)
Fines and forfeitures	1,681,500	1,681,500	602,884	(1,078,616)
Miscellaneous revenues	16,685,755	16,691,916	14,379,087	(2,312,829)
Total revenues	<u>206,452,083</u>	<u>206,515,992</u>	<u>207,727,962</u>	<u>1,211,970</u>
Expenditures:				
General government services:				
Administrative services	9,971,797	10,506,395	7,931,364	2,575,031
City attorney	1,094,216	1,094,216	1,099,226	(5,010)
City clerk	1,533,796	1,694,376	1,238,264	456,112
City manager	1,112,882	1,112,882	1,062,779	50,103
Finance	3,424,736	3,424,736	3,240,187	184,549
Human resources	780,722	780,722	743,118	37,604
Mayor & commission	885,784	885,784	841,210	44,574
Non-departmental	8,328,802	8,764,436	6,935,635	1,828,801
Public services	16,598,260	22,028,576	15,811,134	6,217,442
Total general government services	<u>43,730,995</u>	<u>50,292,123</u>	<u>38,902,917</u>	<u>11,389,206</u>
Public safety				
Emergency and disaster relief services	-	-	2,349,652	(2,349,652)
Fire	55,796,211	57,211,746	54,334,529	2,877,217
Police	74,852,421	76,490,957	71,414,501	5,076,456
Total public safety	<u>130,648,632</u>	<u>133,702,703</u>	<u>128,098,682</u>	<u>5,604,021</u>
Physical environment				
Public services	3,260,753	3,090,987	2,670,542	420,445
Total physical environment	<u>\$ 3,260,753</u>	<u>\$ 3,090,987</u>	<u>\$ 2,670,542</u>	<u>\$ 420,445</u>

(continued)

See accompanying notes to the budgetary comparison schedule.

City of Pembroke Pines, Florida
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended September 30, 2021
(continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Economic environment				
Community services	8,745,055	8,975,960	8,100,540	875,420
Total economic environment	<u>8,745,055</u>	<u>8,975,960</u>	<u>8,100,540</u>	<u>875,420</u>
Human services				
Community services	1,378,447	1,397,434	1,014,776	382,658
Education	5,044,914	2,969,666	1,900,329	1,069,337
Total human services	<u>6,423,361</u>	<u>4,367,100</u>	<u>2,915,105</u>	<u>1,451,995</u>
Culture/recreation				
Cultural services	1,217,220	1,347,094	1,107,361	239,733
Parks & recreation	16,981,962	20,379,631	15,061,195	5,318,436
Total culture/recreation	<u>18,199,182</u>	<u>21,726,725</u>	<u>16,168,556</u>	<u>5,558,169</u>
Total expenditures	<u>211,007,978</u>	<u>222,155,598</u>	<u>196,856,342</u>	<u>25,299,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,555,895)</u>	<u>(15,639,606)</u>	<u>10,871,620</u>	<u>26,511,226</u>
Other financing sources (uses):				
Transfers out	(1,430,105)	(1,562,030)	(835,767)	726,263
Sale of equipment	62,000	62,000	291,320	229,320
Total other financing sources (uses)	<u>(1,368,105)</u>	<u>(1,500,030)</u>	<u>(544,447)</u>	<u>955,583</u>
Net change in fund balances	(5,924,000)	(17,139,636)	10,327,173	27,466,809
Fund balances, beginning	<u>85,727,328</u>	<u>85,727,328</u>	<u>85,727,328</u>	<u>-</u>
Fund balances, ending	<u>\$ 79,803,328</u>	<u>\$ 68,587,692</u>	<u>\$ 96,054,501</u>	<u>\$ 27,466,809</u>

See accompanying notes to the budgetary comparisons schedule.

City of Pembroke Pines, Florida

Notes to Budgetary Comparison Schedule

Fiscal Year Ended September 30, 2021

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are legally adopted for all governmental funds other than the Capital Projects Fund, whose budget is adopted on a project length basis. All governmental fund budgets are maintained on the modified accrual basis of accounting, consistent with accounting principles generally accepted in the United States (GAAP), except for encumbrances, which are purchase orders and contracts issued for goods or services not received at year-end.

1. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.
2. Two public hearings are conducted at the City's Commission Chambers, to inform the taxpayers and receive their comments. The commission-approved adopted budget is integrated into the accounting software effective October 1. It establishes the legal authority to incur expenditures up to the appropriated amount.
3. Section 30.30(F) of the Code of Ordinances requires a majority affirmative vote of the quorum to adopt the budget, which prior to October 1, is legally enacted through passage of an ordinance. Section 5.06 of the City Charter provides that no officer, department, or agency may legally expend or contract to expend amounts in excess of the amounts appropriated for that general classification of expenditures.
4. The City's legal level of budgetary control is at the fund level. The adopted budget may be amended as follows:
 - a. The City Manager and Finance Director approve line item adjustments within a department and between departments within the same fund.
 - b. The City Commission approves budget adjustments that transfer monies from fund to fund or interdepartmentally.
 - c. The City Commission may approve supplemental appropriations of revenues and expenditures during the year. Such changes are reflected in an amended budget ordinance, which is adopted within sixty days of the end of that fiscal year.
5. The final budget included budget transfers, supplemental appropriations and reductions, which modified the original adopted budget. The General Fund net upward adjustment to expenditure appropriations amounted to \$11,147,620 for the fiscal year ended September 30, 2021. The increase is attributable to the carryover of mainly capital items from prior year and the emergency and disaster services.

NOTE 2. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS

The only General Fund budgetary expenditure that was in excess of appropriations for the fiscal year ended September 30, 2021 was emergency and disaster relief in connection with the Covid-19 pandemic. The City does not budget for emergency and disaster relief services.

NOTE 3. BUDGETARY COMPARISON TO ACTUAL

A budgetary comparison to actual can be found under General Fund Budgetary Highlights in the Management's Discussion and Analysis.

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees' Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

Reporting period as of:	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Measurement date as of:	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:							
Service Cost	\$ 295,178	\$ 319,441	\$ 328,149	\$ 366,046	\$ 277,835	\$ 267,925	\$ 210,178
Interest	12,022,266	12,298,238	12,180,084	11,561,466	11,678,072	11,551,682	11,362,422
Benefit payments	(11,830,697)	(11,436,533)	(11,074,842)	(10,560,812)	(10,243,459)	(9,814,147)	(10,021,946)
Differences in experience	(768,541)	948,492	453,550	1,023,439	562,441	135	1,255,121
Changes in assumptions	(4,805,034)	16,358,571	-	7,170,147	13,441,392	838,952	3,309,464
Net change in total pension liability	(5,086,828)	18,488,209	1,886,941	9,560,286	15,716,281	2,844,547	6,115,239
Total pension liability/(asset) - beginning	206,425,337	187,937,128	186,050,187	176,489,901	160,773,620	157,929,073	151,813,834
Total pension liability/(asset) - ending	<u>\$ 201,338,509</u>	<u>\$ 206,425,337</u>	<u>\$ 187,937,128</u>	<u>\$ 186,050,187</u>	<u>\$ 176,489,901</u>	<u>\$ 160,773,620</u>	<u>\$ 157,929,073</u>
Plan fiduciary net position:							
Contributions - employer	\$ 3,500,000	\$ 10,000,000	\$ 5,500,000	\$ 2,500,068	\$ 6,500,000	\$ 9,174,902	\$ 16,474,902
Contributions - member	161,054	202,595	234,517	244,566	249,519	251,779	245,607
Net investment income	17,635,642	10,318,705	14,389,554	20,165,819	12,366,901	(1,774,130)	12,873,758
Benefit payments	(11,830,697)	(11,436,533)	(11,074,842)	(10,560,812)	(10,243,459)	(9,814,147)	(10,021,946)
Administrative expense	(6,800)	(11,290)	(200)	(11,280)	(1,740)	(280)	(2,299)
Net change in plan fiduciary net position	9,459,199	9,073,477	9,049,029	12,338,361	8,871,221	(2,161,876)	19,570,022
Plan fiduciary net position - beginning	197,950,983	188,877,506	179,828,477	167,490,116	158,618,895	160,780,771	141,210,749
Plan fiduciary net position - ending	<u>\$ 207,410,182</u>	<u>\$ 197,950,983</u>	<u>\$ 188,877,506</u>	<u>\$ 179,828,477</u>	<u>\$ 167,490,116</u>	<u>\$ 158,618,895</u>	<u>\$ 160,780,771</u>
Net pension liability/(asset) - ending	\$ (6,071,673)	\$ 8,474,354	\$ (940,378)	\$ 6,221,710	\$ 8,999,785	\$ 2,154,725	\$ (2,851,698)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	103.02%	95.89%	100.50%	96.66%	94.90%	98.66%	101.81%
Covered payroll (1)	\$ 2,002,799	\$ 2,425,558	\$ 3,128,143	\$ 3,148,593	\$ 3,441,627	\$ 3,280,160	\$ 3,163,848
Net pension liability/(asset) as a percentage of covered payroll	-303.16%	349.38%	-30.06%	197.60%	261.50%	65.69%	-90.13%

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

(1) includes all active members with no adjustments

City of Pembroke Pines, Florida
Required Supplementary Information
General Employees' Pension Plan
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 3,742,492	\$ 6,674,902	\$ 3,829,070	\$ 2,707,856	\$ 566,798	\$ 2,378,931	\$ 2,660,082	\$ 2,243,128	\$ 1,671,161	\$ 364,567
Contributions in relation to the actuarially determined contribution	3,742,492	7,824,902	16,474,902	9,174,902	6,500,000	2,500,068	5,500,000	10,000,000	3,500,000	7,500,000
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ (1,150,000)</u>	<u>\$ (12,645,832)</u>	<u>\$ (6,467,046)</u>	<u>\$ (5,933,202)</u>	<u>\$ (121,137)</u>	<u>\$ (2,839,918)</u>	<u>\$ (7,756,872)</u>	<u>\$ (1,828,839)</u>	<u>\$ (7,135,433)</u>
Covered payroll	\$ 3,122,626	\$ 3,108,718	\$ 3,163,848	\$ 3,280,160	\$ 3,441,627	\$ 3,148,593	\$ 3,128,143	\$ 2,425,558	\$ 2,221,438	\$ 1,872,583
Contributions as a percentage of covered payroll	119.85%	251.71%	520.72%	279.71%	188.86%	79.40%	175.82%	412.28%	157.56%	400.52%

Notes to Schedule
Measurement date 9/30/2020
Actuarial cost method Entry Age Cost
Long-term rate of return on assets 6.00% (all asset class - determine based on the overall actual historical rate of return of the plan)
Discount rate 6.00%
Long-term inflation rate 2.25%
Salary increase assumption Table S-5 from actuary's pension handbook + 2.50%
COLA increase assumption 2.00% and 3.00% per year depending on location
Retirement age assumption Age 55 and 10 years of service
Plan changes None
Mortality rate Based on PubG-2010 General median base rate mortality table projected to future years with historical and assumed mortality improvement (MI) rates. Mortality Improvement (MI): MP-2018 is the improvement scale used on the 2019 State of Florida Valuation.
Disability rate 1987 Commissioner's Group disability table, six month elimination period, male and female
Withdrawal rate 2003 Society of Actuaries Small Plan Age Table, multiplied by 0.75
Marital assumptions 75% married; male is 3 years older than the female
Future employer contributions Assumed employer contributions are equal to:
• Employer Contribution is assumed to continue at 9.51% of payroll throughout the projection period.
• Expenses are assumed to start at \$62,000 and grow with the inflation assumption throughout the projection period. This is the best estimate available of upcoming years' expenses.

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Changes in Net Pension Liability and Related Ratios

Reporting period as of: Measurement date as of:	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability:							
Service Cost	\$ 9,170,806	\$ 9,460,539	\$ 9,288,146	\$ 9,212,121	\$ 9,537,905	\$ 10,619,978	\$ 10,631,405
Interest	69,213,834	66,491,126	62,814,379	59,453,153	56,386,139	53,285,378	50,687,264
Changes of benefit terms:	-	-	-	-	22,338	765,470	-
Difference between expected and actual experience	8,829,679	6,212,714	4,956,652	1,830,547	399,811	(3,834,368)	(679,355)
Other	390,575	-	-	-	41,959	-	-
Assumption Changes	(7,687,585)	6,152,407	5,779,580	5,790,909	8,511,772	-	-
Benefit payments, including refunds of member contributions	(36,106,324)	(34,185,981)	(32,981,866)	(30,611,666)	(29,062,537)	(27,110,856)	(25,391,326)
Net change in total pension liability	43,810,985	54,130,805	49,856,891	45,675,064	45,837,387	33,725,602	35,247,988
Total pension liability/(asset) - beginning	900,783,499	846,652,694	796,795,803	751,120,739	705,283,352	671,557,750	636,309,762
Total pension liability/(asset) - ending	<u>\$ 944,594,484</u>	<u>\$ 900,783,499</u>	<u>\$ 846,652,694</u>	<u>\$ 796,795,803</u>	<u>\$ 751,120,739</u>	<u>\$ 705,283,352</u>	<u>\$ 671,557,750</u>
Plan fiduciary net position:							
Contributions - employer	\$ 28,117,027	\$ 27,248,665	\$ 26,710,046	\$ 24,935,503	\$ 23,908,967	\$ 23,719,361	\$ 23,585,326
Contributions - state	2,678,889	2,978,593	2,485,959	2,420,304	2,445,532	2,470,921	2,629,081
Contributions - member	2,682,831	2,688,739	2,783,723	2,663,136	2,819,814	3,065,485	2,994,992
Net investment income	51,835,953	25,868,833	64,922,938	61,789,524	44,141,730	9,650,600	44,126,987
Benefit payments, including refunds of member contributions	(36,106,324)	(34,185,981)	(32,981,866)	(30,611,666)	(29,062,537)	(27,070,511)	(25,391,326)
Administrative expense	(723,056)	(749,211)	(627,989)	(738,354)	(627,306)	(597,262)	(606,484)
Other	-	-	35,049	8,131	26,207	72,859	44,649
Net change in plan fiduciary net position	48,485,320	23,849,638	63,327,860	60,466,578	43,652,407	11,311,453	47,383,225
Plan fiduciary net position - beginning	686,503,222	662,653,584	599,325,724	538,859,146	495,206,739	483,895,286	436,512,061
Plan fiduciary net position - ending	<u>\$ 734,988,542</u>	<u>\$ 686,503,222</u>	<u>\$ 662,653,584</u>	<u>\$ 599,325,724</u>	<u>\$ 538,859,146</u>	<u>\$ 495,206,739</u>	<u>\$ 483,895,286</u>
Net pension liability	\$ 209,605,942	\$ 214,280,277	\$ 183,999,110	\$ 197,470,079	\$ 212,261,593	\$ 210,076,613	\$ 187,662,464
Plan fiduciary net position as a percentage of the total pension liability	77.81%	76.21%	78.27%	75.22%	71.74%	70.21%	72.06%
Covered payroll	\$ 30,046,447	\$ 28,868,635	\$ 28,431,363	\$ 27,697,423	\$ 27,677,991	\$ 28,313,818	\$ 27,588,952
Net pension liability as a percentage of covered payroll	697.61%	742.26%	647.17%	712.95%	766.90%	741.96%	680.21%

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

City of Pembroke Pines, Florida
Required Supplementary Information
City Pension Fund for Firefighters and Police Officers
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Actuarially determined contribution	\$ 23,882,116	\$ 25,213,704	\$ 26,214,407	\$ 26,190,282	\$ 26,354,499	\$ 27,355,807	\$ 29,196,004	\$ 30,227,258	\$ 30,795,916	\$ 30,977,999
Contributions in relation to the actuarially determined contribution	23,882,116	25,213,704	26,214,407	26,190,282	26,354,499	27,355,807	29,196,004	30,227,258	30,795,916	30,977,999
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 26,857,833	\$ 27,011,016	\$ 27,588,592	\$ 27,875,138	\$ 27,677,991	\$ 27,697,423	\$ 26,646,456	\$ 28,868,635	\$ 30,046,447	\$ 31,923,658
Contributions as a percentage of covered payroll	88.92%	93.35%	95.02%	93.96%	95.22%	98.77%	109.57%	104.71%	102.49%	97.04%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.0% - 8.00%
Investment rate of return	7.75%
Cost of living increases:	
Firefighters	0.0%, 1.5%, 2.0%, or 3.0%
Police	0.0%, 1.5%, 2.0%, 2.5%, or 3.0%
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post-employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward one year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

City of Pembroke Pines, Florida
Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB Liability and Related Ratios

Reporting period as of:	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Measurement date as of:	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB liability:				
Service Cost	\$ 1,450,661	\$ 1,408,542	\$ 1,375,830	\$ 1,051,493
Interest	12,794,169	12,385,846	14,591,153	10,944,615
Benefit payments	(9,768,783)	(11,192,979)	(13,753,640)	(10,035,735)
Differences in experience	3,663,232	(8,334,459)	20,890,751	4,928,391
Changes in assumptions	(11,778,163)	(3,755,732)	(11,600,799)	22,069,149
Net change in total OPEB liability	(3,638,884)	(9,488,782)	11,503,295	28,957,913
Total OPEB liability - beginning	167,204,526	176,693,308	165,190,013	136,232,100
Total OPEB liability - ending	<u>\$ 163,565,642</u>	<u>\$ 167,204,526</u>	<u>\$ 176,693,308</u>	<u>\$ 165,190,013</u>
Plan fiduciary net position:				
Contributions - employer	\$ 11,659,238	\$ 13,722,749	\$ 11,702,240	\$ 14,206,817
Contributions - member	622,506	546,754	581,044	587,859
Other contributions (Part D subsidy, Rx rebates)	860,351	531,716	185,724	-
Net investment income	9,455,947	4,449,042	8,447,157	8,403,953
Benefit payments	(9,768,783)	(11,192,979)	(13,753,640)	(10,035,735)
Administrative expense	(235,516)	(233,991)	(388,318)	(182,178)
Net change in plan fiduciary net position	12,593,743	7,823,291	6,774,207	12,980,716
Plan fiduciary net position - beginning	95,482,126	87,658,835	80,884,628	67,903,912
Plan fiduciary net position - ending	<u>\$ 108,075,869</u>	<u>\$ 95,482,126</u>	<u>\$ 87,658,835</u>	<u>\$ 80,884,628</u>
Net OPEB liability - ending	\$ 55,489,773	\$ 71,722,400	\$ 89,034,473	\$ 84,305,385
Plan fiduciary net position as a percentage of the total OPEB liability	66.07%	57.10%	49.61%	48.96%
Covered payroll (1)	\$ 101,600,953	\$ 97,678,351	\$ 94,833,350	\$ 59,252,825
Net OPEB liability as a percentage of covered payroll	54.62%	73.43%	93.89%	142.28%

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

(1) includes all active members with no adjustments

City of Pembroke Pines, Florida
Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Employer Contributions
For the Year Ended September 30

Reporting period:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution (1)	\$ 9,125,000	\$ 9,352,000	\$ 8,103,000	\$ 8,057,000	\$ 6,147,000	\$ 9,561,443	\$ 10,384,902	\$ 10,067,044	\$ 9,248,030	\$ 7,162,911
Contributions in relation to the actuarially determined contribution	9,169,000	9,356,207	9,352,000	10,010,983	15,192,960	14,206,817	11,702,240	13,722,749	11,659,238	16,693,958
Contribution Deficiency/(Excess)	<u>\$ (44,000)</u>	<u>\$ (4,207)</u>	<u>\$ (1,249,000)</u>	<u>\$ (1,953,983)</u>	<u>\$ (9,045,960)</u>	<u>\$ (4,645,374)</u>	<u>\$ (1,317,338)</u>	<u>\$ (3,655,705)</u>	<u>\$ (2,411,208)</u>	<u>\$ (9,531,047)</u>
Covered payroll	\$ 67,687,688	\$ 65,748,426	\$ 67,720,879	\$ 69,752,505	\$ 71,845,080	\$ 59,252,828	\$ 94,833,350	\$ 97,678,351	\$ 101,600,953	\$ 104,014,766
Contributions as a percentage of covered payroll	13.55%	14.23%	13.81%	14.35%	21.15%	23.98%	12.34%	14.05%	11.48%	16.05%
Notes to Schedule	September 30, 2020									
Measurement date	Entry Age Normal based on level percentage of projected salary									
Actuarial cost method	Experience gains and losses are amortized over a closed period of 5 years, equal to the average remaining service of active and inactive plan members (those without future service remaining count as 0 years in the averaging). Investment gains and losses are amortized over a closed period of five years.									
Amortization method	13 years									
Remaining amortization period	The assumed number of eligible spouses is based on the current information in the census provided.									
Marriage rate	Male spouses are assumed to be three years older than female spouses.									
Spouse age	Pub 2010 mortality table and scaled using MP-19 and applied on a gender-specific basis.									
Mortality rates										
Actuarial assumptions:										
Inflation rate	3.0%									
Investment rate of return (2)	8.0%									
Projected salary increases	3.0%									
Healthcare cost trend rate (3)	6.50% initial for Pre-Medicare Medical and Prescription and stop loss fees, 5.50% initial for Medicare benefits, decreasing 0.5% per year until an ultimate rate of 4.5% is reached and 4.5% for administrative fees									
Post-retirement benefits increases	N/A									

(1) Prior to FY2017, the ADC was represented by the Annual Required Contribution (ARC) in accordance with GASB 45.

(2) Valuation results are developed assuming a discount rate of 8.0% determined based on the long-term yield on the investments used to finance the payment of benefits.

(3) The healthcare cost trend rate grades down every year by 0.5% until an ultimate rate of 4.50% is reached.

