

# Town of Pomona Park

“On Beautiful Lake Broward”



Annual Financial Report

September 30, 2021

**TOWN OF POMONA PARK, FLORIDA  
TABLE OF CONTENTS  
SEPTEMBER 30, 2021**

Independent Auditors' Report.....	1 - 3
Management's Discussion and Analysis.....	4 - 8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities.....	10
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	11
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund	
Balances – Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	14
Notes to Financial Statements .....	15 - 23
Required Supplementary Information	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund.....	25
Better Place Fund .....	26
Fuel Tax Fund .....	27

**Other Reports**

Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with <i>Government Auditing Standards</i> .....	29 - 30
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General .....	31 - 33
Independent Accountants' Examination Report.....	34
Management's Response to Current Year Findings.....	35 - 36

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Council,  
Town of Pomona Park:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Pomona Park (the Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibility of Management for the Financial Statements***

The Town's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditors' Responsibility***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town's ability to continue as a going concern for a reasonable period of time.

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

### ***Emphasis of Matter***

As discussed in Note (9) to the financial statements, certain errors resulting in overstatements and understatements of amounts previously reported as of September 30, 2020, were discovered by us and corrected by management. Accordingly, an adjustment has been made to the beginning of year governmental activities net position, general fund balance, better place fund balance, and fuel tax fund balance. Our opinion is not modified with respect to that matter.

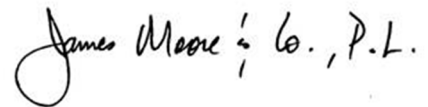
### ***Required Supplementary Information***

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2022, on our consideration of the Town'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida  
June 6, 2022

**TOWN OF POMONA PARK, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

As management of the Town of Pomona Park, Florida, we offer readers of the Town of Pomona Park, Florida's financial statements this narrative overview and analysis of the financial activities of the Town of Pomona Park, Florida for the fiscal year ended September 30, 2021.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Pomona Park, Florida's basic financial statements. The Town of Pomona Park, Florida's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town of Pomona Park, Florida's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Pomona Park, Florida is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Pomona Park, Florida that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town of Pomona Park, Florida include general government, public safety, transportation, and culture/recreation.

The government-wide financial statements can be found on pages 9 – 10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pomona Park, Florida, 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 Town of Pomona Park, Florida are governmental 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 a government's near-term financing requirements.

**TOWN OF POMONA PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(Continued)

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

The Town of Pomona Park, Florida adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

**Notes to the 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 financial statements can be found on pages 15 – 23 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Pomona Park, Florida, assets exceeded liabilities by \$932,278 at the close of the most recent fiscal year.

The largest portion of the Town of Pomona Park, Florida's net position (49 percent) reflects its restricted balance related to infrastructure and transportation. The second largest portion of the Town of Pomona Park, Florida's net position (27 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Pomona Park, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town of Pomona Park, Florida'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 from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net position* (221,749) may be used to meet the government's ongoing obligations to citizens and creditors.

**TOWN OF POMONA PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(Continued)

**Town of Pomona Park, Florida's Condensed Statement of Net Position**

	Governmental Activities		Total	
	2021	2020	2021	2020
Current and other assets	\$ 940,437	\$ 568,545	\$ 940,437	\$ 568,545
Capital assets	259,159	1,297,681	259,159	1,297,681
Total assets	1,199,596	1,866,226	1,199,596	1,866,226
Long-term liabilities outstanding	7,089	4,283	7,089	4,283
Other liabilities	260,229	24,080	260,229	24,080
Total liabilities	267,318	28,363	267,318	28,363
Net position:				
Net investment in capital assets	254,025	1,297,681	254,025	1,297,681
Restricted	456,504	361,705	456,504	361,705
Unrestricted	221,749	178,477	221,749	178,477
Total net position	\$ 932,278	\$ 1,837,863	\$ 932,278	\$ 1,837,863

**Governmental activities.** Governmental activities increased the Town of Pomona Park, Florida's net position by \$77,522. The Town noticed an overall decrease in grant activity and also recognized an increase state revenue received during the year.