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Annual Money Weighted Rate of Return
For the Year Ended September 30

General Employees' Pension Plan:

Fiscal year ending:	Annual Money Weighted Rate of Return
2015	14.04%
2016	-1.12%
2017	8.01%
2018	12.37%
2019	8.20%
2020	5.60%
2021	9.13%

City Pension Fund for Firefighters and Police Officers:

Fiscal year ending:	Annual Money Weighted Rate of Return
2014	10.24%
2015	2.04%
2016	9.09%
2017	11.49%
2018	10.99%
2019	4.01%
2020	7.63%
2021	19.63%

Other Post-Employment Benefits Plan (OPEB):

Fiscal year ending:	Annual Money Weighted Rate of Return
2017	12.10%
2018	11.40%
2019	4.90%
2020	9.70%
2021	18.0%

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

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter Elementary School

Reporting period:	2021		2020		2019		2018		2017		2016		2015	
Florida Retirement System Plan:	FRS	HIS	FRS	HIS										
Total pension liability	\$ 204,909,739	\$ 12,588,098	\$ 198,012,334	\$ 11,491,044	\$ 191,317,399	\$ 10,816,576	\$ 183,632,592	\$ 10,870,772	\$ 167,030,999	\$ 11,768,445	\$ 161,370,735	\$ 10,249,201	\$ 156,115,763	\$ 9,443,629
Plan fiduciary net position	(161,568,265)	(378,261)	(163,573,726)	(302,045)	(161,196,881)	(232,463)	(154,053,263)	(178,311)	(141,780,921)	(113,859)	(148,454,394)	(50,774)	(150,014,292)	(93,385)
Net pension liability	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>	<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>	<u>\$ 6,101,471</u>	<u>\$ 9,350,244</u>
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%	96.09%	0.99%
Charter Elementary Schools:														
Share of net pension liability as a percentage	0.013222129%	0.020635278%	0.013409509%	0.021056019%	0.013727637%	0.021531224%	0.013577866%	0.021325349%	0.013137343%	0.021223884%	0.014180334%	0.021143721%	0.015319553%	0.023009714%
Share of net pension liability as an amount	\$ 5,730,666	\$ 2,519,534	\$ 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	\$ 934,718	\$ 2,151,464
Covered payroll	\$ 7,212,741	\$ 7,212,741	\$ 7,042,033	\$ 7,042,033	\$ 7,957,227	\$ 7,957,227	\$ 7,745,300	\$ 7,745,300	\$ 7,520,707	\$ 7,520,707	\$ 7,546,090	\$ 7,546,090	\$ 7,816,059	\$ 7,816,059
Net pension liability as a percentage of covered payroll	79.45%	34.93%	65.58%	33.46%	51.96%	28.64%	51.85%	29.44%	44.11%	32.89%	24.27%	28.58%	11.96%	27.53%

Note to Schedule:

Assumptions:

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

Benefit Types:

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

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

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter Middle School

Reporting period:	2021		2020		2019		2018		2017		2016		2015	
Florida Retirement System Plan:	FRS	HIS	FRS	HIS										
Total pension liability	\$ 204,909,739	\$ 12,588,098	\$ 198,012,334	\$ 11,491,044	\$ 191,317,399	\$ 10,816,576	\$ 183,632,592	\$ 10,870,772	\$ 167,030,999	\$ 11,768,445	\$ 161,370,735	\$ 10,249,201	\$ 156,115,763	\$ 9,443,629
Plan fiduciary net position	(161,568,265)	(378,261)	(163,573,726)	(302,045)	(161,196,881)	(232,463)	(154,053,263)	(178,311)	(141,780,921)	(113,859)	(148,454,394)	(50,774)	(150,014,292)	(93,385)
Net pension liability	\$ 43,341,474	\$ 12,209,837	\$ 34,438,608	\$ 11,188,999	\$ 30,120,518	\$ 10,584,113	\$ 29,579,329	\$ 10,692,461	\$ 25,250,078	\$ 11,654,586	\$ 12,916,341	\$ 10,198,427	\$ 6,101,471	\$ 9,350,244
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%	96.09%	0.99%
Charter Middle Schools:														
Share of net pension liability as a percentage	0.008672572%	0.014047239%	0.008387837%	0.013849723%	0.009170693%	0.014329829%	0.009167388%	0.014203866%	0.008687191%	0.013636514%	0.009774085%	0.013999520%	0.010014704%	0.014743185%
Share of net pension liability as an amount	\$ 3,758,821	\$ 1,715,145	\$ 2,888,654	\$ 1,549,645	\$ 2,762,260	\$ 1,516,685	\$ 2,711,652	\$ 1,518,743	\$ 2,193,523	\$ 1,589,279	\$ 1,262,454	\$ 1,427,731	\$ 611,044	\$ 1,378,524
Covered payroll	\$ 5,125,177	\$ 5,125,177	\$ 4,632,343	\$ 4,632,343	\$ 5,606,419	\$ 5,606,419	\$ 5,398,562	\$ 5,398,562	\$ 5,357,386	\$ 5,357,386	\$ 5,273,513	\$ 5,273,513	\$ 5,373,301	\$ 5,373,301
Net pension liability as a percentage of covered payroll	73.34%	33.47%	62.36%	33.45%	49.27%	27.05%	50.23%	28.13%	40.94%	29.67%	23.94%	27.07%	11.37%	25.66%

Note to Schedule:

Assumptions:

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

Benefit Types:

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

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

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Required Supplementary Information
Pension Schedule
Charter High School

Reporting period:	2021		2020		2019		2018		2017		2016		2015	
Florida Retirement System Plan:	FRS	HIS	FRS	HIS										
Total pension liability	\$ 204,909,739	\$ 12,588,098	\$ 198,012,334	\$ 11,491,044	\$ 191,317,399	\$ 10,816,576	\$ 183,632,592	\$ 10,870,772	\$ 167,030,999	\$ 11,768,445	\$ 161,370,735	\$ 10,249,201	\$ 156,115,763	\$ 9,443,629
Plan fiduciary net position	(161,568,265)	(378,261)	(163,573,726)	(302,045)	(161,196,881)	(232,463)	(154,053,263)	(178,311)	(141,780,921)	(113,859)	(148,454,394)	(50,774)	(150,014,292)	(93,385)
Net pension liability	<u>\$ 43,341,474</u>	<u>\$ 12,209,837</u>	<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>	<u>\$ 6,101,471</u>	<u>\$ 9,350,244</u>
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%	82.61%	2.63%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%	96.09%	0.99%
Charter High School:														
Share of net pension liability as a percentage	0.011554431%	0.018577679%	0.011433330%	0.018604000%	0.011548723%	0.018683750%	0.012016723%	0.018962929%	0.011451996%	0.018074525%	0.012391542%	0.018101749%	0.011808963%	0.017492768%
Share of net pension liability as an amount	\$ 5,007,861	\$ 2,268,303	\$ 3,937,480	\$ 2,081,600	\$ 3,478,535	\$ 1,977,508	\$ 3,554,466	\$ 2,027,603	\$ 2,891,638	\$ 2,106,510	\$ 1,600,534	\$ 1,846,093	\$ 720,520	\$ 1,635,616
Covered payroll	\$ 6,822,503	\$ 6,822,503	\$ 6,221,975	\$ 6,221,975	\$ 7,140,664	\$ 7,140,664	\$ 6,894,012	\$ 6,894,012	\$ 6,648,338	\$ 6,648,338	\$ 6,249,677	\$ 6,249,677	\$ 5,987,830	\$ 5,987,830
Net pension liability as a percentage of covered payroll	73.40%	33.25%	63.28%	33.46%	48.71%	27.69%	51.56%	29.41%	43.49%	31.68%	25.61%	29.54%	12.03%	27.32%

Note to Schedule:

Assumptions:

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

Benefit Types:

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

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

CITY OF PEMBROKE PINES CHARTER SCHOOLS
Charter Schools
Required Supplementary Information
Schedule of Contributions

Reporting period:	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,934,235	\$ 1,574,740	\$ 1,476,624	\$ 1,413,716	\$ 1,311,513	\$ 1,191,296	\$ 1,202,083	\$ 1,157,206	\$ 884,548	\$ 812,317
Contributions in relation to the contractually required contribution	(1,934,235)	(1,574,740)	(1,476,624)	(1,413,716)	(1,311,513)	(1,191,296)	(1,202,083)	(1,157,206)	(884,548)	(812,317)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,160,421	\$ 18,485,891	\$ 17,896,351	\$ 17,896,351	\$ 20,037,874	\$ 19,526,431	\$ 19,069,280	\$ 19,177,190	\$ 19,842,569	\$ 19,029,259
Contributions as a percentage of covered payroll	10.09%	8.52%	8.25%	7.90%	6.55%	6.10%	6.30%	6.03%	4.46%	4.27%

City of Pembroke Pines, Florida
Required Supplementary Information
Pension Schedule
Charter Elementary School
Florida State University

Reporting period:

	2021		2020		2019		2018		2017		2016		2015	
Florida Retirement System Plan (in thousands):	FRS	HIS	FRS	HIS										
Total pension liability	\$ 204,909,739	\$ 12,588,098	\$ 191,317,399	\$ 10,816,576	\$ 191,317,399	\$ 10,816,576	\$ 183,632,592	\$ 10,870,772	\$ 167,030,999	\$ 11,768,445	\$ 161,370,735	\$ 10,249,201	\$ 156,115,763	\$ 9,443,629
Plan fiduciary net position	(161,568,265)	(378,261)	(161,196,881)	(232,463)	(161,196,881)	(232,463)	(154,053,263)	(178,311)	(141,780,921)	(113,859)	(148,454,394)	(50,774)	(150,014,292)	(93,385)
Net pension liability	\$ 43,341,474	\$ 12,209,837	\$ 30,120,518	\$ 10,584,113	\$ 30,120,518	\$ 10,584,113	\$ 29,579,329	\$ 10,692,461	\$ 25,250,078	\$ 11,654,586	\$ 12,916,341	\$ 10,198,427	\$ 6,101,471	\$ 9,350,244
Plan fiduciary net position as a percentage of the total pension liability	78.85%	3.00%	84.26%	2.15%	84.26%	2.15%	83.89%	1.64%	84.88%	0.97%	92.00%	0.50%	96.09%	0.99%
Florida State University:														
Share of net pension liability as a percentage	0.005244823%	0.008263835%	0.005230315%	0.008309768%	0.005320825%	0.008401021%	0.005031075%	0.007881519%	0.004659122%	0.007524053%	0.005166942%	0.007705802%	0.005205347%	0.007934707%
Share of net pension liability as an amount	\$ 2,273,183	\$ 1,009,001	\$ 1,801,248	\$ 929,780	\$ 1,602,660	\$ 889,174	\$ 1,488,158	\$ 842,728	\$ 1,176,432	\$ 876,897	\$ 667,380	\$ 785,871	\$ 317,603	\$ 741,914
Covered payroll	\$ 3,017,263	\$ 3,017,263	\$ 2,779,138	\$ 2,779,138	\$ 3,197,135	\$ 3,197,135	\$ 2,852,151	\$ 2,852,151	\$ 2,748,729	\$ 2,748,729	\$ 2,800,535	\$ 2,800,535	\$ 2,826,918	\$ 2,826,918
Net pension liability as a percentage of covered payroll	75.34%	33.44%	64.81%	33.46%	50.13%	27.81%	52.18%	29.55%	42.80%	31.90%	23.83%	28.06%	11.23%	26.24%

Note to Schedule:

Assumptions:

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

Benefit Types:

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

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

**City of Pembroke Pines, Florida
Florida State University
Charter Elementary School
Required Supplementary Information
Schedule of Contributions**

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



Combining and Individual Fund Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted or committed/assigned to expenditures for particular purposes.

Road and Bridge Fund – To account for the receipt and disbursement of funds earmarked for construction and maintenance of roads, bridges, sidewalks, and streetlights.

Law Enforcement Grant Fund – To account for Federal funded programs:

- Victim's Advocate (Victims of Crime Act)
 - One (1) part time victim's advocate
- Homeland Security (Urban Area Security Initiative-UASI)
 - Equipment

Police Community Service Grant – To account for Federal funded program:

- Byrne Grant
 - Equipment

State Housing Initiative Program – To account for State funds received from the Florida Housing Finance Agency. These funds are used for the following:

- Minor home repairs/weatherization
- Homeowner counseling
- Foreclosure prevention
- Emergency repair program
- Administration
- Homebuyer assistance
- Public facilities

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Schools chartered by Broward County School Board – To account for funds received from the Broward County School Board for the operation of elementary, middle, and high schools owned and operated by the City. The schools have a fiscal year end of June 30th.

School chartered by Florida State University – To account for funds received from Florida State University for the operation of an elementary school owned and operated by the City. The school has a fiscal year end of June 30th.

Housing and Urban Development Grant – To account for Federal funds received from the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG)
 - Home repairs/weatherization
 - Arch Barrier removal
 - Public facilities
 - Commercial revitalization
 - Administration
 - Acquisition-Rehabilitation or new construction
 - Senior Center transportation
- HOME Investment partnership Program (HOME)
 - Home repairs/weatherization.
- Neighborhood Stabilization Program (NSP)
 - Minor home repairs/weatherization
 - Homebuyer assistance
- Community Development Block Grant Recovery (CDBG-R)
 - Thermal storage system
- Disaster Recovery Initiative (DRI)
 - Disaster mitigation/recovery

Community Bus Program – To account for funds received from the Broward County Transit Grant to provided subsidized transportation to local residents.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued)

Older Americans Act – To account for Federal funds received from the Division of Health and Human Services, State funds received from the Department of Elder Affairs, and Local funds received from Broward County that are passed-through to the Area-wide Agency on Aging. These funds are used to provide the following:

- Premises where meals to senior citizens are served by a private company under a state contract.
- Information, counseling and referrals.
- Weekend adult day care.
- Alzheimer's Day Care Program on Friday, Saturday, and Sunday.
- Health support services.
- Recreational activities/classes for senior citizens.
- Transportation to and from the Senior Center, doctor appointments and grocery shopping.
- Health education, blood pressure screening, fitness and nutrition consulting offered by a registered nurse.

Treasury Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with Federal Treasury forfeiture cases.

Justice Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with Federal Justice forfeiture cases.

\$2 Police Education – To account for funds and property seized or confiscated by the City's Police Department in connection with local forfeiture cases.

FDLE (Florida Department of Law Enforcement) Confiscated – To account for funds and property seized or confiscated by the City's Police Department in connection with State forfeiture cases.

NONMAJOR GOVERNMENTAL FUNDS

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizenry.

Wetland Mitigation Trust Fund - To account for funds donated by developers, which are used to maintain and administer wetlands located in the City.

City of Pembroke Pines, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds							
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by*			Florida State University Elementary
					Broward County School Board			
				Elementary	Middle	High		
Assets								
Pooled cash and cash equivalents	\$ 5,959,716	\$ -	\$ -	\$ 932,239	\$ 2,974,146	\$ 594,236	\$ 1,982,204	\$ 3,881,835
Investment in marketable securities	1,028,905	-	-	-	-	-	-	-
Franchise fees and taxes receivable	471,801	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	13,148	12,476
Due from other governments	-	98,367	-	-	104,404	23,208	72,483	389,172
Restricted pooled cash and cash equivalents	-	-	-	-	-	-	-	-
Total assets	\$ 7,460,422	\$ 98,367	\$ -	\$ 932,239	\$ 3,078,550	\$ 617,444	\$ 2,067,835	\$ 4,283,483
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 477,998	\$ 13,823	\$ -	\$ 15,862	\$ 813,381	\$ 480,444	\$ 792,066	\$ 263,602
Retainage payable	-	11,347	-	-	-	-	-	-
Due to other funds	-	73,197	-	-	-	-	-	-
Deposits	-	-	-	-	177,657	117,867	405,344	41,812
Unearned revenue	-	-	-	916,377	118,367	18,169	26,946	11,064
Total liabilities	477,998	98,367	-	932,239	1,109,405	616,480	1,224,356	316,478
Fund balances: Nonspendable:								
Wetland Mitigation Trust	-	-	-	-	-	-	-	-
Restricted for:								
Road and sidewalks	6,982,424	-	-	-	-	-	-	-
Community bus program	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Wetland Mitigation	-	-	-	-	-	-	-	-
Assigned to:								
Rent payments	-	-	-	-	1,969,145	964	843,479	3,967,005
Total fund balances	6,982,424	-	-	-	1,969,145	964	843,479	3,967,005
Total liabilities and fund balances	\$ 7,460,422	\$ 98,367	\$ -	\$ 932,239	\$ 3,078,550	\$ 617,444	\$ 2,067,835	\$ 4,283,483

*As of June 30, 2021

(continued)

City of Pembroke Pines, Florida

Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

(continued)

	Special Revenue Funds						Permanent Fund	Total Nonmajor Governmental Funds	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated		Wetland Mitigation Trust Fund
Assets									
Pooled cash and cash equivalents	\$ -	\$ 470,736	\$ 15,208	\$ 526,707	\$ 436,634	\$ 38,604	\$ 1,348,183	\$ -	\$ 19,160,448
Investment in marketable securities	-	-	-	-	-	-	-	-	1,028,905
Franchise fees and taxes receivable	-	-	-	-	-	-	-	-	471,801
Other receivables	-	-	-	-	-	-	2,971	-	28,595
Due from other governments	464,041	-	165,128	-	-	-	-	-	1,316,803
Restricted pooled cash and cash equivalents	-	-	-	-	-	-	-	473,406	473,406
Total assets	<u>\$ 464,041</u>	<u>\$ 470,736</u>	<u>\$ 180,336</u>	<u>\$ 526,707</u>	<u>\$ 436,634</u>	<u>\$ 38,604</u>	<u>\$ 1,351,154</u>	<u>\$ 473,406</u>	<u>\$ 22,479,958</u>
Liabilities and Fund Balances									
Liabilities:									
Accounts payable and accrued liabilities	\$ 243,648	\$ 26,043	\$ 43,588	\$ -	\$ -	\$ -	\$ 3,320	\$ -	\$ 3,173,775
Retainage payable	17,089	-	-	-	-	-	-	-	28,436
Due to other funds	54,328	108,974	136,748	-	-	-	-	-	373,247
Deposits	-	-	-	-	-	-	219,810	-	962,490
Unearned revenue	148,976	-	-	-	-	-	-	-	1,239,899
Total liabilities	<u>464,041</u>	<u>135,017</u>	<u>180,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,130</u>	<u>-</u>	<u>5,777,847</u>
Fund balances: Nonspendable:									
Wetland Mitigation Trust	-	-	-	-	-	-	-	446,115	446,115
Restricted for:									
Road and sidewalks	-	-	-	-	-	-	-	-	6,982,424
Community bus program	-	335,719	-	-	-	-	-	-	335,719
Law enforcement	-	-	-	526,707	436,634	38,604	1,128,024	-	2,129,969
Wetland Mitigation	-	-	-	-	-	-	-	27,291	27,291
Assigned to:									
Rent payments	-	-	-	-	-	-	-	-	6,780,593
Total fund balances	<u>-</u>	<u>335,719</u>	<u>-</u>	<u>526,707</u>	<u>436,634</u>	<u>38,604</u>	<u>1,128,024</u>	<u>473,406</u>	<u>16,702,111</u>
Total liabilities and fund balances	<u>\$ 464,041</u>	<u>\$ 470,736</u>	<u>\$ 180,336</u>	<u>\$ 526,707</u>	<u>\$ 436,634</u>	<u>\$ 38,604</u>	<u>\$ 1,351,154</u>	<u>\$ 473,406</u>	<u>\$ 22,479,958</u>

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Road and Bridge	Law Enforcement Grant	Police Community Service Grant	State Housing Initiative Program	Schools Chartered by*			Florida State University Elementary
					Broward County School Board			
				Elementary	Middle	High		
Revenues:								
Taxes	\$ 2,742,078	\$ -	\$ -	\$ -				
Permits, fees and licenses	1,590,902	-	-	-				
Intergovernmental	1,419,923	706,526	-	1,141,378	17,171,434	10,759,473	18,767,856	7,394,152
Charges for services	-	-	-	-	178,276	9,414	14,855	184,681
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income (loss)	12,088	-	-	-	6,303	533	3,034	8,161
Contributions	-	-	-	-	97,476	67,640	151,340	35,428
Rental revenue	-	-	-	-	112,171	258,733	564,635	600
Other	247,282	-	-	-	7,201	258,851	18,682	14,983
Total revenues	<u>6,012,273</u>	<u>706,526</u>	<u>-</u>	<u>1,141,378</u>	<u>17,572,861</u>	<u>11,354,644</u>	<u>19,520,402</u>	<u>7,638,005</u>
Expenditures:								
Public safety	-	721,164	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-
Transportation	5,910,328	-	-	-	-	-	-	-
Economic environment	-	-	-	1,141,378	-	-	-	-
Human services	-	-	-	-	16,998,224	11,908,616	19,094,709	7,366,364
Total expenditures	<u>5,910,328</u>	<u>721,164</u>	<u>-</u>	<u>1,141,378</u>	<u>16,998,224</u>	<u>11,908,616</u>	<u>19,094,709</u>	<u>7,366,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,945</u>	<u>(14,638)</u>	<u>-</u>	<u>-</u>	<u>574,637</u>	<u>(553,972)</u>	<u>425,693</u>	<u>271,641</u>
Other financing sources (uses):								
Transfers in	-	14,638	-	-	-	548,000	-	-
Transfers out	-	-	-	-	(548,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>14,638</u>	<u>-</u>	<u>-</u>	<u>(548,000)</u>	<u>548,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	101,945	-	-	-	26,637	(5,972)	425,693	271,641
Fund balances, beginning	6,880,479	-	-	-	1,942,508	6,936	417,786	3,695,364
Fund balances, ending	<u>\$ 6,982,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,969,145</u>	<u>\$ 964</u>	<u>\$ 843,479</u>	<u>\$ 3,967,005</u>

*As of June 30, 2021

(continued)

City of Pembroke Pines, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
September 30, 2021
(continued)

	Special Revenue Funds						Permanent Fund	Total	
	Housing and Urban Development Grant	Community Bus Program	Older Americans Act	Treasury Confiscated	Justice Confiscated	\$2 Police Education	FDLE Confiscated	Wetland Mitigation Trust Fund	Nonmajor Governmental Funds
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,742,078
Permits, fees and licenses	-	-	-	-	-	-	-	-	1,590,902
Intergovernmental	562,811	803,764	395,449	-	-	-	-	-	59,122,766
Charges for services	-	-	-	-	-	-	-	-	387,226
Fines and forfeitures	-	-	-	-	-	22,424	7,184	-	29,608
Investment income	-	-	-	835	692	89	2,120	757	34,612
Contributions	-	-	-	-	-	-	-	-	351,884
Rental revenue	-	-	-	-	-	-	-	-	936,139
Other	-	-	1,113	-	-	-	-	-	548,112
Total revenues	562,811	803,764	396,562	835	692	22,513	9,304	757	65,743,327
Expenditures:									
Public safety	2	-	-	-	-	57,509	15,683	-	794,358
Physical Environment	-	-	-	-	-	-	-	16,459	16,459
Transportation	138,973	881,712	-	-	-	-	-	-	6,931,013
Economic environment	423,836	-	-	-	-	-	-	-	1,565,214
Human services	-	-	931,378	-	-	-	-	-	56,299,291
Total expenditures	562,811	881,712	931,378	-	-	57,509	15,683	16,459	65,606,335
Excess (deficiency) of revenues over (under) expenditures	-	(77,948)	(534,816)	835	692	(34,996)	(6,379)	(15,702)	136,992
Other financing sources (uses):									
Transfers in	-	186,313	534,816	-	-	-	-	-	1,283,767
Transfers out	-	-	-	-	-	-	-	-	(548,000)
Total other financing sources (uses)	-	186,313	534,816	-	-	-	-	-	735,767
Net change in fund balances	-	108,365	-	835	692	(34,996)	(6,379)	(15,702)	872,759
Fund balances, beginning	-	227,354	-	525,872	435,942	73,600	1,134,403	489,108	15,829,352
Fund balances, ending	\$ -	\$ 335,719	\$ -	\$ 526,707	\$ 436,634	\$ 38,604	\$ 1,128,024	\$ 473,406	\$ 16,702,111

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

- **Debt Service Fund**

- **Nonmajor Governmental Funds:**
 - Road and Bridge Fund
 - Law Enforcement Grant
 - Police Community Service Grant
 - State Housing Initiative Program
 - Elementary Schools chartered by Broward County School Board
 - Middle Schools chartered by Broward County School Board
 - High School chartered by Broward County School Board
 - Elementary School chartered by Florida State University
 - Housing and Urban Development Grant
 - Community Bus Program
 - Older Americans Act
 - Treasury Confiscated
 - Justice Confiscated
 - \$2 Police Education
 - FDLE Confiscated
 - Wetland Mitigation Trust Fund

City of Pembroke Pines, Florida
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property taxes	\$ 5,805,188	\$ 5,805,188	\$ 5,830,412	\$ 25,224
Utility taxes	3,454,070	3,454,070	3,146,706	(307,364)
Communications services tax	4,086,000	4,086,000	4,388,336	302,336
Permits, fees and licenses	762,433	762,433	761,568	(865)
Investment income	189,200	189,200	17,766	(171,434)
Contributions	11,373,739	11,373,739	11,371,175	(2,564)
Total revenues	<u>25,670,630</u>	<u>25,670,630</u>	<u>25,515,963</u>	<u>(154,667)</u>
Expenditures				
Debt Service:				
Principal	13,814,800	13,814,800	13,814,800	-
Interest	11,595,065	11,595,065	11,594,661	404
Other debt service costs	-	-	-	-
Total expenditures	<u>25,409,865</u>	<u>25,409,865</u>	<u>25,409,461</u>	<u>404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>260,765</u>	<u>260,765</u>	<u>106,502</u>	<u>(154,263)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Payment for termination of swap	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	260,765	260,765	106,502	(154,263)
Fund balances, beginning	<u>13,950,665</u>	<u>13,950,665</u>	<u>13,950,665</u>	<u>-</u>
Fund balances, ending	<u>\$ 14,211,430</u>	<u>\$ 14,211,430</u>	<u>\$ 14,057,167</u>	<u>\$ (154,263)</u>

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Road & Bridge				Law Enforcement			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ 2,586,000	\$ 2,586,000	\$ 2,742,078	\$ 156,078	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	1,720,000	1,720,000	1,590,902	(129,098)	-	-	-	-
Intergovernmental	1,164,000	1,164,000	1,419,923	255,923	22,167	751,347	706,526	(44,821)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	104,000	104,000	12,088	(91,912)	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	240,581	240,581	247,282	6,701	-	-	-	-
Total revenues	<u>5,814,581</u>	<u>5,814,581</u>	<u>6,012,273</u>	<u>197,692</u>	<u>22,167</u>	<u>751,347</u>	<u>706,526</u>	<u>(44,821)</u>
Expenditures:								
Public safety	-	-	-	-	22,167	1,124,137	721,164	402,973
Transportation	8,230,973	9,308,785	5,910,328	3,398,457	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>8,230,973</u>	<u>9,308,785</u>	<u>5,910,328</u>	<u>3,398,457</u>	<u>22,167</u>	<u>1,124,137</u>	<u>721,164</u>	<u>402,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,416,392)</u>	<u>(3,494,204)</u>	<u>101,945</u>	<u>3,596,149</u>	<u>-</u>	<u>(372,790)</u>	<u>(14,638)</u>	<u>358,152</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	372,790	14,638	(358,152)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,790</u>	<u>14,638</u>	<u>(358,152)</u>
Net change in fund balances	<u>(2,416,392)</u>	<u>(3,494,204)</u>	<u>101,945</u>	<u>3,596,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>6,880,479</u>	<u>6,880,479</u>	<u>6,880,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,464,087</u>	<u>\$ 3,386,275</u>	<u>\$ 6,982,424</u>	<u>\$ 3,596,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Police Community Service Grant				State Housing Initiative Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,269,568	1,141,378	(2,128,190)	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	13,000	13,000	-	(13,000)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	13,000	3,282,568	1,141,378	(2,141,190)
Expenditures:								
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	3,269,568	1,141,378	2,128,190	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	3,269,568	1,141,378	2,128,190	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	13,000	13,000	-	(13,000)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	13,000	13,000	-	(13,000)
Fund balances, beginning	-	-	-	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

Special Revenue Funds

	Elementary Schools Chartered by Broward County School Board*				Middle Schools Chartered by Broward County School Board*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	16,304,139	16,435,555	17,171,434	735,879	10,648,726	10,740,116	10,759,473	19,357
Charges for services	1,039,702	1,039,702	178,276	(861,426)	90,936	90,936	9,414	(81,522)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income (loss)	15,000	15,000	6,303	(8,697)	3,000	3,000	533	(2,467)
Contributions	417,491	418,709	97,476	(321,233)	293,338	293,338	67,640	(225,698)
Rental revenue	135,648	135,648	112,171	(23,477)	239,834	239,834	258,733	18,899
Other	461,419	461,419	7,201	(454,218)	391,751	391,751	258,851	(132,900)
Total revenues	<u>18,373,399</u>	<u>18,506,033</u>	<u>17,572,861</u>	<u>(933,172)</u>	<u>11,667,585</u>	<u>11,758,975</u>	<u>11,354,644</u>	<u>(404,331)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	18,531,948	18,072,540	16,998,224	1,074,316	13,463,508	13,139,535	11,908,616	1,230,919
Total expenditures	<u>18,531,948</u>	<u>18,072,540</u>	<u>16,998,224</u>	<u>1,074,316</u>	<u>13,463,508</u>	<u>13,139,535</u>	<u>11,908,616</u>	<u>1,230,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(158,549)</u>	<u>433,493</u>	<u>574,637</u>	<u>141,144</u>	<u>(1,795,923)</u>	<u>(1,380,560)</u>	<u>(553,972)</u>	<u>826,588</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	974,434	729,561	548,000	(181,561)
Transfers out	(498,216)	(498,216)	(548,000)	(49,784)	-	-	-	-
Total other financing sources (uses)	<u>(498,216)</u>	<u>(498,216)</u>	<u>(548,000)</u>	<u>(49,784)</u>	<u>974,434</u>	<u>729,561</u>	<u>548,000</u>	<u>(181,561)</u>
Net change in fund balances	(656,765)	(64,723)	26,637	91,360	(821,489)	(650,999)	(5,972)	645,027
Fund balances, beginning	1,942,508	1,942,508	1,942,508	-	6,936	6,936	6,936	-
Fund balances, ending	<u>\$ 1,285,743</u>	<u>\$ 1,877,785</u>	<u>\$ 1,969,145</u>	<u>\$ 91,360</u>	<u>\$ (814,553)</u>	<u>\$ (644,063)</u>	<u>\$ 964</u>	<u>\$ 645,027</u>

*As of June 30, 2021

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

Special Revenue Funds

	High School Chartered by Broward County School Board*				Elementary School Chartered by Florida State University*			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	17,952,939	18,096,941	18,767,856	670,915	7,359,614	7,556,244	7,394,152	(162,092)
Charges for services	158,572	158,572	14,855	(143,717)	423,007	423,007	184,681	(238,326)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	12,000	12,000	3,034	(8,966)	7,000	7,000	8,161	1,161
Contributions	461,437	523,408	151,340	(372,068)	153,594	153,594	35,428	(118,166)
Rental revenue	607,550	607,550	564,635	(42,915)	38,300	38,300	600	(37,700)
Other	615,130	615,130	18,682	(596,448)	168,511	168,511	14,983	(153,528)
Total revenues	<u>19,807,628</u>	<u>20,013,601</u>	<u>19,520,402</u>	<u>(493,199)</u>	<u>8,150,026</u>	<u>8,346,656</u>	<u>7,638,005</u>	<u>(708,651)</u>
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	20,822,859	20,433,080	19,094,709	1,338,371	8,333,716	8,339,082	7,366,364	972,718
Total expenditures	<u>20,822,859</u>	<u>20,433,080</u>	<u>19,094,709</u>	<u>1,338,371</u>	<u>8,333,716</u>	<u>8,339,082</u>	<u>7,366,364</u>	<u>972,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,015,231)</u>	<u>(419,479)</u>	<u>425,693</u>	<u>845,172</u>	<u>(183,690)</u>	<u>7,574</u>	<u>271,641</u>	<u>264,067</u>
Other financing sources (uses):								
Transfers in	319,175	319,175	-	(319,175)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>319,175</u>	<u>319,175</u>	<u>-</u>	<u>(319,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(696,056)	(100,304)	425,693	525,997	(183,690)	7,574	271,641	264,067
Fund balances, beginning	417,786	417,786	417,786	-	3,695,364	3,695,364	3,695,364	-
Fund balances, ending	<u>\$ (278,270)</u>	<u>\$ 317,482</u>	<u>\$ 843,479</u>	<u>\$ 525,997</u>	<u>\$ 3,511,674</u>	<u>\$ 3,702,938</u>	<u>\$ 3,967,005</u>	<u>\$ 264,067</u>

*As of June 30, 2021

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Housing and Urban Development Grant				Community Bus Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	1,180,129	5,086,769	562,811	(4,523,958)	766,112	968,164	803,764	(164,400)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>1,180,129</u>	<u>5,086,769</u>	<u>562,811</u>	<u>(4,523,958)</u>	<u>766,112</u>	<u>968,164</u>	<u>803,764</u>	<u>(164,400)</u>
Expenditures:								
Public safety	-	-	2	(2)	-	-	-	-
Transportation	138,995	138,974	138,973	1	1,015,866	1,240,368	881,712	358,656
Economic environment	1,041,134	4,947,795	423,836	4,523,959	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>1,180,129</u>	<u>5,086,769</u>	<u>562,811</u>	<u>4,523,958</u>	<u>1,015,866</u>	<u>1,240,368</u>	<u>881,712</u>	<u>358,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,754)</u>	<u>(272,204)</u>	<u>(77,948)</u>	<u>194,256</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	249,754	272,204	186,313	(85,891)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,754</u>	<u>272,204</u>	<u>186,313</u>	<u>(85,891)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,365</u>	<u>108,365</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,354</u>	<u>227,354</u>	<u>227,354</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,354</u>	<u>\$ 227,354</u>	<u>\$ 335,719</u>	<u>\$ 108,365</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Older Americans Act				Treasury Confiscated			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	788,499	812,775	395,449	(417,326)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	8,000	8,000	835	(7,165)
Contributions	10,000	10,000	1,113	(8,887)	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	798,499	822,775	396,562	(426,213)	8,000	8,000	835	(7,165)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	77,852	508,199	-	508,199
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	1,337,545	1,337,545	931,378	406,167	-	-	-	-
Total expenditures	1,337,545	1,337,545	931,378	406,167	77,852	508,199	-	508,199
Excess (deficiency) of revenues over (under) expenditures	(539,046)	(514,770)	(534,816)	(20,046)	(69,852)	(500,199)	835	501,034
Other financing sources (uses):								
Transfers in	539,046	534,816	534,816	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	539,046	534,816	534,816	-	-	-	-	-
Net change in fund balances	-	20,046	-	(20,046)	(69,852)	(500,199)	835	501,034
Fund balances, beginning	-	-	-	-	525,872	525,872	525,872	-
Fund balances, ending	\$ -	\$ 20,046	\$ -	\$ (20,046)	\$ 456,020	\$ 25,673	\$ 526,707	\$ 501,034

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds							
	Justice Confiscated				\$2 Police Education			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	27,419	27,419	22,424	(4,995)
Investment income	7,000	7,000	692	(6,308)	1,000	1,000	89	(911)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>692</u>	<u>(6,308)</u>	<u>28,419</u>	<u>28,419</u>	<u>22,513</u>	<u>(5,906)</u>
Expenditures:								
Public safety	10,387	432,845	-	432,845	28,419	59,810	57,509	2,301
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>10,387</u>	<u>432,845</u>	<u>-</u>	<u>432,845</u>	<u>28,419</u>	<u>59,810</u>	<u>57,509</u>	<u>2,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,387)</u>	<u>(425,845)</u>	<u>692</u>	<u>426,537</u>	<u>-</u>	<u>(31,391)</u>	<u>(34,996)</u>	<u>(3,605)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,387)</u>	<u>(425,845)</u>	<u>692</u>	<u>426,537</u>	<u>-</u>	<u>(31,391)</u>	<u>(34,996)</u>	<u>(3,605)</u>
Fund balances, beginning	<u>435,942</u>	<u>435,942</u>	<u>435,942</u>	<u>-</u>	<u>73,600</u>	<u>73,600</u>	<u>73,600</u>	<u>-</u>
Fund balances, ending	<u>\$ 432,555</u>	<u>\$ 10,097</u>	<u>\$ 436,634</u>	<u>\$ 426,537</u>	<u>\$ 73,600</u>	<u>\$ 42,209</u>	<u>\$ 38,604</u>	<u>\$ (3,605)</u>

(continued)

City of Pembroke Pines, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
Fiscal Year Ended September 30, 2021

	Special Revenue Funds				Permanent Fund			
	FDLE Confiscated				Wetland Mitigation Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final	Original			Final			
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and licenses	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	7,184	7,184	-	-	-	-
Investment income	20,000	20,000	2,120	(17,880)	9,000	9,000	757	(8,243)
Contributions	-	-	-	-	-	-	-	-
Rental revenue	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>9,304</u>	<u>(10,696)</u>	<u>9,000</u>	<u>9,000</u>	<u>757</u>	<u>(8,243)</u>
Expenditures:								
Public safety	42,178	1,122,558	15,683	1,106,875	-	-	-	-
Physical Environment	-	-	-	-	16,500	16,500	16,459	41
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Total expenditures	<u>42,178</u>	<u>1,122,558</u>	<u>15,683</u>	<u>1,106,875</u>	<u>16,500</u>	<u>16,500</u>	<u>16,459</u>	<u>41</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,178)</u>	<u>(1,102,558)</u>	<u>(6,379)</u>	<u>1,096,179</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>(15,702)</u>	<u>(8,202)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(22,178)</u>	<u>(1,102,558)</u>	<u>(6,379)</u>	<u>1,096,179</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>(15,702)</u>	<u>(8,202)</u>
Fund balances, beginning	<u>1,134,403</u>	<u>1,134,403</u>	<u>1,134,403</u>	<u>-</u>	<u>489,108</u>	<u>489,108</u>	<u>489,108</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,112,225</u>	<u>\$ 31,845</u>	<u>\$ 1,128,024</u>	<u>\$ 1,096,179</u>	<u>\$ 481,608</u>	<u>\$ 481,608</u>	<u>\$ 473,406</u>	<u>\$ (8,202)</u>

CITY OF PEMBROKE PINES, FLORIDA

Combining Statement of Net Position Fiduciary Funds September 30, 2021

	General Employees' Pension	Firefighters and Police Officers Pension	Other Post- Employment Benefits	Totals
Assets				
Cash and short term investments	\$ -	\$ 17,809,957	\$ 1,893,994	\$ 19,703,951
Accrued interest investment income	-	658,753	-	658,753
Other receivables	4,000,000	2,403,478	5,000,000	11,403,478
Prepaid expenses	-	2,921,536	-	2,921,536
Investments, at fair value				
U.S. Government securities	-	44,240,415	-	44,240,415
Corporate bonds	-	68,451,683	-	68,451,683
Foreign bonds	-	914,811	-	914,811
Domestic equity fund	-	496,711,596	-	496,711,596
International equity fund	-	55,323,881	-	55,323,881
Real estate funds	-	70,116,343	-	70,116,343
Timber funds	-	19,549,670	-	19,549,670
Farmland funds	-	20,311,752	-	20,311,752
Mutual funds	232,035,225	72,740,389	128,220,773	432,996,387
Total investments	<u>232,035,225</u>	<u>848,360,540</u>	<u>128,220,773</u>	<u>1,208,616,538</u>
Capital assets, being depreciated, net	-	875,951	-	875,951
Total assets	<u>236,035,225</u>	<u>873,030,215</u>	<u>135,114,767</u>	<u>1,244,180,207</u>
Liabilities				
Accounts payable	-	1,527,422	235,466	1,762,888
Reserve for health insurance claims	-	-	863,680	863,680
Total liabilities	<u>-</u>	<u>1,527,422</u>	<u>1,099,146</u>	<u>2,626,568</u>
Net Position				
Net position restricted for benefits	<u>\$ 236,035,225</u>	<u>\$ 871,502,793</u>	<u>\$ 134,015,621</u>	<u>\$ 1,241,553,639</u>

CITY OF PEMBROKE PINES, FLORIDA
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended September 30, 2021

	General Employees' Pension	Firefighters and Police Officers Pension	Other Post- Employment Benefits	Totals
Additions				
Contributions:				
Plan members	\$ 135,762	\$ 2,739,444	\$ 742,359	\$ 3,617,565
Employer	7,500,000	28,296,402	16,693,958	52,490,360
State	-	2,681,597	-	2,681,597
Total contributions:	<u>7,635,762</u>	<u>33,717,443</u>	<u>17,436,317</u>	<u>58,789,522</u>
Investment income	33,525,833	146,007,796	20,172,712	199,706,341
Less investment expenses	65,954	3,879,505	502,958	4,448,417
Net investment income	<u>33,459,879</u>	<u>142,128,291</u>	<u>19,669,754</u>	<u>195,257,924</u>
Other additions:				
Other income	-	-	383,096	383,096
Total other additions:	<u>-</u>	<u>-</u>	<u>383,096</u>	<u>383,096</u>
Total additions	<u>41,095,641</u>	<u>175,845,734</u>	<u>37,489,167</u>	<u>254,430,542</u>
Deductions				
Benefit payments and DROP distributions	12,470,598	38,486,795	11,437,476	62,394,869
Refunds of contributions	-	17,270	-	17,270
Administrative expenses	-	827,418	140,698	968,116
Total deductions	<u>12,470,598</u>	<u>39,331,483</u>	<u>11,578,174</u>	<u>63,380,255</u>
Change in net position	28,625,043	136,514,251	25,910,993	191,050,287
Net position, beginning	<u>207,410,182</u>	<u>734,988,542</u>	<u>108,104,628</u>	<u>1,050,503,352</u>
Net position, ending	<u>\$ 236,035,225</u>	<u>\$ 871,502,793</u>	<u>\$ 134,015,621</u>	<u>\$ 1,241,553,639</u>

III. STATISTICAL SECTION

- Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time

- Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

- Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- Operating Information

These schedules contain trend service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- Other Information

City of Pembroke Pines, Florida
Net Position by Component (1)
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2012	2013 (2)	2014	2015 (3)	2016	2017 (4)	2018	2019 (5)	2020	2021
Governmental activities										
Net invested in capital assets	\$ 96,374,595	\$ 95,158,519	\$ 96,036,092	\$ 101,327,909	\$ 122,925,559	\$ 151,177,610	\$ 158,778,013	\$ 151,680,283	\$ 153,605,639	\$ 155,997,708
Restricted	25,037,929	20,865,437	23,199,554	21,134,115	22,061,419	16,111,639	17,536,425	20,216,558	20,189,558	20,402,571
Unrestricted	17,439,237	21,547,870	35,059,606	(194,576,902)	(175,580,464)	(239,753,033)	(230,440,848)	(197,669,376)	(195,556,986)	(159,613,968)
Total governmental activities net position	\$ 138,851,761	\$ 137,571,826	\$ 154,295,252	\$ (72,114,878)	\$ (30,593,486)	\$ (72,463,784)	\$ (54,126,410)	\$ (25,772,535)	\$ (21,761,789)	\$ 16,786,311
Business-type activities										
Net invested in capital assets	\$ 147,671,862	\$ 147,106,303	\$ 143,816,502	\$ 145,060,182	\$ 148,395,164	\$ 148,314,875	\$ 152,998,320	\$ 156,517,943	\$ 160,492,109	\$ 164,224,194
Restricted	702,175	717,102	1,263,613	745,236	759,702	775,231	798,951	827,105	848,383	864,580
Unrestricted	70,129,711	75,074,326	85,725,566	85,560,873	77,361,508	68,138,649	75,980,326	87,623,941	86,375,549	85,834,218
Total business-type activities net position	\$ 218,503,748	\$ 222,897,731	\$ 230,805,681	\$ 231,366,291	\$ 226,516,374	\$ 217,228,755	\$ 229,777,597	\$ 244,968,989	\$ 247,716,041	\$ 250,922,992
Primary government										
Net invested in capital assets	\$ 244,046,457	\$ 242,264,822	\$ 239,852,594	\$ 246,388,091	\$ 271,320,723	\$ 299,492,485	\$ 311,776,333	\$ 308,198,226	\$ 314,097,748	\$ 320,221,902
Restricted	25,740,104	21,582,539	24,463,167	21,879,351	22,821,121	16,886,870	18,335,376	21,043,663	21,037,941	21,267,151
Unrestricted	87,568,948	96,622,196	120,785,172	(109,016,029)	(98,218,956)	(171,614,384)	(154,460,522)	(110,045,435)	(109,181,437)	(73,779,750)
Total primary government net position	\$ 357,355,509	\$ 360,469,557	\$ 385,100,933	\$ 159,251,413	\$ 195,922,888	\$ 144,764,971	\$ 175,651,187	\$ 219,196,454	\$ 225,954,252	\$ 267,709,303

- (1) Statement of Net Assets renamed to Statement of Net Position in FY2012 per GASB Statement No. 63
- (2) FY 2013 restricted net position of the governmental activities restated for comparative purposes.
- (3) FY 2015 Governmental activities negative unrestricted net position was a result of the implementation of GASB Statement 68
- (4) FY 2017 Governmental activities and business-type activities net position was restated as the result of the implementation of GASB Statement 75.
- (5) FY 2019 business-type activities net position was restated as the result of recording prior period adjustment related to contributed capital improvements.