**Town of Pomona Park, Florida's Condensed Statement of Activities**

	Governmental Activities		Total	
	2021	2020	2021	2020
Revenues:				
Program revenues:				
Charges for services	\$ 1,584	\$ 427	\$ 1,584	\$ 427
Operating grants and contributions	77,238	-	77,238	-
Capital grants and contributions	12,000	-	12,000	-
General revenues:				
Taxes	431,226	428,412	431,226	428,412
Other state-shared	36,115	40,072	36,115	40,072
Other	9,597	30,633	9,597	30,633
Total revenues	567,760	499,544	567,760	499,544
Expenses:				
General government	200,551	214,049	200,551	214,049
Planning and code enforcement	913	-	913	-
Public safety	28,655	64,972	28,655	64,972
Transportation	153,086	164,468	153,086	164,468
Culture and recreation	106,557	134,874	106,557	134,874
Interest on long-term debt	476	526	476	526
Total expenses	490,238	578,889	489,325	578,889
Increase (decrease) in Net position	77,522	(79,345)	78,435	(79,345)
Net position, beginning of year, as restated	854,756	1,917,208	854,756	1,276,615
Net position, end of year	\$ 932,278	\$ 1,837,863	\$ 933,191	\$ 1,197,270



**TOWN OF POMONA PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(Continued)

**Financial Analysis of the Government's Funds**

As noted earlier, the Town of Pomona Park, Florida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town of Pomona Park, Florida's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Pomona Park, Florida's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Pomona Park, Florida. At the end of the current fiscal year, unassigned fund balance and total fund of the general fund was \$80,045. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 18 percent of total general fund expenditures.

The fund balance of the Town of Pomona Park, Florida's general fund increased by \$4,425 during the 2020/2021 due to an increase in the taxes collected (including property taxes, discretionary sales surtax, local option gas tax, utility tax, and half cent sales tax).

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Pomona Park, Florida's investment in capital assets for its governmental activities as of September 30, 2021 amounts to \$254,025 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and vehicles and equipment, park facilities and roads. The total decrease in the Town of Pomona Park, Florida's investment in capital assets for the current fiscal year was \$1,043,656 due to a review and adjustment to the capital asset detail.

Major capital asset events during the current fiscal year included the following:

- Donated truck for \$12,000 for the year ended September 30, 2021.

**Town of Pomona Park, Florida's Capital Assets**

	Governmental Activities		Total	
	2021	2020	2021	2020
Land	\$ 100,653	\$ 56,851	\$ 100,653	\$ 56,851
Construction in progress	-	-	-	-
Buildings and improvements	354,157	2,871,250	354,157	2,871,250
Equipment	164,357	281,975	164,357	281,975
Accumulated depreciation	(360,008)	(1,912,395)	(360,008)	(1,912,395)
Total	<u>\$ 259,159</u>	<u>\$ 1,297,681</u>	<u>\$ 259,159</u>	<u>\$ 1,297,681</u>

Additional information on the Town of Pomona Park, Florida's capital assets can be found in Note 6 on of this report.

**TOWN OF POMONA PARK, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2021**  
(Continued)

**Long-term debt.** The Town of Pomona Park, Florida had one lease for a total of 5,134 and 6,748 outstanding and due for fiscal years 2019/2020 and 2020/2021, respectively.

**Economic Factors and Next Year's Budgets and Rates**

- The Town continues to anticipate an increase with inflation for the cost of all goods and services that the Town uses.
- The Town continues to incur additional costs of \$15,000 for previous fiscal year audit preparation along with additional \$4,000 for a single audit.
- The Town is anticipating hiring an additional full-time person to the Public Works department.
- The Town is anticipating an incremental ad valorem tax increase due to the purchase and improvement of properties located in the town.
- The Town is estimated to receive a CDBG grant in the amount of \$600,000,
- ARPA funding will increase the Town's budget by approximately \$234,000.

All of these factors were considered in preparing the Town of Pomona Park, Florida's budget for the 2021/2022 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Pomona Park, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Andrea Almeida, Town Clerk, P.O. Box 518, Pomona Park, FL 32181.

**TOWN OF POMONA PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 890,412
Receivables, net	12,661
Due from other governments	37,364
Capital assets:	
Land	100,653
Buildings and Improvements	354,157
Equipment	164,357
Accumulated depreciation	(360,008)
Total assets	\$ 1,199,596
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 16,362
Unearned revenue	230,393
Noncurrent liabilities:	
Due within one year:	
Lease payable	1,902
Compensated absences	11,572
Due in more than one year:	
Lease payable	3,232
Compensated absences	3,857
Total liabilities	\$ 267,318
<b>NET POSITION</b>	
Net investment in capital assets	\$ 254,025
Restricted for:	
Infrastructure - Better Place	379,128
Transportation	77,376
Unrestricted	221,749
Total net position	\$ 932,278

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF POMONA PARK, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
General government	\$ 200,551	\$ 1,049	\$ 761	\$ -	\$ (198,741)	\$ (198,741)
Planning and code enforcement	913	420	-	-	(493)	(493)
Public safety	28,655	115	-	-	(28,540)	(28,540)
Transportation	153,086	-	76,477	12,000	(64,609)	(64,609)
Culture and recreation	106,557	-	-	-	(106,557)	(106,557)
Interest on long-term debt	476	-	-	-	(476)	(476)
Total governmental activities	<u>490,238</u>	<u>1,584</u>	<u>77,238</u>	<u>12,000</u>	<u>(399,416)</u>	<u>(399,416)</u>
Total primary government	<u>\$ 490,238</u>	<u>\$ 1,584</u>	<u>\$ 77,238</u>	<u>\$ 12,000</u>	<u>(399,416)</u>	<u>(399,416)</u>
General revenues:						
Property taxes					175,624	175,624
Sales taxes					147,938	147,938
Utility taxes					43,871	43,871
Franchise fees					40,931	40,931
Communications service tax					22,862	22,862
Intergovernmental not restricted to a specific program					36,115	36,115
Miscellaneous revenues					9,597	9,597
Total general revenues and transfers					<u>476,938</u>	<u>476,938</u>
Change in net position					77,522	77,522
Net position - beginning of year, as restated					854,756	854,756
Net position - ending of year					<u>\$ 932,278</u>	<u>\$ 932,278</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF POMONA PARK, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>General</u>	<u>Better Place Fund</u>	<u>Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 511,789	\$ 313,501	\$ 65,122	\$ 890,412
Receivables, net	12,661	-	-	12,661
Due from other governments	16,490	17,855	3,019	37,364
Due from other funds	-	47,772	9,235	57,007
Total assets	<u>\$ 540,940</u>	<u>\$ 379,128</u>	<u>\$ 77,376</u>	<u>\$ 997,444</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 16,362	\$ -	\$ -	\$ 16,362
Unearned revenue	230,393	-	-	230,393
Due to other funds	57,007	-	-	57,007
Total liabilities	<u>303,762</u>	<u>-</u>	<u>-</u>	<u>303,762</u>
<b>FUND BALANCES</b>				
Restricted for:				
Infrastructure - Better Place	-	379,128	-	379,128
Transportation	-	-	77,376	77,376
Assigned to:				
Subsequent year's budget	157,133	-	-	157,133
Unassigned	80,045	-	-	80,045
Total fund balances	<u>237,178</u>	<u>379,128</u>	<u>77,376</u>	<u>693,682</u>
Total liabilities and fund balances	<u>\$ 540,940</u>	<u>\$ 379,128</u>	<u>\$ 77,376</u>	<u>\$ 997,444</u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF POMONA PARK, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