City of Pembroke Pines, Florida

Changes in Net Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for debt service	\$ 5,441,632	\$ 5,514,105	\$ 5,470,524	\$ 5,406,078	\$ 5,904,829	\$ 5,956,732	\$ 5,946,763	\$ 5,679,525	\$ 5,780,588	\$ 5,830,413
Property taxes, levied for general purposes	45,704,600	46,282,854	48,136,008	51,515,774	55,321,195	59,856,769	64,584,724	68,805,103	73,466,259	77,410,365
Utility taxes	11,159,960	11,717,590	12,655,027	12,865,364	12,995,837	13,284,313	14,165,682	14,379,623	14,554,944	14,772,388
Communication service tax	7,549,655	7,598,497	6,350,145	6,197,471	5,545,281	5,254,642	5,131,400	4,583,688	4,357,078	4,388,336
Insurance premium taxes	2,342,079	2,458,939	2,629,081	2,470,921	2,445,532	2,420,304	2,485,959	2,978,593	2,678,889	2,681,597
Local option gas taxes	2,664,803	2,669,684	2,682,012	2,780,280	2,868,929	2,954,782	2,956,209	2,984,213	2,619,291	2,742,078
Local business tax	3,166,530	3,232,834	3,272,689	3,378,223	3,455,361	3,541,780	3,609,836	3,588,457	3,586,587	3,433,475
Franchise fees	14,594,290	14,930,045	17,121,734	17,260,844	17,179,061	17,733,442	18,507,248	19,079,063	18,896,407	19,226,637
Intergovernmental revenue - unrestricted	12,530,757	13,371,163	14,273,538	15,255,862	15,809,815	16,274,170	17,138,274	17,347,646	15,773,743	18,830,874
Miscellaneous revenues	579,220	634,605	697,727	872,538	633,848	490,442	511,792	601,684	553,177	305,415
Investment earnings not restricted	2,117,118	(309,711)	844,119	169,104	1,722,180	936,857	1,803,964	3,541,444	2,396,564	207,985
Gain on sale of capital assets	98,179	503,021	-	639,710	11,981	-	60,757	115,002	159,815	2,291,320
Transfers in (out) (2)	2,664,978	-	-	-	11,061,921	13,791,343	-	-	-	-
Total governmental activities	<u>110,613,801</u>	<u>108,603,626</u>	<u>114,132,604</u>	<u>118,812,169</u>	<u>134,955,770</u>	<u>142,495,576</u>	<u>136,902,608</u>	<u>143,684,041</u>	<u>144,823,342</u>	<u>152,120,883</u>
Business-type activities:										
Investment earnings (losses) not restricted (2)	1,471,592	1,032,773	3,098,559	384,910	1,746	13,977,389	1,064,931	1,625,658	842,692	10,448
Miscellaneous revenues	813	3,669	2,038	138	6,085,595	7,122	11,708	6,534	33,378	158,649
Gain on sale of capital assets	2,869	28,281	276,690	62,794	30,906	6,665	(43,573)	-	19,629	9,600
Transfers in (out) (2)	(2,664,978)	-	-	-	(11,061,921)	(13,791,343)	-	-	-	-
Total business-type activities	<u>(1,189,704)</u>	<u>1,064,723</u>	<u>3,377,287</u>	<u>447,842</u>	<u>(4,943,674)</u>	<u>199,833</u>	<u>1,033,066</u>	<u>1,632,192</u>	<u>895,699</u>	<u>178,697</u>
Total primary government	<u>\$ 109,424,097</u>	<u>\$ 109,668,349</u>	<u>\$ 117,509,891</u>	<u>\$ 119,260,011</u>	<u>\$ 130,012,096</u>	<u>\$ 142,695,409</u>	<u>\$ 137,935,674</u>	<u>\$ 145,316,233</u>	<u>\$ 145,719,041</u>	<u>\$ 152,299,580</u>
Change in Net Position (1)										
Governmental activities	\$ 18,120,809	\$ 1,346,424	\$ 16,723,426	\$ 26,407,753	\$ 41,521,392	\$ 28,874,149	\$ 18,337,371	\$ 28,353,875	\$ 4,010,746	\$ 38,548,100
Business-type activities	836,903	4,393,983	7,907,950	2,815,028	(4,849,917)	(4,896,023)	7,477,376	15,191,392	2,747,052	3,206,951
Total primary government	<u>\$ 18,957,712</u>	<u>\$ 5,740,407</u>	<u>\$ 24,631,376</u>	<u>\$ 29,222,781</u>	<u>\$ 36,671,475</u>	<u>\$ 23,978,126</u>	<u>\$ 25,814,747</u>	<u>\$ 43,545,267</u>	<u>\$ 6,757,798</u>	<u>\$ 41,755,051</u>

(1) Changes in Net Assets renamed to Changes in Net Position in FY 2012 per GASB Statement No. 63.

(2) In FY 2016, the Utility Fund transferred net profits of \$4.8 million from the sale of Investments in Real Estate to the Municipal Construction Fund.

In FY 2017, the Utility Fund transferred gain of \$13.8 million from the appreciation of Investments in Real Estate to the Municipal Construction Fund.

City of Pembroke Pines, Florida

Changes in Net Position (1)

Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Governmental activities:										
General government	\$ 18,177,121	\$ 20,448,927	\$ 21,442,092	\$ 23,730,945	\$ 23,981,833	\$ 35,168,870	\$ 31,513,483	\$ 29,121,715	\$ 41,821,200	\$ 25,056,610
Public safety	91,073,377	99,209,184	93,399,960	90,001,259	94,753,829	102,981,478	109,238,547	108,975,222	120,930,133	120,534,774
Physical environment	2,462,622	8,532,071	8,398,804	7,244,178	7,858,575	8,521,008	2,946,734	2,904,812	3,199,010	2,994,584
Transportation	8,780,538	7,636,242	7,592,371	8,275,897	7,795,228	9,923,820	9,044,091	9,436,738	10,239,560	9,181,306
Economic environment	11,402,548	10,216,405	11,647,174	9,965,841	10,068,923	10,023,659	9,858,362	10,855,610	10,242,321	10,684,941
Human services	52,041,469	55,589,548	57,230,972	57,826,212	60,215,463	61,061,133	63,418,667	64,510,440	65,183,602	63,941,101
Culture/Recreation	17,002,608	12,112,573	10,357,409	9,737,321	9,663,091	11,790,368	21,093,029	22,632,986	23,541,985	19,574,713
Interest on long-term debt	17,816,972	17,683,512	16,518,111	15,982,325	13,858,187	11,696,265	11,981,311	11,037,040	11,658,849	10,762,155
Total governmental activities expenses	218,757,255	231,428,462	226,586,893	222,763,978	228,195,129	251,166,601	259,094,224	259,474,563	286,816,660	262,730,184
Business-type activities:										
Public safety	-	-	-	-	-	169,172	20,767	19,657	180,087	162,897
Water utility services	4,675,493	5,120,127	5,235,305	4,430,806	5,795,010	6,941,478	8,145,767	7,916,075	8,287,584	8,170,832
Sewer/wastewater services	12,568,023	12,703,656	11,541,769	11,992,522	13,659,700	14,590,136	15,292,240	14,703,028	15,488,711	17,615,267
Water-sewer combined services	23,676,096	24,156,348	24,700,745	27,023,984	26,505,206	30,833,117	30,517,738	30,407,704	35,889,205	31,205,821
Total business-type activities expenses	40,919,612	41,980,131	41,477,819	43,447,312	45,959,916	52,533,903	53,976,512	53,046,464	59,845,587	57,154,817
Total primary government expenses	\$ 259,676,867	\$ 273,408,593	\$ 268,064,712	\$ 266,211,290	\$ 274,155,045	\$ 303,700,504	\$ 313,070,736	\$ 312,521,027	\$ 346,662,247	\$ 319,885,001
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 16,759,799	\$ 16,632,425	\$ 18,125,053	\$ 18,868,438	\$ 18,626,505	\$ 19,247,447	\$ 20,433,775	\$ 21,294,797	\$ 21,909,070	\$ 23,853,438
Public safety	32,454,166	29,134,920	29,418,815	29,912,357	30,573,276	30,246,161	32,796,611	33,428,144	32,184,163	34,056,228
Transportation	200,000	200,000	16,667	-	-	-	-	-	-	-
Economic environment	6,515,246	6,802,732	7,146,956	7,387,525	7,388,352	7,543,409	7,926,589	8,334,363	8,471,291	8,223,611
Human services	47,415,737	48,945,110	50,101,744	52,567,131	54,257,002	54,700,932	57,126,722	59,208,977	57,406,389	54,471,340
Culture/Recreation	3,711,491	4,020,147	4,044,472	3,732,053	3,648,582	3,867,995	4,183,037	4,352,545	3,429,454	3,530,020
Interest on long-term debt	10,940,507	12,492,011	12,359,687	11,921,093	12,030,058	11,559,069	11,168,428	10,676,537	11,095,975	11,371,175
Operating grants and contributions	6,669,239	5,333,371	7,245,855	5,253,284	6,838,005	9,437,789	5,553,029	6,407,995	9,733,908	11,153,397
Capital grants and contributions	1,598,078	610,544	718,466	717,681	1,398,971	942,372	1,340,796	441,039	1,773,814	2,498,192
Total governmental activities program revenues	126,264,263	124,171,260	129,177,715	130,359,562	134,760,751	137,545,174	140,528,987	144,144,397	146,004,064	149,157,401
Business-type activities:										
Charges for services:										
Water utility services	20,648,379	21,214,069	21,619,222	21,970,462	21,656,421	22,679,743	27,624,928	29,731,449	27,644,537	27,623,717
Sewer/wastewater services	21,143,920	21,863,304	22,211,823	22,586,436	22,325,554	23,351,196	28,639,022	30,890,068	29,790,290	30,761,399
Water-sewer combined services	131,311	125,892	113,001	187,861	229,497	239,370	354,892	241,103	74,384	123,991
Operating grants and contributions	-	-	-	-	-	-	124,536	47,900	-	-
Capital grants and contributions	1,022,609	2,106,126	2,064,436	1,069,739	1,842,201	1,167,738	3,677,444	5,695,144	4,187,729	1,673,964
Total business-type activities program revenues	42,946,219	45,309,391	46,008,482	45,814,498	46,053,673	47,438,047	60,420,822	66,605,664	61,696,940	60,183,071
Total primary government program revenues	\$ 169,210,482	\$ 169,480,651	\$ 175,186,197	\$ 176,174,060	\$ 180,814,424	\$ 184,983,221	\$ 200,949,809	\$ 210,750,061	\$ 207,701,004	\$ 209,340,472
Net (expense)/revenue:										
Governmental activities	\$ (92,492,992)	\$ (107,257,202)	\$ (97,409,178)	\$ (92,404,416)	\$ (93,434,378)	\$ (113,621,427)	\$ (118,565,237)	\$ (115,330,166)	\$ (140,812,596)	\$ (113,572,783)
Business-type activities	2,026,607	3,329,260	4,530,663	2,367,186	93,757	(5,095,856)	6,444,310	13,559,200	1,851,353	3,028,254
Total primary government net expense	\$ (90,466,385)	\$ (103,927,942)	\$ (92,878,515)	\$ (90,037,230)	\$ (93,340,621)	\$ (118,717,283)	\$ (112,120,927)	\$ (101,770,966)	\$ (138,961,243)	\$ (110,544,529)

City of Pembroke Pines, Florida
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utility Taxes</u>	<u>Communications Services Tax (1)</u>	<u>Insurance Premium Taxes</u>	<u>Local Option Gas Taxes</u>	<u>Local Business Tax</u>	<u>Total</u>
2012	\$ 51,146,232	\$ 11,159,960	\$ 7,549,655	\$ 2,342,079	\$ 2,664,803	\$ 3,166,530	\$ 78,029,259
2013	51,796,959	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	53,606,532	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,486
2015	56,921,852	12,865,364	6,197,471	2,470,921	2,780,280	3,378,223	84,614,111
2016	61,226,024	12,995,837	5,545,281	2,445,532	2,868,929	3,455,361	88,536,964
2017	65,813,501	13,284,314	5,254,642	2,420,304	2,954,781	3,541,780	93,269,322
2018	70,531,487	14,165,682	5,131,400	2,485,959	2,956,209	3,609,836	98,880,573
2019	74,484,629	14,379,624	4,583,688	2,978,593	2,984,214	3,588,457	102,999,205
2020	79,246,847	14,554,944	4,357,078	2,678,889	2,619,291	3,586,587	107,043,636
2021	83,240,777	14,772,388	4,388,336	2,681,597	2,742,078	3,433,475	111,258,651

(1) In FY2012, The Communications Services Tax replaced the Utility Services Tax on telecommunications services and the franchise fees on cable and telecommunication service providers.

City of Pembroke Pines, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General fund										
Nonspendable	\$ 357,174	\$ 1,619,035	\$ 25,064,410	\$ 14,414,929	\$ 14,267,076	\$ 333,556	\$ 294,360	\$ 293,815	\$ 267,312	\$ 357,807
Assigned	12,990,861	8,788,284	9,063,100	12,078,353	20,792,177	29,362,381	35,557,637	37,557,637	42,409,025	46,558,930
Unassigned	38,330,423	42,147,303	20,503,089	35,768,693	34,582,347	44,470,455	44,573,960	45,694,277	43,050,991	49,137,764
Total general fund	<u>\$ 51,678,458</u>	<u>\$ 52,554,622</u>	<u>\$ 54,630,599</u>	<u>\$ 62,261,975</u>	<u>\$ 69,641,600</u>	<u>\$ 74,166,392</u>	<u>\$ 80,425,957</u>	<u>\$ 83,545,729</u>	<u>\$ 85,727,328</u>	<u>\$ 96,054,501</u>
All other governmental funds										
Nonspendable	\$ 564,699	\$ 527,074	\$ 505,649	\$ 469,349	\$ 471,695	\$ 446,115	\$ 446,115	\$ 446,115	\$ 446,115	\$ 446,115
Restricted	49,491,775	47,757,198	42,435,671	54,684,510	34,889,813	5,929,534	21,417,945	22,406,207	26,700,798	25,009,745
Assigned	4,559,679	3,515,694	3,095,135	3,341,347	4,146,148	3,846,884	4,103,470	5,418,677	6,062,594	6,780,593
Unassigned	(95,350)	(57,725)	(36,300)	-	(25,580)	-	-	-	-	-
Total all other governmental funds	<u>\$ 54,520,803</u>	<u>\$ 51,742,241</u>	<u>\$ 46,000,155</u>	<u>\$ 58,495,206</u>	<u>\$ 39,482,076</u>	<u>\$ 10,222,533</u>	<u>\$ 25,967,530</u>	<u>\$ 28,270,999</u>	<u>\$ 33,209,507</u>	<u>\$ 32,236,453</u>

City of Pembroke Pines, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 78,029,259	\$ 79,474,503	\$ 81,195,486	\$ 84,614,112	\$ 88,536,964	\$ 93,269,322	\$ 98,880,573	\$ 102,999,205	\$ 107,043,635	\$ 111,258,651
Special assessments	20,758,230	20,758,650	22,212,257	22,179,789	23,134,760	23,141,007	24,868,419	24,688,314	24,120,225	26,741,813
Permits, fees and licenses	15,003,943	15,328,261	17,606,785	18,266,865	18,024,711	18,744,385	19,749,605	19,815,814	19,273,590	19,773,279
Intergovernmental	54,985,417	55,760,952	59,602,343	62,616,021	65,741,161	69,016,566	68,955,406	71,545,106	75,840,434	82,109,104
Charges for services	32,932,098	30,300,642	30,900,561	31,143,921	30,776,622	31,187,238	32,706,342	34,553,386	31,399,672	30,833,138
Fines and forfeitures	2,829,174	2,267,483	1,522,857	1,924,777	1,627,353	990,113	1,403,701	1,842,938	1,390,505	632,492
Investment income	1,859,339	(388,702)	717,564	(43,581)	1,451,836	762,104	1,644,759	3,541,443	2,396,565	208,270
Contributions	2,070,193	1,073,813	2,277,717	1,417,371	2,111,449	1,869,826	12,421,391	945,157	773,927	392,605
Rental revenue	23,892,020	25,593,043	25,537,050	24,599,904	25,365,440	25,285,587	14,678,948	25,835,072	26,759,175	26,442,374
Other	1,872,355	2,217,860	1,793,160	1,818,498	1,879,427	1,983,259	2,061,693	1,947,009	1,557,604	595,526
Total revenues	234,232,028	232,386,505	243,365,780	248,537,677	258,649,723	266,249,407	277,370,837	287,713,444	290,555,332	298,987,252
Expenditures										
General government	17,767,976	19,848,137	25,685,959	27,672,048	26,676,269	32,266,558	30,841,912	38,260,452	38,124,009	42,071,971
Public safety	94,003,192	101,304,879	98,070,048	99,510,607	103,334,591	108,208,057	116,296,801	117,848,860	121,182,336	128,893,040
Physical environment	2,424,402	8,140,631	10,284,640	8,021,490	10,292,747	10,281,352	2,983,832	2,989,523	3,246,731	2,687,001
Transportation	6,597,524	6,912,419	8,127,464	6,621,778	6,413,099	10,585,966	6,482,366	6,999,699	7,289,268	7,427,972
Economic environment	10,164,667	9,280,264	10,595,084	8,793,498	8,942,361	8,831,839	9,111,465	9,787,682	9,126,539	9,665,754
Human services	50,169,454	52,525,696	54,231,101	55,650,058	58,288,428	57,692,994	59,653,031	60,567,438	60,564,334	59,214,396
Culture and recreation	13,498,021	13,388,170	11,497,504	14,807,661	44,526,500	37,930,064	18,647,950	19,430,865	19,334,353	16,454,572
Debt service:										
Principal	9,457,600	9,661,916	10,305,165	11,784,365	11,683,165	12,269,466	12,767,950	12,808,600	13,345,000	13,814,800
Interest	17,265,348	16,911,616	16,231,252	12,601,764	14,496,970	12,593,430	12,662,074	11,766,115	11,395,169	11,594,661
Other debt service costs	1,911	5,500	1,622,757	702,331	147,925	640,794	3,700	-	585,808	-
Total expenditures	221,350,095	237,979,228	246,650,974	246,165,600	284,802,055	291,300,520	269,451,081	280,459,234	284,193,547	291,824,167
Excess (deficiency) of revenues over (under) expenditures	12,881,933	(5,592,723)	(3,285,194)	2,372,077	(26,152,332)	(25,051,113)	7,919,756	7,254,210	6,361,785	7,162,799
Other financing sources (uses)										
Transfers in	2,869,330	2,457,133	2,593,289	2,412,504	13,484,656	5,521,576	3,261,597	2,709,006	9,018,405	1,283,767
Transfers out	(2,869,330)	(2,457,133)	(2,593,289)	(2,412,504)	(2,422,736)	(2,960,757)	(3,261,597)	(4,709,006)	(9,018,405)	(1,383,767)
Premium (discount) on bonds	-	-	-	-	-	5,511,204	-	-	-	-
Refunding bonds issued	-	-	108,896,529	85,875,036	7,636,000	63,346,400	-	-	73,668,597	-
Payment to refunded bond escrow agent	-	-	(109,277,444)	(75,230,994)	(7,565,000)	(71,149,279)	-	-	(62,195,000)	-
Payment for termination of swap	-	-	-	-	-	-	-	-	(10,879,000)	-
Installment purchase	-	590,327	-	-	-	-	-	-	-	-
Sale of equipment/land	-	3,100,000	-	7,110,308	3,385,907	47,218	293,463	169,031	163,725	2,291,320
Total other financing sources (uses)	-	3,690,327	(380,915)	17,754,350	14,518,827	316,362	293,463	(1,830,969)	758,322	2,191,320
Net change in fund balances	\$ 12,881,933	\$ (1,902,396)	\$ (3,666,109)	\$ 20,126,427	\$ (11,633,505)	\$ (24,734,751)	\$ 8,213,219	\$ 5,423,241	\$ 7,120,107	\$ 9,354,119
Capital outlay	\$ 3,763,360	\$ 10,972,218	\$ 10,495,383	\$ 16,581,397	\$ 45,523,966	\$ 43,153,212	\$ 13,085,215	\$ 12,575,303	\$ 16,393,140	\$ 11,987,923
Debt service as a percentage of noncapital expenditures	12.3%	11.7%	11.2%	10.6%	10.9%	10.0%	9.9%	9.2%	9.2%	9.1%