<b>Fund balances - total governmental funds</b>		\$	693,682
Amounts reported for governmental activities in the statement of activities are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			
Total governmental capital assets			619,167
Less: accumulated depreciation			(360,008)
			259,159
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:			
Lease payable			(5,134)
Compensated absences			(15,429)
			(20,563)
<b>Net position of governmental activities</b>			<b>\$ 932,278</b>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF POMONA PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>General</u>	<u>Better Place Fund</u>	<u>Fuel Tax Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 310,234	\$ 97,282	\$ 18,218	\$ 425,734
Permits and fees	420	-	-	420
Intergovernmental	119,133	-	-	119,133
Fines and forfeitures	115	-	-	115
Investment income	19	59	11	89
Miscellaneous	10,269	-	-	10,269
Total revenues	<u>440,190</u>	<u>97,341</u>	<u>18,229</u>	<u>555,760</u>
<b>Expenditures</b>				
Current:				
General government	190,691	-	-	190,691
Planning and code enforcement	913	-	-	913
Public safety	28,964	-	-	28,964
Transportation	113,787	39,540	-	153,327
Culture and recreation	99,320	-	-	99,320
Debt service:				
Principal retirement	1,614	-	-	1,614
Interest and fiscal charges	476	-	-	476
Total expenditures	<u>435,765</u>	<u>39,540</u>	<u>-</u>	<u>475,305</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,425</u>	<u>57,801</u>	<u>18,229</u>	<u>80,455</u>
<b>Net change in fund balances</b>	<u>4,425</u>	<u>57,801</u>	<u>18,229</u>	<u>80,455</u>
<b>Fund balances, beginning of year, as restated</b>	232,753	321,327	59,147	613,227
<b>Fund balances, end of year</b>	<u><u>\$ 237,178</u></u>	<u><u>\$ 379,128</u></u>	<u><u>\$ 77,376</u></u>	<u><u>\$ 693,682</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**TOWN OF POMONA PARK, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Net change in fund balances - total governmental funds</b>	\$	80,455
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Depreciation expense		(22,733)
Contributed capital assets		12,000
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:		
Principal repayment of general long-term debt		1,614
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:		
Change in compensated absences liability		6,186
<b>Change in net position of governmental activities</b>	<u>\$</u>	<u>77,522</u>

The accompanying notes to financial statements are an integral part of this statement.



**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:**

The financial statements of the Town of Pomona Park, Florida (the Town), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the Town has adopted the GASB Codification. The following is a summary of the Town's significant accounting policies:

(a) **Reporting entity**— The Town of Pomona Park (the Town) is a political subdivision of the State of Florida located in Putnam County. The Town of Pomona Park was incorporated under the Laws of Florida on May 14, 1894 and under the Laws of Florida 6755 Acts of 1913. The legislative branch of the Town is comprised of a seven (7) member elected Council. The Town Council is governed by the Town Charter and by state and local laws and regulations. The Town Council is responsible for the establishment, adoption and execution of policy.

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable funds governed by the Town Council of the Town, the reporting entity of government for which the Town Council is considered to be financially accountable. In evaluating the Town as a reporting entity, management has addressed all potential component units that may or may not fall within the Town's oversight and control, and thus, be included in the Town's financial statements. No such entities or component units have been identified.

(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 nonfiduciary activities of the Town. 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 charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included in program revenues are reported instead as general revenues.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds 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 Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, 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 Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

**General Fund**—The General Fund is the principal fund of the Town which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town other than proprietary fund activities are financed through revenues received by the General Fund.

**Better Place Fund**—The Better Place Fund for the receipt and expenditure of the additional one cent discretionary sales tax from Putnam County for capital projects.

**Fuel Tax Fund**—The Fuel Tax Fund accounts for the receipt and expenditure related to 1 to 5 cents local option fuel tax from Putnam County for capital projects.

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

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Budgets and budgetary accounting**—Annual budgets for all governmental funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The Town uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. Prior to the first day of the new fiscal year, the Town Clerk submits to the Town Council a budget for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the Town Clerk and Finance Committee as needed.
- iii. The general summary of the budget and notice of public hearing is made available to the public.
- iv. Prior to October 1st, the budget is legally enacted through passage of an ordinance.
- v. The Town Council, by ordinance, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue.
- vi. The Town Council may, by ordinance, transfer part or all of any unencumbered appropriation balance to other functional classifications.
- vii. Budgetary control is exercised at the fund level.
- viii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the Town Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general and special revenue funds have legally adopted budgets.

(e) **Deposits and investments**—Cash consists of amounts held in demand deposits. Cash equivalents consist of short term investments having a maturity date of less than three months from the date acquired. Investments are reported at fair value.

(f) **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 “due to/from other funds” (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” All property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(g) **Inventories and prepaid items**—When applicable, the cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

When applicable, 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.

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the Town.

Capital assets are defined by the Town as assets with an initial individual cost of \$1,000 or more. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses. Donated assets are recorded at estimated acquisition value at the date of donation

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows.

Assets	Years
Buildings	20-40 years
Improvements other than buildings	10-30 years
Equipment	3-30 years
Infrastructure	20-40 years

(i) **Compensated absences**—The Town reports compensated absences in the applicable governmental activity columns in the governmental-wide financial statements. The portion of employee payroll costs paid subsequent to year-end attributable to services performed prior to year-end and accumulated unpaid vacation, sick-leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability.

(j) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Original issue bond premiums and discounts 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. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(k) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

*Restricted* – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Committed* – amounts constrained to specific purposes based on actions taken by the Town Council through ordinance.

*Assigned* – amounts the Town intends to use for a specific purpose. Intent can be expressed by Town Council or by an official or body which the Town Council delegates authority.

*Unassigned* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the Town considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

(l) **Property taxes**— Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

(m) **Net position flow assumption**—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Town’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

**TOWN OF POMONA PARK  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All of the bank balance is covered by Federal depository insurance or by collateral held by the Town’s custodial banks, which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

(4) **Accounts Receivable:**

The Town’s receivables consisted of the following at September 30, 2021:

	<u>Gross Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Governmental Activities:			
General Fund	\$ 12,661	\$ -	\$ 12,661
Total	<u>\$ 12,661</u>	<u>\$ -</u>	<u>\$ 12,661</u>

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(5) Interfund Loans:**

The outstanding balances between funds are short-term loans to cover short-term cash flow needs and expected to be repaid in full over the course of the next fiscal year. Individual fund interfund receivables and payables for the primary government at September 30, 2021, are comprised of the following:

	<b>Due From Other Funds</b>	<b>Due to Other Funds</b>
Governmental Activities:		
General Fund:		
Better Place Fund	\$ -	\$ 47,772
Fuel Tax Fund	-	9,235
Better Place Fund:		
General Fund	47,772	-
Fuel Tax Fund:		
General Fund	9,235	-
	<u>57,007</u>	<u>57,007</u>
Totals – All Funds	<u>\$ 57,007</u>	<u>\$ 57,007</u>

**(6) Capital Assets:**

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

**Governmental activities:**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 100,653	\$ -	\$ -	\$ 100,653
Total assets not being depreciated	<u>100,653</u>	<u>-</u>	<u>-</u>	<u>100,653</u>
Capital assets being depreciated:				
Buildings	160,200	-	-	160,200
Improvements other than buildings	193,957	-	-	193,957
Furniture, fixtures and equipment	152,357	12,000	-	164,357
Total assets being depreciated	<u>506,514</u>	<u>12,000</u>	<u>-</u>	<u>518,514</u>
Less accumulated depreciation for:				
Less: accumulated depreciation	(337,275)	(22,733)	-	(360,008)
Total capital assets being depreciated, net	<u>169,239</u>	<u>(10,733)</u>	<u>-</u>	<u>158,506</u>
Governmental activities capital assets, net	<u>\$ 269,892</u>	<u>\$ (10,733)</u>	<u>\$ -</u>	<u>\$ 259,159</u>

**TOWN OF POMONA PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(6) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 11,716
Transportation	1,800
Culture and recreation	9,217
Total depreciation expense - governmental activities	<u>\$ 22,733</u>

(7) **Long-Term Liabilities:**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Leases payable	\$ 6,748	\$ -	\$ (1,614)	\$ 5,134	\$ 1,902
Compensated absences	21,615	7,393	(13,579)	15,429	11,572
Total long-term liabilities	<u>\$ 28,363</u>	<u>\$ 7,393</u>	<u>\$ (15,193)</u>	<u>\$ 20,563</u>	<u>\$ 13,474</u>

**Capital Leases**—The Town has a lease agreement for financing the acquisition of office equipment. These lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 7,621
Less: Accumulated depreciation	(4,128)
Total	<u>\$ 3,493</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2022	\$ 2,232
2023	2,233
2024	1,194
Total minimum lease payments	5,659
Amounts representing interest	(525)
Present value of minimum lease payments	<u>\$ 5,134</u>



**TOWN OF POMONA PARK  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**(8) Risk Management:**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by limited risk, high deductible commercial general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**(9) Restatement of Fund Balance and Net Position:**

Relating to the general fund, better place fund balance, and fuel tax fund balance, it was determined during the year ended September 30, 2020, certain accruals related to intergovernmental revenue were incorrect. There were also government-wide capital assets that were removed. Beginning fund balance and net position have been restated for these effects.