City of Pembroke Pines, Florida
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Taxes levied for:		Utility Taxes	Communications Services Tax	Insurance Premium Taxes	Local Option Gas Taxes	Local Business Tax	Total
	Debt Service	General Purposes						
2012	\$ 5,441,632	\$ 45,704,600	\$ 11,159,960	\$ 7,549,655	\$ 2,342,079	\$ 2,664,803	\$ 3,166,530	\$ 78,029,259
2013	5,514,105	46,282,854	11,717,590	7,598,497	2,458,939	2,669,684	3,232,834	79,474,503
2014	5,470,524	48,136,008	12,655,027	6,350,145	2,629,081	2,682,012	3,272,689	81,195,487
2015	5,406,078	51,515,774	12,865,364	6,197,471	2,470,921	2,780,280	3,378,223	84,614,111
2016	5,904,829	55,321,195	12,995,837	5,545,281	2,445,532	2,868,929	3,455,361	88,536,964
2017	5,956,732	59,856,769	13,284,314	5,254,642	2,420,304	2,954,781	3,541,780	93,269,322
2018	5,946,763	64,584,724	14,165,682	5,131,400	2,485,959	2,956,209	3,609,836	98,880,573
2019	5,679,525	68,805,104	14,379,624	4,583,688	2,978,593	2,984,214	3,588,457	102,999,205
2020	5,780,588	73,466,259	14,554,944	4,357,078	2,678,889	2,619,291	3,586,587	107,043,636
2021	5,830,413	77,410,364	14,772,388	4,388,336	2,681,597	2,742,078	3,433,475	111,258,651

City of Pembroke Pines, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Assessment Value		Less:				Total Taxable Assessed Value	Total Direct Tax Rate (5)	Estimated Actual Taxable Value	Assessed Value(6) as a Percentage of Actual Value
	Real Property	Personal Property	Tax-Exempt Properties(1)	Personal Exemptions(2)	Capped Differential(3)	V.A.B. Adjustments (4)				
2012	\$ 12,282,068,370	\$ 390,101,814	\$ 1,411,247,232	\$ 2,006,049,281	\$ 800,373,704	\$ 41,956,052	\$ 8,412,543,915	6.3081	\$ 12,672,170,184	100.00%
2013	12,168,981,170	390,454,887	1,416,710,838	1,971,419,226	652,531,463	4,987,130	8,513,787,400	6.3084	12,559,436,057	100.00%
2014	12,713,588,220	432,087,651	1,412,737,736	1,947,248,688	882,480,633	21,959,798	8,881,249,016	6.2776	13,145,675,871	100.00%
2015	14,374,066,460	432,799,032	1,429,151,457	1,931,756,828	1,878,364,413	67,687,878	9,499,904,916	6.2303	14,806,865,492	100.00%
2016	15,589,012,450	464,226,429	1,453,875,309	1,931,944,671	2,467,524,216	34,162,005	10,165,732,678	6.2385	16,053,238,879	100.00%
2017	17,105,024,440	473,603,615	1,450,762,336	1,962,792,426	3,190,398,919	45,962,643	10,928,711,731	6.2381	17,578,628,055	100.00%
2018	18,313,727,080	479,512,592	1,479,091,482	2,001,722,894	3,456,122,272	74,246,257	11,782,056,767	6.1958	18,793,239,672	100.00%
2019	19,334,781,000	489,980,886	1,518,858,711	2,055,228,595	3,598,843,072	74,026,373	12,577,805,135	6.1419	19,824,761,886	100.00%
2020	20,680,489,020	494,720,462	1,574,372,587	2,113,285,732	3,982,229,210	75,014,018	13,430,307,935	6.1200	21,175,209,482	100.00%
2021	21,316,592,300	503,415,981	1,504,072,838	2,173,734,487	3,888,363,450	97,363,214	14,156,474,292	6.1009	21,820,008,281	100.00%

Source: Forms DR-403 & DR-420, Broward County Property Appraiser (BCPA).

Note: Property in Broward County is reassessed annually. The County assesses property at just value (market value) for all types of real and personal property. Therefore, just value is equivalent to estimated actual taxable value. Tax rates are per \$1,000 of assessed value.

- (1) Just value of agricultural land classified net of use value, governmental and institutional (charitable, religious, scientific, and educational).
- (2) Widows/widowers, disability/blind, \$25,000 homestead, additional \$25,000 homestead, additional \$25,000 homestead age 65 and older, homestead assessment reduction for parents or grandparents, disabled veterans' homestead discount and deployed service member's homestead exemption.
- (3) Per Florida Statute 193.155, the reassessed value of homestead property shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the Consumer Price Index. Per Florida Statutes 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year. Per Florida Statute 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year. Per Florida Statute 193.621, the reassessed value may not be greater than its market value as salvage.
- (4) Final adjustments to assessed value made by the Value Adjustment Board (VAB) of Broward County per Florida Statute 194.011 and BCPA.
- (5) Total direct tax rate includes debt service millage as follows: 0.6713-FY2012, 0.6716-FY2013, 0.6408-FY2014, 0.5935-FY2015, 0.6017-FY2016, 0.5645-FY2017, 0.5222-FY2018, 0.4683-FY2019, 0.4464-FY2020, and 0.4273-FY2021
- (6) Includes tax-exempt property.

City of Pembroke Pines, Florida
Property Tax Rates
Direct and Overlapping (1) Governments
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City of Pembroke Pines</u>			<u>Broward County</u>				<u>School Board</u>				<u>Special Districts</u>	<u>Total Direct & Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Capital Projects Millage</u>	<u>Debt Service Millage</u>	<u>Total County Millage</u>	<u>General Fund Millage</u>	<u>Capital Outlay Millage</u>	<u>Debt Service Millage</u>	<u>Total School Millage</u>		
2012	5.6368	0.6713	6.3081	5.1220	0.0640	0.3670	5.5530	5.9180	1.5000	-	7.4180	1.6997	20.9788
2013	5.6368	0.6716	6.3084	5.1939	0.0637	0.2954	5.5530	5.9560	1.5000	-	7.4560	1.5536	20.8710
2014	5.6368	0.6408	6.2776	5.3639	0.0761	0.2830	5.7230	5.9800	1.5000	-	7.4800	1.3337	20.8143
2015	5.6368	0.5935	6.2303	5.3444	0.1140	0.2646	5.7230	5.9380	1.5000	-	7.4380	1.0932	20.4845
2016	5.6368	0.6017	6.2385	5.3444	0.1297	0.2489	5.7230	5.7030	1.5000	0.0710	7.2740	1.0490	20.2845
2017	5.6736	0.5645	6.2381	5.2904	0.1570	0.2216	5.6690	5.3360	1.5000	0.0703	6.9063	1.0124	19.8258
2018	5.6736	0.5222	6.1958	5.2904	0.1719	0.2067	5.6690	4.9740	1.5000	0.0654	6.5394	0.9798	19.3840
2019	5.6736	0.4683	6.1419	5.2904	0.1888	0.1898	5.6690	4.7750	1.5000	0.1279	6.4029	0.9552	19.1690
2020	5.6736	0.4464	6.1200	5.2904	0.1974	0.1812	5.6690	5.1350	1.5000	0.1043	6.7393	0.9257	19.4540
2021	5.6736	0.4273	6.1009	5.2904	0.2095	0.1691	5.6690	4.9140	1.5000	0.0912	6.5052	0.9076	19.1827

Source: Broward County Property Appraiser.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Pembroke Pines. Not all overlapping rates apply to all City of Pembroke Pines property owners (e.g. the rates for special districts only apply to the proportion of Pembroke Pines' property owners whose property is located within the geographic boundaries of the special district).

City of Pembroke Pines, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2021 Collection Year</u>			<u>2012 Collection Year</u>		
	<u>Taxable</u>	<u>Percentage of</u>		<u>Taxable</u>	<u>Percentage of</u>	
	<u>Assessed</u>	<u>Total Taxable</u>	<u>Assessed</u>	<u>Assessed</u>	<u>Total Taxable</u>	<u>Assessed</u>
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Value</u>	<u>Rank</u>	<u>Value</u>
Pembroke Lakes Mall LTD	\$ 150,280,020	1	1.05%	\$ 122,743,400	2	1.50%
JRA HHF Venture LLC	146,478,050	2	1.02%	-		-
NXRT Pembroke LLC	144,746,500	3	1.01%	-		-
City Center On 7 Lessor LLC	95,784,680	4	0.67%	-		-
IVT Westfork Plaza Pembroke	89,629,140	5	0.62%	-		-
Taplin Falls LTD	75,792,050	6	0.53%	43,560,000	5	0.53%
Bell Fund VI Pembroke Pines SPE	74,443,330	7	0.52%	-		-
Altis Pembroke Gardens LLC	73,292,920	8	0.51%	-		-
Pembroke Pines Owner LLC	72,813,930	9	0.51%	-		-
Terra City Center MF LLC	72,500,000	10	0.50%	-		-
SPUSV5 Pembroke Pines LLC	-	-	-	148,154,200	1	1.81%
AD Pembroke Land Company LLC	-	-	-	71,432,020	3	0.87%
EQR-SWN Line Financing Limited	-	-	-	51,982,450	4	0.64%
PR Pembroke Crossing LLC	-	-	-	41,090,500	6	0.50%
WRI JT Pembroke Commons LP	-	-	-	40,587,980	7	0.50%
CP Pembroke Pines LLC	-	-	-	38,170,300	8	0.47%
MIG/Pines Development LTD	-	-	-	35,234,570	9	0.43%
Westfork Tower LLC	-	-	-	34,000,000	10	0.42%
Total	\$ 995,760,620		6.94%	\$ 626,955,420		7.67%

Source: Broward County Property Appraiser's Tax Roll.

City of Pembroke Pines, Florida
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
September 30						
2012	\$ 47,419,828	\$ 45,698,158	96.4%	\$ (73,507)	\$ 45,624,651	96.2%
2013	47,990,517	46,244,787	96.4%	(160,134)	46,084,653	96.0%
2014	50,061,824	48,229,073	96.3%	(132,926)	48,096,148	96.1%
2015	53,549,064	51,625,432	96.4%	52,240	51,677,672	96.5%
2016	57,302,202	55,243,335	96.4%	23,247	55,266,582	96.4%
2017	62,005,139	59,744,360	96.4%	29,941	59,774,301	96.4%
2018	66,846,677	64,434,368	96.4%	13,373	64,447,741	96.4%
2019	71,361,435	68,787,774	96.4%	27,763	68,815,537	96.4%
2020	76,198,195	73,440,414	96.4%	7,504	73,447,918	96.4%
2021	80,318,173	77,373,290	96.3%	-	77,373,290	96.3%

Source: Broward County Property Appraiser

- (1) For operating purposes only - excludes taxes levied for voted debt service.
- (2) Includes refunds due to reassessments and overpayments and excludes penalties collected.

City of Pembroke Pines, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-	Issuance Discounts/ Premiums	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Installment Purchase	Type Activities Utility Bonds				
2012	\$ 79,305,000	\$ 287,725,600	\$ -	\$ 11,695,147	\$ 810,304	\$ 379,536,051	8.83%	2,456
2013	77,325,000	280,073,200	560,810	11,033,544	675,506	369,668,060	9.22%	2,376
2014	75,270,000	270,446,100	442,745	10,348,785	4,157,778	360,665,408	8.01%	2,284
2015	77,325,000	261,669,800	324,680	9,640,059	13,654,226	362,613,765	7.54%	2,267
2016	75,060,000	252,440,700	206,615	8,906,528	12,131,392	348,745,235	6.98%	2,155
2017	72,715,000	236,115,700	88,550	8,147,323	15,730,617	332,797,190	6.51%	2,040
2018	70,275,000	225,876,300	-	7,361,546	14,193,171	317,706,017	6.23%	1,921
2019	67,735,000	215,607,700	-	6,548,268	12,722,772	302,613,740	5.64%	1,801
2020	65,070,000	205,352,700	-	5,706,524	21,549,153	297,678,377	5.47%	1,768
2021	62,270,000	194,337,900	-	4,835,319	19,388,079	280,831,298	*	1,644

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.

* Information not available.

City of Pembroke Pines, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Amounts Available in Debt Service Fund for Payment of</u>		<u>Issuance Discounts/Premiums</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value(1) of Property</u>	<u>Per Capita(2)</u>
		<u>Principal</u>	<u>Interest</u>				
2012	\$ 79,305,000	-	\$ 66,125	\$ (465,430)	\$ 78,839,570	0.62%	510
2013	77,325,000	-	103,481	(433,320)	76,891,680	0.61%	494
2014	75,270,000	-	113,002	(402,014)	74,867,986	0.57%	474
2015	77,325,000	-	31,855	9,529,466	86,854,466	0.59%	543
2016	75,060,000	-	82,037	8,819,135	83,879,135	0.52%	518
2017	72,715,000	-	176,087	8,120,432	80,835,432	0.46%	496
2018	70,275,000	-	307,513	7,406,385	77,681,385	0.41%	470
2019	67,735,000	-	185,750	6,716,299	74,451,299	0.38%	443
2020	65,070,000	-	112,796	6,051,155	71,121,155	0.34%	423
2021	62,270,000	-	49,820	5,412,181	67,682,181	0.31%	396

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Property value data can be found in the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Pembroke Pines, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Broward County	\$ 102,733,000	6.76%	\$ 6,944,751
School Board of Broward County	605,165,000	6.76%	40,909,154
South Florida Water Management District	334,845,000	6.76%	22,635,522
Other debt			
Broward County	541,655,000	6.76%	36,615,878
School Board of Broward County	1,587,459,000	6.76%	107,312,228
South Florida Water Management District	33,893,003	6.76%	2,291,167
South Broward Hospital District	662,300,000	6.76%	44,771,480
Subtotal, overlapping debt			261,480,180
City of Pembroke Pines, direct debt (2)			275,995,979
Total direct and overlapping debt			<u>\$ 537,476,159</u>

Source: Assessed value data used to estimate applicable percentages provided by the Broward County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pembroke Pines. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Broward County's taxable assessed value that is within the City of Pembroke Pines' boundaries and dividing it by Broward County's total taxable assessed value.

(2) Includes all long-term debt instructions of the governmental activities, such as bonds, notes, certificates of participation, loans, and capital leases.

City of Pembroke Pines, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Electric Franchise Fees (2)				
2012	\$ 8,059,519	\$ 2,502,600	\$ 3,373,748	1.37
2013	7,852,195	2,607,400	3,340,924	1.32
2014	8,529,691	2,872,100	3,233,729	1.40
2015	8,577,201	2,986,300	3,117,082	1.41
2016	8,292,391	3,120,100	2,985,969	1.36
2017	8,507,143	3,301,400	2,816,469	1.39
2018	8,419,672	3,324,200	2,350,175	1.48
2019	8,431,652	3,385,500	2,223,400	1.50
2020	8,360,987	3,496,100	2,103,505	1.49
2021	8,621,770	3,652,400	1,965,012	1.53
Revenue Bonds Secured by Electric Public Service Tax (3)				
2012	\$ 9,076,627	\$ 2,815,000	\$ 3,004,799	1.56
2013	9,587,367	2,925,000	2,892,821	1.65
2014	10,461,326	3,040,000	2,773,749	1.80
2015	10,617,674	3,160,000	1,806,490	2.14
2016	10,772,091	3,205,000	2,213,731	1.99
2017	11,002,694	985,000	1,318,399	4.78
2018	11,452,361	3,776,200	1,382,800	2.22
2019	11,574,231	3,905,100	1,293,455	2.23
2020	11,745,620	4,008,900	1,200,537	2.25
2021	11,849,134	4,092,400	1,110,201	2.28
Revenue Bonds Secured by Communications Services Tax and Water Public Service Tax (4)				
2012	\$ 9,413,185	\$ 1,930,000	\$ 4,490,170	1.47
2013	9,517,421	2,020,000	4,393,590	1.48
2014	8,311,246	2,120,000	4,067,232	1.34
2015	8,206,333	2,530,000	2,468,856	1.64
2016	7,525,809	2,875,000	3,069,795	1.27
2017	7,309,422	2,990,000	3,035,523	1.21
2018	7,614,504	3,030,000	2,982,886	1.27
2019	7,160,909	3,090,000	2,911,974	1.19
2020	6,944,449	3,175,000	2,825,400	1.16
2021	7,064,360	3,270,000	2,724,206	1.18

City of Pembroke Pines, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Net Available Revenues (1)</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
Revenue Bonds Secured by Net Revenues of the Consolidated Utility System (5)				
2012	\$ 8,412,559	\$ 604,853	\$ 418,802	8.22
2013	9,879,616	661,603	395,684	9.34
2014	13,755,051	684,759	406,082	12.61
2015	9,230,437	708,726	341,536	8.79
2016	13,061,017	733,531	316,008	12.44
2017	15,928,695	759,205	289,585	15.19
2018	14,544,878	785,777	262,238	13.88
2019	20,340,717	813,279	233,935	19.42
2020	6,826,536	841,744	204,638	6.52
2021	9,160,398	871,205	184,482	8.68

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) **Net available revenues** are equal to gross revenues as specific operating expenses are not applicable.
- (2) **Electric Franchise Fees** are fees collected from granting an electric franchise to Florida Power and Light Company, which consists of the non-exclusive privilege of constructing, maintaining and operating in streets, rights of way and other public places in the City, electric light and power facilities.
- (3) **Electric Public Service Taxes** are taxes levied within the corporate limits of the City on the purchase of electricity service.
- (4) **Communications Services Taxes** are taxes levied pursuant to Chapter 202, Florida Statutes, except the receipts of taxes levied pursuant to Section 202.12, Florida Statutes.
Water Public Service Taxes are taxes levied within the corporate limits of the City on the purchase of water service.
- (5) **Net Revenues** of the System are the Gross Revenues after deduction of the Cost of Operation and Maintenance.
Gross Revenues are all income and earnings, including all investment income but excluding Contributions in Aid of Construction.
 (Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details.)
Cost of Operations and Maintenance are current expenses for the operation, maintenance and repair of the System, excluding capital expenditures, any reserve for renewals and replacements, any allowance for depreciation and any Bond Service Requirement.
Renewal, Replacement and Improvement Fund is a reserve that is at least equal to five percent (5%) of the Gross Revenues received during the immediately preceding fiscal year.

City of Pembroke Pines, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income(2)	Median Age(3)	Percent with a bachelor's degree or higher(3)	School Enrollment(4)	Unemployment Rate(5)
2012	154,508	\$ 4,297,176	\$ 27,812	40.4	34.0%	26,331	7.4%
2013	155,565	4,008,288	25,766	40.4	34.0%	25,834	5.8%
2014	157,905	4,499,977	28,498	39.8	32.5%	25,461	4.9%
2015	159,922	4,811,733	30,088	40.3	37.0%	26,357	4.9%
2016	161,799	4,995,382	30,874	39.9	33.4%	26,234	4.3%
2017	163,103	5,114,584	31,358	40.1	33.0%	26,052	4.0%
2018	165,352	5,099,621	30,841	41.0	31.3%	26,404	3.2%
2019	168,023	5,363,126	31,919	40.7	34.6%	26,314	3.0%
2020	168,326	5,438,781	32,311	42.2	33.6%	26,030	6.9%
2021	170,857	*	*	*	*	25,772	4.5%

Data sources:

- (1) Estimates from the University of Florida's Statistical Abstract. Years 2012-2013 were adjusted based on retroactive 2010 US Census.
 - (2) Represents income per capita for Broward County as provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
 - (3) US Census Bureau, American Community Survey Profile - Pembroke Pines.
 - (4) Grades 1 -12, Broward County School Board, First Day Enrollment Count report.
 - (5) Florida Department of Labor, Bureau of Labor Market Information. The unemployment rates for FY2016-2021 represent the average for 12 months ending September 30th. Unemployment rate for FY2012-2015 obtained from US Census Bureau.
- * Information not available.

City of Pembroke Pines, Florida
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>	<u>(1)</u> <u>Employees</u>	<u>Rank</u>	<u>Percentage</u> <u>of Total City</u> <u>Employment (2)</u>
Memorial Hospital West	2,070	1	2.28%	3527	1	4.11%
Broward County Public Schools	1,780	2	1.96%	-	-	-
Elizabeth Arden	1,477	3	1.63%	-	-	-
City of Pembroke Pines	1,289	4	1.42%	1,813	2	2.11%
Walmart	869	5	0.96%	368	7	0.43%
AutoNation	400	6	0.44%	-	-	-
Publix Supermarkets	300	7	0.33%	495	6	0.58%
Star Multi Care Services	300	8	0.33%	-	-	-
Florida Dept of Health	300	9	0.33%	-	-	-
Target	264	10	0.29%	249	8	0.29%
Geo Care Inc	-	-	-	750	3	0.87%
Maroon Chevrolet	-	-	-	750	4	0.87%
Macy's	-	-	-	573	5	0.67%
Cintas Corporation	-	-	-	185	9	0.22%
Miami Herald	-	-	-	175	10	0.20%

(1) Source - City of Pembroke Pines Human Resources Department (includes full-time and part-time). Greater Fort Lauderdale Alliance - Broward County

(2) Source - Greater Fort Lauderdale Alliance, percent in labor force (population 16 years and over).

City of Pembroke Pines, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function										
General government services	77.00	75.00	74.50	74.50	73.00	65.00	63.50	62.00	62.50	62.50
Public safety										
Police										
Sworn	231.00	230.50	238.50	239.50	238.50	251.00	257.00	256.50	264.50	271.50
Non-sworn and grant positions	56.50	57.50	70.50	82.50	94.00	94.00	97.00	107.00	101.00	109.00
Fire and rescue	270.50	262.50	219.50	219.50	217.50	217.00	215.50	214.50	214.50	220.50
Code enforcement	11.00	11.00	11.00	*	*	*	*	*	*	*
Physical environment (1)	8.00	6.50	63.00	56.50	54.25	4.75	1.00	1.50	1.50	2.00
Transportation	5.00	3.00	3.00	*	0.50	0.50	-	-	-	-
Economic environment	2.50	2.50	2.50	2.50	2.50	0.50	0.50	0.50	0.50	0.50
Human services										
Early development centers	113.00	105.50	97.50	98.00	91.50	91.00	79.50	77.00	71.00	67.00
Community services	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	1.50	1.50
Charter schools	493.50	491.50	492.50	501.50	502.00	511.00	490.00	489.50	490.00	484.50
Culture and recreation (1)	131.00	131.50	66.50	58.00	56.50	55.00	51.00	48.50	48.50	47.50
Water-sewer combined service	38.50	31.50	32.00	10.50	10.75	7.75	6.50	7.00	7.00	8.50
Total	<u>1,440.00</u>	<u>1,411.00</u>	<u>1,373.50</u>	<u>1,345.50</u>	<u>1,343.50</u>	<u>1,300.00</u>	<u>1,263.00</u>	<u>1,265.50</u>	<u>1,262.50</u>	<u>1,275.00</u>

* the City utilized contracted employees.