	<u>General Fund</u>	<u>Better Place Fund</u>	<u>Fuel Tax Fund</u>	<u>Governmental Activities</u>
Unadjusted fund balance/net position, 9/30/2020	\$ 206,840	\$ 305,487	\$ 56,218	\$ 1,837,863
Add: State tax adjustments at 9/30/2020	25,913	15,840	2,929	44,682
Less: Capital asset adjustments at 9/30/2020	-	-	-	(1,027,789)
Adjusted fund balance/net position, 9/30/2020	<u>\$ 232,753</u>	<u>\$ 321,327</u>	<u>\$ 59,147</u>	<u>\$ 854,756</u>

**(10) Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Town's financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. 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. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF POMONA PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$ 247,153	\$ 247,153	\$ 269,303	\$ 22,150
Permits and fees	36,500	36,500	41,351	4,851
Intergovernmental	797,155	797,155	119,133	(678,022)
Fines and forfeitures	100	100	115	15
Investment income	60	60	19	(41)
Miscellaneous	8,200	8,200	10,269	2,069
Total revenues	<u>1,089,168</u>	<u>1,089,168</u>	<u>440,190</u>	<u>(648,978)</u>
<b>Expenditures</b>				
Current:				
General government	238,467	238,467	190,691	47,776
Planning and code enforcement	3,900	3,900	913	2,987
Public safety	109,715	109,715	28,964	80,751
Transportation	121,892	121,892	113,787	8,105
Economic environment	600,000	600,000	-	600,000
Culture and recreation	200,898	200,898	99,320	101,578
Debt service:				
Principal retirement	2,250	2,250	1,614	636
Interest and fiscal charges	-	-	476	(476)
Total expenditures	<u>1,277,122</u>	<u>1,277,122</u>	<u>435,765</u>	<u>841,357</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(187,954)</u>	<u>(187,954)</u>	<u>4,425</u>	<u>192,379</u>
<b>Net change in fund balances</b>	<u>(187,954)</u>	<u>(187,954)</u>	<u>4,425</u>	<u>192,379</u>
<b>Fund balances, beginning of year, as restated</b>	232,753	232,753	232,753	-
<b>Fund balances, end of year</b>	<u>\$ 44,799</u>	<u>\$ 44,799</u>	<u>\$ 237,178</u>	<u>\$ 192,379</u>

**TOWN OF POMONA PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BETTER PLACE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 69,900	\$ 69,900	\$ 97,282	\$ 27,382
Investment income	100	100	59	(41)
<b>Total revenues</b>	<u>70,000</u>	<u>70,000</u>	<u>97,341</u>	<u>27,341</u>
<b>Expenditures</b>				
Current:				
General government	17,000	17,000	-	17,000
Transportation	105,000	105,000	39,540	65,460
Culture and recreation	102,000	102,000	-	102,000
<b>Total expenditures</b>	<u>224,000</u>	<u>224,000</u>	<u>39,540</u>	<u>184,460</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(154,000)</u>	<u>(154,000)</u>	<u>57,801</u>	<u>211,801</u>
<b>Net change in fund balances</b>	<u>(154,000)</u>	<u>(154,000)</u>	<u>57,801</u>	<u>211,801</u>
<b>Fund balances, beginning of year, as restated</b>	321,327	321,327	321,327	-
<b>Fund balances, end of year</b>	<u>\$ 167,327</u>	<u>\$ 167,327</u>	<u>\$ 379,128</u>	<u>\$ 211,801</u>