(1) Parks employees were reclassified from Culture and Recreation to Physical Environment as a result from restructuring in FY2014. Beginning FY2016, City utilized contracted employees as parks employees. As of FY2017, parks function was reclassified back to Culture and Recreation.

Source: City of Pembroke Pines, Florida Annual Budget.

City of Pembroke Pines, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Police										
Number of calls answered	105,000	90,726	93,516	85,546	81,286	84,629	85,301	79,283	78,054	82,735
Felony arrests	1,041	1,188	1,362	1,051	968	999	909	863	586	489
Traffic accidents	5,000	5,154	5,170	5,869	6,375	6,043	5,761	5,652	4,063	4,580
Traffic/parking/red light citations	60,293	48,103	35,215	31,690	23,962	15,659	23,099	24,841	19,862	12,580
False alarm citations	4,585	1,048	1,682	2,202	1,870	7,293	7,038	7,893	5,740	4,675
Fire/ambulance rescue										
Number of EMS calls answered	19,615	19,258	19,679	18,410	17,813	18,016	17,914	17,076	16,206	17,835
Number of fire calls answered	171	145	141	146	160	140	101	149	135	138
Building permits issued	6,200	7,357	10,536	6,524	7,264	8,439	11,306	9,518	7,975	11,597
Physical environment										
Maintained rights of ways (miles)	475	475	475	475	475	475	475	475	475	475
Landscaping and irrigation (miles)	160	160	163	160	161	163	163	163	163	163
Transportation										
Sidewalks replaced (linear feet)	19,878	19,000	10,000	13,852	18,410	3,934	10,904	10,971	9,082	9,234
Curbing installed (linear feet)	400	-	-	438	-	-	980	356	298	187
Number of trips - Community Bus program	217,161	218,497	218,497	210,000	195,684	175,786	188,475	186,852	133,550	100,387
Human services										
Charter schools										
Average student class size	24	24	25	22	22	22	24	22	22	20
Number of students enrolled	5,610	5,624	5,925	5,881	5,901	5,926	5,899	6,032	6,026	6,019
Culture/recreation										
Number of sports leagues	44	41	41	43	44	47	45	52	47	42
Number of tennis memberships	193	155	166	156	178	119	116	162	227	196
Water-sewer combined service										
Number of water accounts	42,792	42,935	43,513	43,597	43,378	43,546	43,875	44,135	44,036	44,052
Sewer mains rehabilitated (linear feet)	9,853	-	-	-	-	-	-	-	-	4,511
Average daily consumption (millions of gallons)	11	11	11	13	13	11	11	13	13	13

Source: Various City Departments

City of Pembroke Pines, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	311	314	320	313	316	311	330	362	386	346
Fire/ambulance rescue:										
Stations	6	6	6	6	6	6	6	6	6	6
Fire trucks / engines	9	9	9	10	10	10	10	10	10	11
Other trucks	1	3	3	3	3	3	3	3	3	3
Fire ladders	4	3	3	3	3	3	3	3	3	4
Fire rescue ambulances	12	12	12	12	12	12	12	12	12	12
Physical environment										
Water:										
Water mains (miles)	489	489	525	528	531.7	533	540.52	545.17	545.45	545.94
Fire hydrants	4,121	4,121	4,641	4,677	4,712	4,725	4,587	4,607	4,420	4,641
Maximum daily permit capacity (millions of gallons)	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2	16.2
Maximum daily plant capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sewer:										
Sanitary sewers (miles)	412	412	448	451	452.62	454	419.3	418.68	418.99	419
Storm sewers (miles)	226	226	226	226.41	226.4	226	226	226	226	226
Maximum daily treatment capacity (millions of gallons)	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Transportation										
Maintained roads (miles)	465	465	465	468	468	468	468	468.25	468.25	468.25
Economic environment										
Senior housing units	804	804	804	804	804	804	804	804	804	804
Transitional living units (2)	21	21	21	21	21	21	-	-	-	-
Human services										
City operated charter schools										
Elementary School	4	4	4	4	4	4	4	4	4	4
Middle School	2	2	2	2	2	2	2	2	2	2
High School	1	1	1	1	1	1	1	1	1	1
Culture/recreation										
Parks acreage (1)	970	970	970	970	970	973	973	973	973	975.6
Parks	31	31	31	31	31	35	35	35	35	36
Swimming pools	6	6	6	6	6	6	7	7	6	6
Tennis courts	50	50	50	50	50	46	50	50	50	50
Recreation centers	4	4	4	4	4	4	4	4	4	4
Football/Soccer fields	19	18	18	21	21	21	22	22	20	20
Basketball courts	21.5	21.5	21.5	21.5	21.5	22.5	22.5	22.5	22.5	22.5
Playgrounds	21	22	22	22	22	26	26	27	27	27

Source: Various City Departments

(1) Previously did not include Chapel Trail Nature Preserve.

(2) Managed by Browns Harbor starting in FY2018

City of Pembroke Pines, Florida
Property Assessed Value, Outstanding Debt, Legal Debt Limit,
Debt Management Policies and Covenants

Property Assessed Value:

Just Value	\$ 21,820,008,281
Less: Property and Personal Exemptions	(3,677,807,325)
Homestead Assessment Differential ⁽¹⁾	(3,708,435,900)
Nonhomestead Residential Property Differential ⁽²⁾	(114,868,890)
Certain Residential and Nonresidential Real Property Differential ⁽²⁾	(57,522,870)
Agricultural Differential ⁽³⁾	(7,106,890)
Pollution Control Devices Differential ⁽⁴⁾	(428,900)
Value Adjustment Board & Broward County Property Appraiser Adjustments	(97,363,214)
Final Taxable Value	\$ 14,156,474,292

Outstanding Debt:

City's debt management policy regarding direct unlimited tax general obligation debt limitation **\$ 212,347,114**

Revenue Bonds:

Charter School Bonds, Series 2019 A & B	\$ 62,620,000
Capital Improvement Revenue Refunding Bonds, Series 2010	4,060,100
Consolidated Utility system Revenue Bonds, Series 2010	4,835,319
Taxable Communications Services Tax Revenue Bonds, Series 2013	26,110,000
Taxable Communications Services Tax Revenue Bonds, Series 2014	31,060,000
Public Improvement Revenue Bonds, Series 2014	22,805,000
Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016	6,769,000
Public Improvement Revenue Bonds, Series 2016	5,963,800
Capital Improvement Revenue Refunding Bonds, Series 2017	34,950,000

Total outstanding revenue bonds 199,173,219

General Obligation Bonds:

General Obligation Bonds, Series 2015 \$ 62,270,000

Total General Obligation Bonds subject to debt limitation **\$ 62,270,000**

Total outstanding debt 261,443,219

Less: Reserve for debt service (11,509,647)

Net total outstanding debt \$ 249,933,572

Legal debt margin **\$ 150,077,114**

(1) Per F.S. 193.155, the reassessed value shall not exceed the lower of a) 3% of the assessed value of the property for the prior year; or b) the percentage change in the CPI.

(2) Per F.S. 193.1554 & 193.1555, the reassessed value may not exceed 10% of the assessed value of the property for the prior year.

(3) Per F.S. 193.461, no lands shall be classified as agricultural lands unless a return is filed on or before March 1 of each year.

(4) Per F.S. 193.621, the reassessed value may not be greater than its market value as salvage.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2021
(continued)

Legal Debt Limit:

There are no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

Debt Management Policies:

On November 1, 2006, the City of Pembroke Pines adopted Ordinances No. 1560 and No. 1561, creating a “Debt Management Policy” and a “Derivative Debt Management Policy” respectively for the City, and amending Chapter 33 of the Code of Ordinances of the City by specifically creating Section 33.65, entitled “Debt Management Policy” and Section 33.66, entitled “Derivative Debt Management Policy,” respectively.

The **Debt Management Policy** provides structure and regulation to the City’s debt process, and the following limitations on the City’s indebtedness:

A. Target Limitations on Unlimited Tax General Obligation Indebtedness. The City shall, as a matter of policy, conduct its finances so that the amount of direct unlimited tax general obligation (“UTGO”) debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 1.5% of the City’s total taxable assessed valuation.

B. Target Limitations on Non-Self-Supporting Limited Tax General Obligation Indebtedness and Lease-Purchase Obligations. The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, limited tax general obligation (“LTGO”) debt and lease-purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.5% of the City’s total taxable assessed valuation. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount that is not greater than 10% of annual General Fund and Debt Service Fund revenues.

These limitations apply to debt obligations issued with a specific LTGO pledge, and obligations that are in effect secured by a LTGO pledge and are not self-supporting.

C. Target Limitations on Lease-Purchase Financing of Equipment and Furnishings. The City may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Outstanding lease-purchase obligations issued to finance capital equipment and furnishings shall not exceed 0.25% of the City’s total taxable assessed valuation. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than ten years from the dated date of such obligations. The Finance Department shall be responsible for developing procedures for use by City Departments interested in participating in lease-purchase programs, and for setting repayment terms and amortization schedules, in consultation with participating departments.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2021
(continued)

D. Limitations on General Fund Loan Guarantees and Credit Support. As part of the City's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority City needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects, shall be developed. The City Manager and the Finance Director shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the City Commission. General Fund loan guarantees shall be subject to the overall debt limitations set forth in B, above.

Recognizing the limited capacity of the City's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Finance Director and the City Manager. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include one or more of the following:

1. Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.
2. Use of General Fund support as a transition to a fully stand alone credit structure, whereby interim use of General Fund credit support reduces borrowing costs and provides a credit history.
3. General Fund support is determined by the City Commission to be in the City's overall best interest.
4. General Fund support is justified to achieve a specific public benefit for the residents of the City as recommended by the City Manager and approved by the City Commission.

E. Target Limitations on the Issuance of Revenue-Secured Debt Obligations. The City shall seek to finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, City Departments, in consultation with the Finance Director, will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, City Departments, and other affected parties. The amount of revenue-secured debt obligations issued will be limited by the feasibility of the overall financing plan as determined by the Finance Director in consultation with the Financial Advisor.

Revenue-secured debt obligations must first be reviewed and approved by the Finance Director before being issued.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2021
(continued)

The **Derivative Debt Management Policy** establishes guidelines for the use and management of all interest rate exchange agreements incurred in connection with the incurrence of debt obligations.

Covenants:

The City is also governed by the covenants of individual revenue bonds if the City plans to issue additional parity bonds. The covenants are as follows:

Capital Improvement Revenue Refunding Bonds, Series 2010

Additional bonds and additional parity franchise revenue bonds payable from the pledged revenues may be issued only for acquisitions or construction of additions, extensions or improvements to the Project, or for refunding of bonds, and only if the pledged revenues for the preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Consolidated Utility System Revenue Bonds, Series 2010

Additional Parity Obligations shall be issued after the amount of the Net Revenues derived for any consecutive twelve (12) months out of the preceding twenty-four (24) months preceding the date of issuance of the proposed Additional Parity Obligations (the "Test Period") adjusted as provided in Resolution No. 3287, is equal to and not less than one hundred twenty percent (120%) of the Maximum Bond Service Requirement becoming due in any Bond Year thereafter on all existing and proposed Additional Parity Obligations.

Taxable Communications Services Tax Revenue Bonds, Series 2013, and Taxable Communications Services Tax Revenue Bonds, Series 2014

Additional parity bonds payable from the pledged revenues may be issued only if the pledged Revenues for the most recent full fiscal year equal at least 120% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Public Improvement Revenue Bonds, Series 2014

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016

Additional parity franchise revenue bonds payable from the pledged revenue may be issued only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds.

City of Pembroke Pines, Florida

Property Assessed Value, Outstanding Debt, Legal Debt Limit, Debt Management Policies & Covenants

September 30, 2021
(continued)

Public Improvement Revenue Refunding Bonds, Series 2016

Additional parity bonds payable from the pledged revenues may be issued for acquisition or construction of capital improvements in the City, or for refunding of bonds, and only if the pledged revenues for the most recent full fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity bonds.

Capital Improvement Revenue Refunding Bonds, Series 2017

Additional parity franchise revenue bonds payable from the pledged revenues may be issued only if the pledged revenues for such preceding fiscal year equal at least 125% of the maximum bond debt service requirement on all existing and proposed parity franchise revenue bonds.

Capital Improvement Revenue Bonds, Series 2019A, and Taxable Capital Improvement Revenue Bonds, Series 2019B

Additional debt from Non-Ad Valorem revenues may be issued only if the average of actual Non-Ad Valorem revenues for the prior two fiscal years cover maximum annual debt service on the bonds and such debt by at least 1.50x.

City of Pembroke Pines, Florida
Debt Service Coverage - Electric Public Service Tax

Public Improvement Revenue Bonds, Series 1998; Public Improvement Revenue Bonds, Series 2001;
 Public Improvement Revenue Bonds, Series 2004A; Public Improvement Revenue Bonds, Series 2004B;
 Public Improvement Revenue Refunding Bonds, Series 2006; Public Improvement Revenue Refunding Bonds, Series 2014;
 and Public Improvement Revenue Refunding Bonds, Series 2016

Debt Service Requirements (1)

Fiscal Year	Pledged Revenues (2)	% Change	2001	2004A	2004B	2006	2014	2016	Total	Coverage
			Public Improvement Revenue Bonds	Public Improvement Revenue Bonds	Public Improvement Revenue Bonds	Public Improvement Revenue Refunding Bonds	Public Improvement Revenue Refunding Bonds	Public Improvement Revenue Refunding Bonds		
2012	\$ 9,076,626	3.3%	\$ 966,265	\$ 1,391,741	\$ 1,113,343	\$ 2,348,450	-	-	\$ 5,819,799	1.56
2013	9,587,367	5.6%	964,425	1,390,110	1,114,136	2,349,150	-	-	5,817,821	1.65
2014	10,461,326	9.1%	960,210	1,391,610	1,113,879	2,348,050	-	-	5,813,749	1.80
2015	10,617,674	1.5%	-	550,463	428,610	3,294,550	692,867	-	4,966,490	2.14
2016	10,772,091	1.5%	-	-	-	3,296,675	2,122,056	-	5,418,731	1.99
2017	11,002,694	2.1%	-	-	-	-	2,193,381	110,017	2,303,399	4.78
2018	11,452,361	4.1%	-	-	-	-	2,178,356	2,980,644	5,159,000	2.22
2019	11,574,231	1.1%	-	-	-	-	2,176,606	3,021,949	5,198,555	2.23
2020	11,745,620	1.5%	-	-	-	-	2,182,106	3,027,331	5,209,437	2.25
2021	11,849,134	0.9%	-	-	-	-	2,180,706	3,021,895	5,202,601	2.28

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Public Service Tax - Most Recent Fiscal Year	\$ 11,849,134
Combined Maximum Annual Debt Service (6)	5,202,601
Coverage (7)	2.28

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
- (3) No statistics are available prior to the year of bond issuance.
- (4) Refunded by the Public Improvement Revenue Refunding Bonds, Series 2014
- (5) Refunded by the Public Improvement Revenue Refunding Bonds, Series 2016 (PIRR 2016)
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (7) The pledged revenues for the most recent fiscal year must equal at least 125% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida
Debt Service Coverage - Electric Franchise Fees

Capital Improvement Revenue Bonds, Series 1999;
 Capital Improvement Revenue Refunding Bonds, Series 2006; Capital Improvement Revenue Bonds (Phase II of Forman Senior Housing Project), Series 2007;
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2008; Capital Improvement Revenue Refunding Bonds, Series 2010;
 Variable Rate Capital Improvement Revenue Refunding Bonds (Susan B. Anthony Center), Series 2016;
 and Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2017

Fiscal Year	Pledged Revenues	% Change	Debt Service Requirements (1)							Total	Coverage
			1999 Capital Improvement Revenue Bonds	2006 Capital Improvement Revenue Refunding Bonds	2007 Capital Improvement Revenue Bonds	2008 Variable Rate Capital Imp. Revenue Refunding Bonds	2010 Capital Improvement Revenue Refunding Bonds	2016 Variable Rate Capital Imp. Revenue Refunding Bonds	2017 Capital Improvement Revenue Refunding Bonds		
	(2)		(6)	(4) (8)	(4) (8)	(5) (7)	(3)	(3)	(3)		
2012	\$ 8,059,519	-3.4%	-	\$ 3,370,313	\$ 1,713,363	\$ 91,480	\$ 701,212	-	-	\$ 5,876,367	1.37
2013	7,852,195	-2.6%	-	3,365,513	1,715,663	161,435	705,714	-	-	5,948,324	1.32
2014	8,529,691	8.6%	-	3,373,013	1,716,963	311,435	704,418	-	-	6,105,829	1.40
2015	8,577,201	0.6%	-	3,370,675	1,717,263	313,423	702,021	-	-	6,103,382	1.41
2016	8,292,391	-3.3%	-	3,361,088	1,716,563	324,880	703,538	-	-	6,106,069	1.36
2017	8,507,143	2.6%	-	3,369,963	1,714,013	-	703,784	330,110	-	6,117,869	1.39
2018	8,419,672	-1.0%	-	-	-	-	707,676	335,388	4,640,311	5,683,375	1.48
2019	8,431,652	0.1%	-	-	-	-	705,234	333,628	4,570,038	5,608,900	1.50
2020	8,360,987	-0.8%	-	-	-	-	706,284	339,034	4,554,288	5,599,605	1.49
2021	8,621,770	3.1%	-	-	-	-	706,141	345,283	4,565,989	5,617,412	1.53

Coverage of Estimated Combined Maximum Annual Debt Service:

Electric Franchise Fees - Most Recent Fiscal Year	\$ 8,621,770
Combined Maximum Annual Debt Service (5)	5,617,412
Maximum Debt Service Coverage (9)	1.53

- (1) Exclude paying agent fees and variable rate bond fees.
- (2) Pledged revenues consist of the Electric Franchise Fees on an even parity for all issues.
- (3) No statistics are available prior to the year of bond issuance.
- (4) A portion of this bond issue advance refunded a portion of the Capital Improvement Revenue Bonds, Series 1999.
- (5) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
 The 2008 Variable Rate Capital Improvement Revenue Refunding Bonds' maximum annual debt service is based on the seven year term (from September 30, 2016) Direct Purchase fixed rate in effect which is 1.66%.
- (6) A portion was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2006, and the outstanding balance was refunded by the Capital Improvement Revenue Refunding Bonds, Series 2010.
- (7) Refunded by the Variable Rate Capital Improvement Revenue Refunding Bonds, Series 2016
- (8) Refunded to the Capital Improvement Revenue Bonds, Series 2017.
- (9) The pledged revenues for the most recent fiscal year must equal at least 125% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida
Debt Service Coverage - Communications Services Tax and Water Public Service Tax

Taxable Communications Services Tax Revenue Bonds, Series 2003A; Taxable Communications Services Tax Revenue Bonds, Series 2004;
Taxable Communications Services Tax Revenue Bonds, Series 2013; and Taxable Communications Service Tax Revenue Bonds, Series 2014.

Debt Service Requirements (1)

Fiscal Year	Communication Services Tax	Public Service Tax Water	Total Pledged Revenues	% Change	2003A	2004	2013	2014	Total	Coverage
					2003A Taxable Communications Services Tax Revenue Bonds	2004 Taxable Communications Services Tax Revenue Bonds	2013 Taxable Communications Services Tax Revenue Bonds	2014 Taxable Communications Services Tax Revenue Bonds		
			(2)		(3)	(5)	(4)	(4)		
2012	\$ 7,549,654	\$ 1,863,530	\$ 9,413,185	2.4%	\$ 2,991,214	\$ 3,428,956	-	-	\$ 6,420,170	1.47
2013	7,598,497	1,918,924	9,517,421	1.1%	2,987,409	3,426,181	-	-	6,413,590	1.48
2014	6,350,145	1,961,101	8,311,246	-12.7%	1,951,168	3,423,431	812,633	-	6,187,232	1.34
2015	6,197,471	2,008,862	8,206,333	-1.3%	-	1,319,025	2,858,155	821,676	4,998,856	1.64
2016	5,545,281	1,980,528	7,525,809	-8.3%	-	-	2,857,591	3,087,204	5,944,795	1.27
2017	5,254,642	2,054,780	7,309,422	-2.9%	-	-	2,851,210	3,174,313	6,025,523	1.21
2018	5,131,400	2,483,104	7,614,504	4.2%	-	-	2,845,404	3,167,482	6,012,886	1.27
2019	4,583,688	2,577,221	7,160,909	-6.0%	-	-	2,841,173	3,160,801	6,001,974	1.19
2020	4,357,078	2,587,371	6,944,449	-3.0%	-	-	2,840,187	3,160,213	6,000,400	1.16
2021	4,388,336	2,676,024	7,064,360	1.7%	-	-	2,837,531	3,156,675	5,994,206	1.18

Coverage of Estimated Combined Maximum Annual Debt Service:

Communications Services Tax and Water Public Service Tax - Most Recent Fiscal Year	\$ 7,064,360
Combined Maximum Annual Debt Service (6)	5,994,206
Maximum Debt Service Coverage (7)	1.18

- (1) Exclude paying agent fees.
- (2) Pledged revenues consist of Communications Services Tax and Water Public Service Tax on an even parity for both issues. Water Public Service Tax is subject to release when Communications Services Tax revenues is greater than or equal to 1.30 times the Maximum Bond Service Requirement on all Bonds then Outstanding for the two Fiscal Years immediate preceding such release. As of 9/30/2021, Communications Services Tax revenues was 0.73 times the Maximum Bond Service Requirement on all Bonds then Outstanding, and was less than the 1.30 required coverage ratio.
- (3) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2013.
- (4) No statistics are available prior to the year of bond issuance.
- (5) Refunded by the Taxable Communications Services Tax Revenue Bonds, Series 2014.
- (6) The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (7) To issue additional parity bonds, the pledged revenues for the most recent fiscal year must equal at least 120% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida
Debt Service Coverage - Net Revenues of the Consolidated Utility System

Consolidated Utility System Revenue Bonds, Series 2010

Debt Service Requirement and Reserve for
Renewal, Replacement, and Improvement
(RR&I) Requirement

Fiscal Year	Pledged Revenues	% Change	Debt Service Requirement	Reserve for Renewal, Replacement, and Improvement (RR&I) Requirement	Total Requirement	Debt Service Coverage	Debt Service and RR&I Coverage
(2)	(1)		(3)				
2012	\$ 8,412,559	12.8%	\$ 1,023,655	\$ 2,147,993	\$ 3,171,648	8.22	2.65
2013	9,879,616	17.4%	1,057,287	2,217,158	3,274,445	9.34	3.02
2014	13,755,051	39.2%	1,090,841	2,318,491	3,409,332	12.61	4.03
2015	9,230,437	-32.9%	1,050,262	2,465,344	3,515,606	8.79	2.63
2016	13,061,017	41.5%	1,049,539	2,315,586	3,365,125	12.44	3.88
2017	15,928,695	22.0%	1,048,790	2,611,893	3,660,683	15.19	4.35
2018	14,544,878	-8.7%	1,048,015	3,091,083	4,139,098	13.88	3.51
2019	20,340,717	39.8%	1,047,214	3,074,873	4,122,087	19.42	4.93
2020	6,826,536	-66.4%	1,046,382	3,290,841	4,337,223	6.52	1.57
2021	9,160,398	34.2%	1,045,523	2,968,729	4,024,416	8.76	2.28

Coverage of Estimated Combined Maximum Annual Debt Service:

Net Revenues of the Consolidated Utility System - Most Recent Fiscal Year	\$ 9,160,398
Maximum Annual Debt Service (3)	1,045,523
Maximum Debt Service Coverage (4)	8.76

- (1)** Pledged revenues consist of net revenues of the Consolidated Utility System.
(Refer to Note 9. LONG TERM DEBT under Consolidated Utility System Revenue Bonds, Series 2010 for details)
- (2)** No statistics are available prior to the year of bond issuance.
- (3)** The greatest amount of aggregate Bond Service Requirements for the then current or any future Fiscal Year.
- (4)** To issue additional parity bonds, the pledged revenues for the most recent fiscal year must equal at least 120% of the maximum debt service requirement on all existing and proposed parity bonds.

City of Pembroke Pines, Florida

Debt Service Coverage - Anti-Dilution Test Capital Improvement Revenue Bonds, Series 2019A, and Taxable Capital Improvement Revenue Bonds, Series 2019B

LEGALLY AVAILABLE NON-AD VALOREM REVENUES	Fiscal Year Ended September 30 (1)			
	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Taxes:				
Public Service Tax-Electric	11,574,231	11,745,620	11,849,134	
Public Service Tax-Water	2,577,221	2,587,372	2,676,025	
Communication services tax	4,583,688	4,357,078	4,388,335	
Local business tax - City	3,588,457	3,586,587	3,433,475	
Intergovernmental Revenues:				
Local government 1/2 cent sales tax	11,097,737	10,085,609	12,088,112	
Revenue sharing trust funds	4,615,212	4,233,780	5,124,264	
Permits, Fees, and Licenses:				
Franchise fees-Electric	8,431,652	8,360,987	8,621,770	
Franchise fees-Other	5,335,391	5,346,275	5,360,965	
Building Permits	729,880	370,063	537,062	
Charter School revenues (2)	5,360,433	5,740,395	5,954,458	
Charges for services:				
General Government	17,304,428	18,290,838	19,523,738	
Public Safety	6,780,434	6,565,015	6,588,041	
Culture/Recreation	8,774,905	5,284,857	4,334,133	
Miscellaneous Revenues:				
Interest Income	2,868,653	2,110,182	173,658	
Rental revenues (3)	5,761,519	5,755,247	5,919,097	
Total Sources of Legally Available Non-Ad Valorem Revenues	\$ 99,383,841	\$ 94,419,905	\$ 96,572,267	
Anti-Dilution Test				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Average</u>
Total Non-Ad Valorem Revenues	\$ 99,383,841	\$ 94,419,905	\$ 96,572,267	\$ 96,901,873
Maximum Annual Debt Service				20,952,046
Coverage				4.62
Required per Section 5.01				1.50

(1) Based on audited financial information

(2) Charter School revenues only includes lease payments to the City for the debt service payments based on City's fiscal year.

(3) Rental revenues excludes housing rental.

City of Pembroke Pines, Florida
School Enrollment

	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
College/University: (1)											
Broward College											
Pines Center -Academic Village (6)	2,454	2,740	2,530	2,640	1,402	1,200	1,067	1,001	93	46	
South Campus / Pembroke Pines (6)	15,605	13,390	14,482	14,542	11,287	10,831	10,750	9,768	10,394	16,547	
Florida International University - Pines Center (3)	1,294	1,400	-	-	-	-	-	-	-	-	
Total College/University Enrollment	<u>19,353</u>	<u>17,530</u>	<u>17,012</u>	<u>17,182</u>	<u>12,689</u>	<u>12,031</u>	<u>11,817</u>	<u>10,769</u>	<u>10,487</u>	<u>16,593</u>	
High Schools: (2)											
Pembroke Pines Charter High School	1,724	1,730	1,692	1,999	2,015	2,043	2,048	2,098	2,101	2,100	
Flanagan	3,106	2,860	2,844	2,835	2,759	2,575	2,542	2,482	2,541	2,531	
Somerset Academy Charter High School	845	1,051	1,101	1,021	948	886	1,049	1,204	1,438	1,464	
West Broward High School	2,712	2,772	2,702	2,721	2,742	2,810	2,743	2,677	2,609	2,601	
Somerset Conservatory	162	113	120	125	143	132	164	186	392	391	
Total High School Enrollment	<u>8,549</u>	<u>8,526</u>	<u>8,459</u>	<u>8,701</u>	<u>8,607</u>	<u>8,446</u>	<u>8,546</u>	<u>8,647</u>	<u>9,081</u>	<u>9,087</u>	
Middle Schools: (2)											
Pines Middle School	1,493	1,375	1,293	1,130	1,035	938	891	859	740	701	
Silver Trail Middle	1,508	1,481	1,426	1,466	1,491	1,528	1,497	1,532	1,472	1,403	
Walter C. Young	1,268	1,201	1,090	1,099	1,111	1,154	1,134	1,116	1,036	1,029	
Somerset Academy Charter Middle School	868	870	834	817	745	746	904	1,026	1,142	1,016	
Pembroke Pines Charter Middle School (West/Central)	1,284	1,301	1,582	1,298	1,305	1,304	1,288	1,326	1,329	1,335	
Franklin Academy A&B	465	428	376	430	408	451	495	420	438	427	
Broward Charter School of Science & Technology	-	25	39	49	96	84	87	98	106	124	
Total Middle School Enrollment	<u>6,886</u>	<u>6,681</u>	<u>6,640</u>	<u>6,289</u>	<u>6,191</u>	<u>6,205</u>	<u>6,296</u>	<u>6,377</u>	<u>6,263</u>	<u>6,035</u>	
Elementary Schools: (2)											
Pembroke Pines	586	594	560	559	569	581	588	623	572	578	
Pembroke Lakes	565	534	568	596	662	689	733	762	708	691	
Pines Lakes	656	609	582	577	569	576	536	553	521	561	
Pasadena Lakes	614	573	566	543	532	531	534	532	495	471	
Palm Cove	800	819	779	711	672	672	632	510	430	471	
Chapel Trail	760	751	743	777	829	829	814	833	857	842	
Silver Palms	729	662	612	595	655	621	630	579	511	512	
Panther Run	599	550	550	568	547	574	560	505	433	413	
Lakeside	760	707	676	754	791	769	760	704	653	647	
Somerset Academy Charter Elementary	887	932	919	940	945	928	927	1,013	983	973	
Pembroke Pines Charter Elem (East/West/Central)	1,923	1,910	1,908	1,921	1,909	1,900	1,889	1,914	1,896	1,885	
Pembroke Pines/FSU Charter Elementary	679	679	679	690	672	679	674	694	700	699	
Franklin Academy A	845	842	892	943	743	746	882	766	766	899	
Kidz Choice Charter (5)	103	100	101	154	174	214	187	-	-	-	
Charter School of Excellence @ Davie 2 (4)	154	106	26	36	27	-	-	-	-	-	
Atlantic Montessori Charter School	73	130	132	123	123	135	140	127	127	112	
Broward Charter School of Science & Technology	163	129	69	81	182	178	234	222	199	206	
Renaissance Charter School at Pines	-	-	-	799	835	779	842	953	812	690	
Total Elementary School Enrollment	<u>10,896</u>	<u>10,627</u>	<u>10,362</u>	<u>11,367</u>	<u>11,436</u>	<u>11,401</u>	<u>11,562</u>	<u>11,290</u>	<u>10,663</u>	<u>10,650</u>	
Total All Schools	<u>45,684</u>	<u>43,364</u>	<u>42,473</u>	<u>43,539</u>	<u>38,923</u>	<u>38,083</u>	<u>38,221</u>	<u>37,083</u>	<u>36,494</u>	<u>42,365</u>	

(1) Broward College - Registrar's Office and FIU Dean of Partnership Center.

(2) Broward County School Board, Year 2012 20th Day Enrollment Report; 2013-2021 1st Day Enrollment Count.

(3) Effective August 2014, FIU has relocated to Miramar.

(4) Effective FY2017, Charter School of Excellence at Davie 2 is combined with Charter School of Excellence at Davie located in Hollywood, FL.

(5) Effective FY2019, Kidz Choice is a Private School now called Cambridge International Academy

(6) Effective Fall 2020, Pines Center reported a lower student count as it is offering more virtual classes due to the COVID-19 pandemic. These virtual classes were scheduled from the South Campus.

City of Pembroke Pines, Florida
Property Value and Construction (1)
Last Ten Fiscal Years

<u>Year</u>	<u>Total Permits Issued</u>	<u>Miscellaneous</u>		<u>Residential</u>		<u>Commercial</u>		<u>Total Value of Construction</u>	<u>Gross Assessed Value (3)</u>
		<u>Permits Issued (2)</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>	<u>Number of Units</u>	<u>Valuation</u>		
2012	6,200	5,434	\$ 77,506,551	655	\$ 226,091,294	111	\$ 226,188,208	\$ 529,786,054	\$ 12,672,170,184
2013	7,357	6,732	273,469,366	579	298,916,697	46	71,849,779	644,235,843	12,559,436,057
2014	10,536	10,123	291,394,500	288	16,034,771	125	12,769,448	320,198,718	13,145,675,871
2015	6,524	6,439	61,378,888	77	37,513,118	8	576,143,798	675,035,804	14,806,865,492
2016	7,264	7,110	114,938,007	134	21,478,982	20	103,170,457	239,587,447	16,053,238,879
2017	8,439	8,157	38,724,193	262	87,600,661	20	191,951,039	318,275,894	17,578,628,055
2018	11,306	11,015	119,728,157	270	114,184,101	21	72,069,999	305,982,258	18,793,239,672
2019	9,518	9,429	181,225,989	73	11,566,937	16	54,249,012	247,041,938	19,824,761,886
2020	7,975	7,910	141,213,682	58	5,547,050	7	11,365,470	158,126,202	21,175,209,482
2021	11,597	11,585	242,164,450	-	-	12	21,224,386	263,388,836	21,820,008,281

(1) Source: City of Pembroke Pines Building Department.

(2) Miscellaneous permits include remodeling, partitioning, and interior completions.

(3) Assessed value certified by Broward County Property Appraiser at 100% of estimated market value ("just value") as required by State Statute.

City of Pembroke Pines, Florida

General Information

Introduction

The City of Pembroke Pines is a multi-cultural, ethnically diverse and integrated city, located in the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area, which is the 8th largest in the country with an estimated population of 6.1million. The population of the City is currently estimated at 170,671 which is the second largest city in Broward County (County). During the year, the City has a mean average annual temperature of 75.6 degrees, which allows many residents and visitors to enjoy a relaxed lifestyle geared to the outdoors. The general terrain of this 34.22 35 -square mile residential city is similar to that of other southwestern County communities. Elevations range from 7 to 8 feet above sea level. Fort Lauderdale and the cruise ship docks at Port Everglades are 45 minutes away northeast, and Miami, 45 minutes south of the City, provide numerous cultural advantages of a larger metropolitan area as well as a major cruise ship port. South of the City is the City of Miramar with its notable Miramar Park of Commerce, to the northwest are the upscale communities of Southwest Ranches and Weston, and northeast is the Town of Davie, home of Nova Southeastern University, the Bergeron Rodeo Grounds, and the exotic Flamingo Gardens. The City also borders Cooper City on the north and the oceanfront city of Hollywood on the east. The City maintains its own top-rated police and fire and rescue departments, provides two sites containing a total of five senior housing apartment buildings, provides other senior-related services, and maintains its own Water Treatment Plant.

Airports

The City has the benefit of being served by a number of airlines, as the Fort Lauderdale-Hollywood International Airport is only a 40-minute drive northeast, and the Miami International Airport, located south of Pembroke Pines, is a little over a 45-minute drive. The Palm Beach International Airport can also be reached by a one and a half hour drive north of the City. The Opa-locka Airport, a full Fixed-Base Operator (FBO) service executive airport located in North Miami-Dade County is about a 30-minute drive south of the City. Other full service FBOs include the Boca Raton Airport which is about a one hour drive northeast of the City, and the City of Fort Lauderdale Executive Airport which is about a 45-minute drive northeast. The North Perry Airport, originally opened in the City by the U. S. Navy in 1943 as a World War II training field, is a general aviation facility open to non-commercial, non-jet aircraft. Facilities include a charter service, aircraft rentals, repair and fuel for small aircraft, as well as a flight school.

Road and Highway Systems

Road and highway facilities are excellent in the City. Pines Boulevard is the main east-west corridor that connects into the Atlantic Ocean beaches at the east end and into the Everglades at the west end. The City has a complete and adequate network of approximately 460 miles of paved and signalized roadways, in addition to bike paths and sidewalks that meet the latest national standards. The Florida Turnpike passes through the eastern section of the City and provides transportation to the north central part of the State and as far south as the entrance to the Florida Keys. Interstate 95, which is about 5 miles east of the community, provides alternative north-south transportation to the City and other areas of the southeastern section of Florida. Interstate 75, a north-south controlled access highway located in the geographic center of the City, provides north-south transportation from Miami to Tampa via the Alligator Alley which crosses the Florida peninsula connecting the Atlantic Ocean east coast with the Gulf of Mexico west coast. US 27, a major highway that winds through the central portion of Florida to the state capital in Tallahassee, passes through the western edges of the City.

City of Pembroke Pines, Florida

General Information

Recreation and Cultural Arts

Pembroke Pines offers a wide range of recreational programs and activities for our residents. These include youth soccer leagues and camps throughout the year. The City also operates four neighborhood pools and one competitive Olympic-size pool. Programs offered at these facilities include swimming lessons, water safety instructions, leisure swim time, and other specialized aquatic classes. Pembroke Lakes Golf and Tennis Center offers a wide range of programs for all ages and skill levels. Some of these programs consist of leagues, clinics, tournaments, summer tennis camps, junior tennis after-school programs, special needs programming, total fitness conditioning classes, and introductory clinics for beginners in our summer camps. The City also provides residents a challenging and well-maintained golf course that meets the standards recommended by the United States Golf Association and conduct year-round clinics for juniors with the purpose of exposing young people to golf. Recreational programs and activities are held for special populations, including people with disabilities and consist of summer winter and spring break camps, field trips, socials, participation in Special Olympics, and the county-wide Challenger Baseball and the Miracle League programs. Our Community centers offer a variety of classes and activities. Classes offered include ballet, tap, jazz, gymnastics, yoga, Zumba, baton, and karate. The community centers are available to rent for weddings, parties and meeting places for non-profit civic organizations and homeowners' associations.

Pembroke Pines has a robust Cultural Arts Program that promotes diverse arts and cultural activities and events for its residents. The Frank Art Gallery showcases multi-disciplinary inclusive exhibitions and a variety of Arts Education programs. Studio 18 in the Pines attracts beginning and emerging local artists to become part of an arts community that offers workshops, lectures, cultural programming and exhibitions. The River of Grass is home to PPTOPA (Pembroke Pines Theatre of the Performing Arts) who was named "Best Community Theatre in the United States" by Broadway World Magazine. The River of Grass Theatre holds annual events such as our Storybook Festival, A Summer film festival and the Symphony of the Americas. Our Art Center provides weekly art, music and drama classes and summer and spring break camps. In addition to our Cultural Facilities, we hold annual events such as Artfest in the Pines, the Art Competition, Spring into Art & Music Children's Event and Storywalk in the Pines. Ongoing monthly events include our Got Culture? The Frank Contemporaries and monthly Jazz concerts. The City provides Community Engaging Events to our residents and includes events such as Kids Konnection, Pines Day, Fourth of July, Booville, and Snowfest. Public Art flourishes with works around our City. The Gateway Sculpture in front of the Charles F. Dodge City Center, a large scale mural on the façade of The Frank Art Gallery, the 9/11 Memorial dedicated to the Fallen and our First Responders and the Traffic Box wraps that have been installed on various corners throughout the City.

Medical Facilities

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

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

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

City of Pembroke Pines, Florida

General Information

Educational Facilities

The City of Pembroke Pines is a true pioneer in charter school education. The City currently owns and operates three charter elementary schools, one charter lab elementary school operated in collaboration with Florida State University (FSU), two charter middle schools and one charter high school that serve approximately 6,019 students. Of this total, the FSU Elementary charter school serves 699 students; the East, West and Central campus elementary schools serve 1,885 students; the West and Central Campus middle schools serve 1,335 students; and the high school campus which was expanded to include a middle school has 2,100 students. These facilities offer smaller class sizes, and complement the already existing public education system provided through the Broward County School District. In addition to the City's municipally-run charter schools, within the City are sixteen elementary schools, seven middle schools and five other high schools. This includes three major charter school systems: Renaissance Charter Schools, Franklin Academy, and Somerset Academy. Two community schools, Broward Community School and Walter C. Young Community School, offer adult education classes. The City also municipally operates two early development centers for pre-kindergarten children.

In addition, within the City are post-secondary as well as post-graduate institutions. Broward College has two campuses in the City - the South Campus located just east of University Drive on Pines Boulevard, and the Pines Center/Academic Village Campus located on Sheridan Street west of Interstate 75. The campus of the Venezuelan-administered Jose Maria Vargas University is a 24,530 square foot facility providing educational programs at the certificate, undergraduate, and graduate levels. Keiser University also operates its Pembroke Pines branch campus with a 78,000 square foot facility offering various associate, under-graduate and graduate programs. Barry University also maintains a branch campus in the Pines Professional Center in the western portion of the City. Two schools in the adjacent City of Miramar are DeVry University which offers a variety of Certificate Programs, Associate, Bachelor and Master's Degrees; and a branch of Strayer University, a for-profit school that is accredited by four organizations and caters to working individuals.

The City is served by three County-operated libraries – the Southwest Regional Library located at the Academic Village, the South Regional Library located at the Broward College South Campus, and the Pembroke Pines Library located at the Walter C. Young Resource Center.

Communications

All principal television networks are received within the City with broadcast stations in Boynton Beach, Fort Lauderdale, Hollywood, Miami, Miramar, Palm Beach Gardens, and West Palm Beach. Cable television is provided to the entire City by Comcast and BellSouth Entertainment, Inc. The City has its own informational cable channel that televises all City Commission (Commission) meetings and provides information such as upcoming events and public service information.

City information can also be accessed through the Internet site, www.ppines.com. On the web site, information including Commission meeting dates, trash and recycling schedules, a calendar of events, budget information, and annual and monthly financial statements are available.

Commercial

The City contains a large and diversified number of retail establishments, including the expansive Pembroke Lakes Mall with its major department stores, including Dillard's, JCPenney and Macy's plus approximately 153 more stores and restaurants. A stunning addition to the City's retail base is the Shops at Pembroke Gardens, located at Interstate 75 and Pines Boulevard. This complex contains approximately 75 upscale stores and restaurants, and is centrally located to serve the residents of the City and neighboring municipalities. The City is the executive office headquarters for Claire's Stores, Inc., an international retail chain which owns, franchises or joint ventures approximately 3,369 stores selling costume jewelry and fashion accessories.

City of Pembroke Pines, Florida

General Information

The dynamics of the growth of commercial and residential activities in the City and its surrounding area has resulted in at least seven hotels offering a variety of hospitality suites. Within the City is the Grand Palms Golf and Country Club Resort at Pines Boulevard just west of Interstate I-75 offering upscale lodgings, as well as the Hampton Inn Hotel just east of Interstate I-75 and Sheridan and the adjacent newly-built all-suite Holiday Inn Express Hotel & Suites. Just to the south, east of Interstate I-75 at Miramar Parkway in adjacent Miramar, are the Courtyard by Marriott, the Residence Inn by Marriott, the Hilton Garden Inn and the Wingate by Wyndham.

Awards and Acknowledgments

Throughout the years, the City of Pembroke Pines has received numerous awards, and accolades. Below is a list and brief description of some of these noteworthy achievements in the last 10 years:

- ◇ **2012 - On January 19, 2012, the City of Pembroke Pines received three awards** from the Aging & Disability Resource Center of Broward County (ADRC). Jay Shechter, Director of Community Services and Housing was awarded the Project Personality of the Year, the City of Pembroke Pines, received the 30-year Full Fair Share Contribution award, and City Attorney Samuel S. Goren Esq., was named the volunteer of the year.
- ◇ **2012 - Mayor Frank Ortis received the Public Leadership in the Arts Award** from the U.S. Conference of Mayors and Americans for the Arts, America's leading nonprofit organization for advancing the arts and arts education.
- ◇ **2012 - Mayor Frank Ortis received the President's Call to Service Award** from the President's Council on Service and Civic Participation.
- ◇ **2012 - Mayor Frank Ortis received the President's Volunteer Service Award** from the President's Council on Service and Civic Participation.
- ◇ **2013 - Devarn Flowers, Principal of the City of Pembroke Pines Charter School West Campus was named Principal of the Year** by the Florida Consortium of Public Charter Schools.
- ◇ **2013 - Mayor Frank Ortis received the Coceano Community Leadership Award** from the Miramar/Pembroke Pines Regional Chamber of Commerce for his leadership contributions to the overall good of the community.
- ◇ **2013 - Mayor Frank Ortis received the "Small Business Advocate Award"** from the Partner America/U.S. Conference of Mayors for efforts and support of small business in the City.
- ◇ **2013 - Mayor Frank Ortis won the E. Drew Harris Award** from the Florida League of Cities.
- ◇ **2014 - Florida Municipal Achievement Award** for the "Environmental Stewardship" category – the cities "Re-Engage, Recycle and Reinvigorate Our Environment."
- ◇ **2014 – Mayor Frank Ortis received the "HOME Rule HERO" Award** from the Florida League of Cities (FLOC).
- ◇ **2014 – Money Magazine's Best Places to Live in America – Ranked # 32 out of the top 50** – only City in Florida to make the list.
- ◇ **2014 – Charter Middle School West Campus received "Florida Standards School of Excellence Award"** by Public Consulting Group and the Florida Department of Education Office of School Choice.
- ◇ **2014 – Jill Slaughter, Curator of Special Project, was named the "Best Curator in Broward/Palm Beach"** by New Times.
- ◇ **2014 – Wallet Hub's ranking as #1 -Best City for Hispanic Entrepreneurship; #13 Best Place to Retire; and #44 Best Places for families.** The largest 150 cities were ranked.
- ◇ **2015 – Money Magazine's Best Places to live in America.**
- ◇ **2015 – The City was named "2014 Best City of Hispanic Entrepreneurs."**
- ◇ **2015 – The City received \$50,000 "Our Town" grant** by National Endowment for the Arts.
- ◇ **2015 – The City was recognized by the Florida League of Cities for our "Re-engage, Recycle, and Reinvigorate Our Environment" program.**

City of Pembroke Pines, Florida

General Information

- ◇ **2015 – The City received the “Environmental Stewardship Award”** from the Florida League of Cities.
- ◇ **2015 – The City received Bronze Medals in Goal III- Smart Serving for Students and Goal I: Start Early, Start Smart for the “Let’s Move! Cities, Towns and Countries” initiative** by the National League of Cities
- ◇ **2015 – The City received \$500,000.00 Grant for construction on the Civic Center Cultural Complex** from the Florida Cultural Affairs Division.
- ◇ **2015 – The City received \$462,350 Broward County Tourist Development Tax Capital Challenge Grant** for Civic Center
- ◇ **2015 - Mayor Frank Ortis received the “Home Rule Hero Award”** from the Florida League of Cities.
- ◇ **2015 – The City was recognized as the “2015 State Surgeon General Healthy Weight Community Champion” in Broward County** from Florida Department of Health.
- ◇ **2015 – The City was named 2014 Tree City USA** from Arbor Day Foundation.
- ◇ **2016 – Blue Ribbon School designation**, awarded to Pembroke Pines Charter Elementary School by the U.S Department of Education.
- ◇ **2016 – The City received \$500,000 “Cultural Facilities” grant for construction of the Frank Art Gallery** from Florida Division of Cultural Affairs.
- ◇ **2016 – The City received \$14,368 “General Program Support” grant to support multi-disciplinary arts and engagement activities at the Frank Art Gallery** from Florida Division of Cultural Affairs.
- ◇ **2016 – The City received \$30,010 matching grant funds to support “The Feed Your Soul/Nourish Your Neighbor” project** from Community Foundation of Broward.
- ◇ **2016 – The City was named 2016 Tree City USA** from Arbor Day Foundation.
- ◇ **2016 – The City was named “#4 in the Nation for Hispanic Entrepreneurs”** by Wallethub.com.
- ◇ **2016 – The City was named “2016 Beacon Award Honoree”** by Children’s Harbor.
- ◇ **2016 – The Charter High School was ranked 27th in Florida** for the 2017 Beat High Schools Ranking.
- ◇ **2016 – The Technology Services Department won “Excellence in Construction 2016.”**
- ◇ **2017 – The City was named 2017 Tree City USA** from Arbor Day Foundation.
- ◇ **2017 – The City was named “#3 in the Nation for Hispanic Entrepreneurs”** by Wallethub.com.
- ◇ **2017 – The City received “Outstanding Achievement Large City 2017 City Livability Award”** in support of the Creative Placemaking at the Charles F. Dodge City Center.
- ◇ **2017 – The City was named “#5 Best Place to Raise a Family in Florida”** by SmartAsset.com
- ◇ **2018 – Mayor Frank Ortis received a “Certificate of Appreciation”** from the Honor Flight of South Florida.
- ◇ **2018 – The City was certified as a “Wildlife Habitat Community”** by the National Wildlife Federation.
- ◇ **2018 – The City ranked “#29 Safest City in America”** by the Wallet Hub Survey.
- ◇ **2018 – The City ranked “#6 Best City for Hispanic Entrepreneurs”** by the Wallet Hub Survey.
- ◇ **2018 – The City ranked “#35 Best Place to Raise a Family”** by the Wallet Hub Survey.
- ◇ **2018 – Mayor Frank Ortis received the “Home Rule Hero Award”** from the Florida League of Cities.
- ◇ **2019 – The City was named “2019 Tree City USA”** by Arbor Day Foundation.
- ◇ **2019 – The City was recognized for its “Platinum Level Sponsorship”** by the American Cancer Society “Relay for Life”.
- ◇ **2019 – The City ranked “#12 Best City to Retire”, “#10 Best City to relocate”, and #2 Best City for Hispanic Entrepreneurs”** by the Wallet Hub Survey.
- ◇ **2019 – The City ranked “#32 Best Suburb to raise a family in the Miami area”** by Nuche.com.

City of Pembroke Pines, Florida

General Information

- ◇ **2019** – The City was presented “**Diamond Award**” for the commitment of excellence in Education by KAPOW.
- ◇ **2019** – Mayor Frank Ortis received a “**Certificate of Appreciation**” for his continued efforts in the fight to cure breast cancer from Church of God, Pembroke Pines.
- ◇ **2019** – Mayor Frank Ortis was presented a “**Home Rule Hero Certificate**” for being a champion in the defense and protection of municipal Home Rule by the FLC.
- ◇ **2020** – Mayor Frank Ortis was recognized by the Florida League of Cities with the **2020 Home Rule Hero Award** for his tireless efforts throughout the legislative session.
- ◇ **2020** - City of Pembroke Pines was recognized by FISP (Florida Initiative for Suicide Prevention) for sponsoring the 15th Annual FISP Gala on February 21, 2020.
- ◇ **2020**- City of Pembroke Pines received the 2020 Partner Award from KAPOW.
- ◇ **2020**- City of Pembroke Pines was named 2020 Tree City USA by the Arbor Day Foundation.
- ◇ **2020** - The Pembroke Pines Charter High School was ranked #10 Charter High School in Florida by Niche, an online school analysis website.
- ◇ **2020** - Mayor Frank Ortis was recognized at the 42nd Foundation Day in celebration of Dale View & Dr. Kalam Smriti International.
- ◇ **2020** - Wallethub.com listed the City of Pembroke Pines the 20th Happiest City in the America on 3/9/2020.
- ◇ **2020** - The Finance Department received the DISTINGUISHED BUDGET AWARD from the GOVERNMENT FINANCE OFFICERS ASSOCIATION ("GFOA") on 10/1/2020.
- ◇ **2021** - Mayor Frank Ortis was recognized by the Florida League of Cities with the 2021 Home Rule Hero Award for his tireless efforts throughout the legislative session.
- ◇ **2021** - City of Pembroke Pines received the 2021 Partner Award from KAPOW.
- ◇ **2021** - City of Pembroke Pines was named 2021 Tree City USA by the Arbor Day Foundation.
- ◇ **2021** - Wallethub.com listed the City of Pembroke Pines the #1 Place to Raise a Family in June 2021.
- ◇ **2021** - MoveBuddha listed City of Pembroke Pines the top 3 Most Popular Large Cities to move to in the State of Florida in July 2021.
- ◇ **2021** - Mayor Frank C. Ortis was honored when the Century Village Secret Garden Board dedicated a walkway in his name. The Secret Garden is a half-acre Butterfly Garden, Botanical Garden, Urban Food Garden and Bird Sanctuary that was credited over the last 14 years by senior citizen volunteers in Century Village and is a two-time winner of the City of Pembroke Pines Natalie Belmonte Great Yards Award. Feb 2021
- ◇ **2021** - A Tribute was presented by State Representative Robin Bartleman (District 104) at a City Commission Meeting to thank the many employees of the City of Pembroke Pines, staff and volunteers of Feeding South Florida for their tireless dedication in ensuring that residents did not live with hunger throughout the pandemic. – August 2021
- ◇ **2021** - The Pembroke Pines Charter Middle School West Campus Modern Movement Club recently participated in the LEAD4CHANGE challenge and received \$500 to continue to make a difference in the community through dance. October 2021
- ◇ **2021** - According to realtor.com, the City of Pembroke Pines ranked #8 in the top 11 Best Family-Friendly Suburbs for 2021.
- ◇ **2021** - The Florida League of Cities presented the Mayor Frank C. Ortis with the John Land Years of Service Awards in recognition of 25 Years of Elected Service.
- ◇ **2021** - American Cancer Society “Relay for Life” recognized the City for their Ruby Platinum Level Sponsorship.



IV. COMPLIANCE SECTION

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards
Fiscal Year Ended September 30, 2021

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant 2016	14.218	B16MC120040	\$ 779,286	\$ 750
Community Development Block Grant 2017	14.218	B17MC120040	761,981	125
Community Development Block Grant 2018	14.218	B18MC120040	822,253	23,725
Community Development Block Grant 2019	14.218	B19MC120040	880,770	161,090
Community Development Block Grant 2020	14.218	B20MC120040	926,495	308,413
Community Development Block Grant 2020-CARES	14.218	B20MW120040	1,400,666	52,092
Neighborhood Stabilization Program (NSP2010)	14.218	B-11-MN-120022	2,330,542	13,453
Sub-total	14.218			559,648
<i>Pass-Through Broward County</i>				
HOME Investment Partnerships Program 2016	14.239	16-HFCD-175_HOME	198,599	3,163
Total U.S. Department of Housing and Urban Development				\$ 562,811
U.S. Department of Justice				
Coronavirus Emergency Supplemental Funding-CARES	16.034	2020-VD-BX-1242	\$ 80,017	\$ 41,988
<i>Pass-Through the Office of the Attorney General</i>				
Victim of Crime Act Grant (VOCA) 2020	16.575	VOCA-2020-00593	33,426	26,663
Public Safety Partnership (SVPP)	16.710	2018-SVWX-0008	500,000	500,000
Total U.S. Department of Justice				\$ 568,651
U.S. Department of Agriculture				
<i>Pass-Through Florida Department of Education</i>				
School Breakfast Program	10.553	18098	\$ 937,205	\$ 937,205
National School Lunch Program	10.555	18098	2,288,512	2,288,512
<i>Pass-Through Florida Department of Agriculture & Consumer Services</i>				
School Nutrition Programs Emergency Operational (SNPEO)	10.555	21018	141,866	141,866
NSLP Non-Cash Assistance (Commodities)	10.555	2040	94,028	94,028
Sub-total	10.555			2,524,406
Total U.S. Department of Agriculture				\$ 3,461,611
U.S. Department of Education				
<i>Pass-Through the Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	371-2631B-1CB01	\$ 78,021	\$ 78,021
<i>Pass-Through the School Board of Broward County</i>				
Individuals with Disabilities Education Act (IDEA)	84.027A	060-2631B-1CB01	18,653	18,653
Sub-total	84.027A			96,674
<i>Pass-Through Florida State University</i>				
Individuals with Disabilities Education Act (IDEA)	84.173A	371-2671B-1CP01	1,169	1,169
English Language Acquisition State Grant	84.365A	371-1021B-1C001	4,539	4,539
<i>Pass-Through the School Board of Broward County</i>				
Governor's Emergency Education Relief (GEER K-12 CTE)-CARES	84.425C	060-1230A-1C002	9,773	9,773
<i>Pass-Through the Broward County School District</i>				
Carl D Perkins Career & Technical Education	84.048A	060-1611B-1CS01	6,087	6,087
<i>Pass-Through the School Board of Broward County</i>				
Elementary and Secondary School Emergency Relief (ESSER)-CARES	84.425D	060-1240A-1C001	1,162,982	1,162,982
<i>Pass-Through the Florida State University</i>				
Elementary and Secondary School Emergency Relief (ESSER)-CARES	84.425D	371-1240A-1C001	56,129	56,129
Sub-total	84.425D			1,219,111
Total U.S. Department of Education				\$ 1,337,353

See Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards.

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards
Fiscal Year Ended September 30, 2021
(Continued)

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
U.S. Department of Homeland Security				
<i>Pass-Through Florida Division of Emergency Management</i>				
Urban Area Strategic Initiative (UASI 2019)	97.067	EMW-2019-SS-00049	\$ 131,631	\$ 131,631
<i>Pass-Through State of Emergency Management</i>				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4337-DR (Irma)	5,229,670	1,696,325
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-3377-DR (Matthew)	6,530	6,530
Sub-total	97.036			1,702,855
Hazard Mitigation Grant Program	97.039	H0118	320,378	113,383
Hazard Mitigation Grant Program	97.039	H0119	314,370	113,700
Hazard Mitigation Grant Program	97.039	H0120	334,207	115,021
Hazard Mitigation Grant Program	97.039	H0122	332,888	134,573
Hazard Mitigation Grant Program	97.039	H0123	319,838	109,465
Hazard Mitigation Grant Program	97.039	H0124	160,320	60,896
Hazard Mitigation Grant Program	97.039	H0134	251,113	183,744
Hazard Mitigation Grant Program	97.039	H0139	779,250	343,874
Hazard Mitigation Grant Program	97.039	H0168	833,984	605,889
Sub-total	97.039			1,780,545
Assistance To Firefighters Grant	97.044	EMW-2019-FG-04732	70,919	68,990
Total U.S. Department of Homeland Security				\$ 3,684,021
U.S. Department of Health and Human Services				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Older Americans Act- IIIB - 2020	93.044	JA120-10-2020	\$ 329,467	\$ 57,817
Older Americans Act- IIIB - 2021	93.044	JA121-10-2021	329,464	126,019
Sub-total	93.044			183,836
Special Programs for the Aging -CARES	93.045	JB8311F-10-2021	18,691	3,540
Older Americans Act- IIIE - 2020	93.052	JA-120-10-2020	88,728	446
Older Americans Act- IIIE - 2021	93.052	JA-121-10-2021	88,728	16,625
Older Americans Act- IIIE - 2020- CARES	93.052	JCA20-10-2021	21,659	1,635
Sub-total	93.052			18,706
Energy Assistance -2020-2021	93.568	JP219-10-2021	25,339	12,681
Energy Assistance -2020-2021- CARES	93.568	JPC20-10-2021	18,987	17,958
Sub-total	93.568			30,639
Total U.S. Department of Health and Human Services				\$ 236,721
U.S. Department of National Endowment for the Humanities				
<i>Pass-Through Florida Humanities Council</i>				
Promotion of the Humanities Federal-State Partnership	46.129	GR-0719-4662-2560	\$ 5,000	\$ 5,000
Total U.S. Department of National Endowment for the Humanities				\$ 5,000
U.S. Department of Transportation				
<i>Pass-Through University of South Florida</i>				
Highway Planning and Construction 2021	20.205	G1B36	\$ 6,273	\$ 6,244
<i>Pass-Through Florida Department of Transportation</i>				
Capital Assistance Program/5310 (2020)	20.513	435210-4-93-17	179,602	175,236
Total U.S. Department of Transportation				\$ 181,480
U.S. Department of Treasury				
<i>Pass-Through Florida Housing Finance Corporation</i>				
Coronavirus Relief Fund 2020 - CARES	21.019	135-2020	\$ 1,056,000	\$ 743,649
<i>Pass-Through Broward County</i>				
Coronavirus Relief Fund 2020 - CARES	21.019	None	7,283,190	1,770,790
Total U.S. Department of Treasury				\$ 2,514,439
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 12,552,087

See Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards.

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards
Fiscal Year Ended September 30, 2021
(Continued)

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
Florida Department of Elder Affairs				
<i>Pass-Through Areawide Council on Aging of Broward County, Inc.</i>				
Local Services Program -2020	65.009	JA120-10-2021	\$ 231,155	\$ 74,836
Local Services Program -2021	65.009	JA121-10-2022	231,155	<u>38,982</u>
Total Florida Department of Elder Affairs				\$ 113,818
Florida Department of State and Secretary of State				
General Program Support Grant 20-21	45.061	21.c.ps.114.128	\$ 47,649	\$ 47,399
General Program Support Grant 21-22	45.061	22.c.ps.114.322	77,474	<u>21,939</u>
Total Florida Department of State and Secretary of State				\$ 69,338
Florida Housing Finance Agency				
State Housing Initiatives Partnership (S.H.I.P.) - F/Y17-18	40.901	N/A	\$ 726,367	\$ 341,294
State Housing Initiatives Partnership (S.H.I.P.) - F/Y18-19	40.901	N/A	213,839	5,336
State Housing Initiatives Partnership (S.H.I.P.) - F/Y19-20	40.901	N/A	281,517	25,751
State Housing Initiatives Partnership (S.H.I.P.) - F/Y20-21	40.901	N/A	6,902	6,902
State Housing Initiatives Partnership (S.H.I.P.) - F/Y21-22	40.901	N/A	1,116,001	<u>18,446</u>
Total Florida Housing Finance Agency				\$ 397,729
Florida Department of Education				
<i>Pass Through the School Board of Broward County</i>				
Safety and Security of School Buildings	N/A	060-93190-9D001	\$ 191,503	\$ 191,503
Safety and Security of School Buildings	N/A	060-93190-0D001	94,054	94,054
<i>Pass Through the Florida State University</i>				
Safety and Security of School Buildings	N/A	371-93190-9D001	100,000	100,000
Safety and Security of School Buildings	N/A	371-93190-0D002	50,000	<u>27,453</u>
Total Florida Department of Education				\$ 413,010
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				\$ 993,895

See Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards.

City of Pembroke Pines, Florida
Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards
Fiscal Year Ended September 30, 2021
(Continued)

<u>Local Agency/Pass-Through Grantor/Program Title</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
<u>Local Awards/Program Title</u>			
<i>Broward County Local Awards</i>			
Broward County Transit Grant	N/A	\$ 606,625	\$ 606,625
OAA Older American Act IIIB-Broward Cash Match - 2020	JA120-10-2020	43,867	6,936
OAA Older American Act IIIB-Broward Cash Match - 2021	JA121-10-2021	43,867	23,939
<i>Total Broward County Local Awards</i>			<u>\$ 637,500</u>
<i>TOTAL EXPENDITURES OF LOCAL AWARDS</i>			<u>\$ 637,500</u>

See Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards.

City of Pembroke Pines, Florida
Notes to the Schedule of Expenditures of Federal Awards,
State Financial Assistance and Local Awards
For the Year Ended September 30, 2021

NOTE A. BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance, and Local Awards (the "Schedule") includes the federal, state and local grant activity of the City of Pembroke Pines, Florida and is presented on the modified accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments, and Nonprofit Organizations, and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. No later than sixty days prior to the close of the current fiscal year, the City Manager submits to the City Commission a budget estimate of the expenditures and revenues of all City departments and divisions for the fiscal year commencing the following October 1.

Contingency

The federal, state, and local awards received are subject to audit and adjustment. If any expenditures are disallowed by grantor agency as result of such audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

Indirect Cost Rate

For federal awards, the City has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for certain grants that allow the use of the 10% de minimis indirect cost rate.

Prior Year Expenditures

The Schedule includes financial assistance from the U.S. Department of Homeland Security in the amount of \$1,702,855 that represents expenditures from the 2017 and 2018 fiscal years.



**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**

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Pembroke Pines, Florida's basic financial statements, and have issued our report thereon dated April 25, 2022. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds for Firefighters and Police Officers, as described in our report on the City of Pembroke Pines, Florida's financial statements. This report does not include the result of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pembroke Pines, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 City of Pembroke Pines, Florida's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pembroke Pines, Florida's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
April 25, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

Report on Compliance for Each Major Federal Program and State Projects

We have audited the City of Pembroke Pines, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2021. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Pembroke Pines, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

GLSC & Company, PLLC

Miami, Florida
April 25, 2022

**CITY OF PEMBROKE PINES, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE, AND LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Continued)**

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

PRIOR YEAR FINANCIAL STATEMENT FINDING

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.



MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Honorable Mayor, City Commissioners, and City Manager
City of Pembroke Pines, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pembroke Pines, Florida (the "City"), as of and for the year ended September 30, 2021, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 25, 2022. We did not audit the financial statements of the Pension Trust Fund for Firefighters and Police Officers, which represents 70 percent of the total net position, 69 percent of the total additions, and 62 percent of deductions of the fiduciary fund totals. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amount included for the Pension Trust Fund for Firefighters and Police Officers is based solely on the reports of the other auditors.

AUDITORS' RESPONSIBILITY

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 25, 2022, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

OFFICIAL TITLE AND LEGAL AUTHORITY

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Pembroke Pines, Florida was incorporated in accordance with House Bill No. 1413 on June 20, 1960. There are no component units related to the City.

FINANCIAL CONDITION AND MANAGEMENT

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was performed as of September 30, 2021.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

ADDITIONAL MATTERS

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

PURPOSE OF THIS LETTER

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

GLSC & Company, PLLC

Miami, Florida
April 25, 2022



**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE PURSUANT
TO SECTION 218.415 FLORIDA STATUTES**

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

We have examined City of Pembroke Pines, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements. In our opinion, the City complied, in all material respects, with the specified requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of management, the Mayor, the City Commission, others within the City and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

Miami, Florida
April 25, 2022