**TOWN OF POMONA PARK, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FUEL TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 16,000	\$ 16,000	\$ 18,218	\$ 2,218
Investment income	15	15	11	(4)
<b>Total revenues</b>	<u>16,015</u>	<u>16,015</u>	<u>18,229</u>	<u>2,214</u>
<b>Expenditures</b>				
Current:				
Transportation	50,000	50,000	-	50,000
<b>Total expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Excess (deficiency) of revenues over     expenditures</b>	<u>(33,985)</u>	<u>(33,985)</u>	<u>18,229</u>	<u>52,214</u>
<b>Net change in fund balances</b>	<u>(33,985)</u>	<u>(33,985)</u>	<u>18,229</u>	<u>52,214</u>
<b>Fund balances, beginning of year, as restated</b>	59,147	59,147	59,147	-
<b>Fund balances, end of year</b>	<u>\$ 25,162</u>	<u>\$ 25,162</u>	<u>\$ 77,376</u>	<u>\$ 52,214</u>

**OTHER REPORTS**

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

To the Honorable Mayor and Town Council,  
Town of Pomona Park:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Town of Pomona Park, Florida (the Town), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 6, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency below to be a material weakness:

**2021-001 – Reconciliation of Account Balances**

We proposed and management agreed to a number of account balances required adjustments, including revenues, expenditures/expenses, payables, receivables, and beginning equity, in order to be in compliance with generally accepted accounting principles in the United States of America. We recommend the Town review significant transactions monthly to ensure completeness and accuracy, as well as all account balances at year-end, to ensure proper cutoff and accrual-based reconciliations agree to the general ledger.

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. We consider the finding below to be a significant deficiency:

### **2021-002 – Preparation of Financial Statements**

Professional standards promulgated by the American Institute of Certified Public Accountants provide a system of internal control over financial reporting should allow the Town to prepare financial statements, including note disclosures, in accordance with generally accepted accounting principles (GAAP). While auditors can assist with the preparation of financial statements and related footnotes, the financial statements are the responsibility of management. A control deficiency exists in instances where the Town is not positioned to draft financial statements and all required disclosures. However, the outsourcing of these services is not unusual in governmental entities of similar budget and personnel size. For subsequent audit, management may wish to take an active role in the drafting of the financial statements and related disclosures.

### ***Compliance and Other Matters***

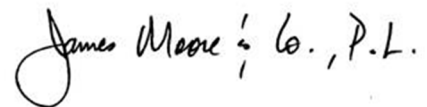
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

### **Management's Response to Findings**

The Town's responses to the findings identified in our audit are outlined as listed in the table of contents. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Gainesville, Florida  
June 6, 2022



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and Town Council,  
Town of Pomona Park:

**Report on the Financial Statements**

We have audited the basic financial statements of Town of Pomona Park (the Town), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 6, 2022.

**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 and Chapter 10.550, Rules of the Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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, which are dated June 6, 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 annual financial audit report. The following is a summary of prior year recommendations:

**2009-IC-1 Segregation of Duties** – Corrective action taken.

**2018-002 Fixed Asset Subsidiary Ledger** – Corrective action taken.

**2020-001 Recording of Employee Time** – Corrective action taken.

**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 legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **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 Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town, 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 Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

### **2021-003 Employee Manual**

We noted during review of the Town Council meeting minutes the Council approved Resolution 2021-2 amending Section 11 in the Employee Manual; however, the manual has not been updated to reflect the change. We recommend the Town update the employee manual as indicated in the minutes.

### **2021-004 Town Budget**

We noted during review of the Town's budget that the budget doesn't balance. Total revenues, transfers, and balances should equal total expenditures, transfers, and fund balances. We recommend that the Town check the formulas in the budget worksheet and also verify the budget balances.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we noted no special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Additional Matters**

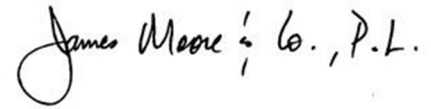
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Management's Response to Findings**

The Town's responses to the findings identified in our audit are described in the letter titled Management's Response to the Auditor's Comments, as listed in the table of contents. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Town Council, management, others within the Town, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Gainesville, Florida  
June 6, 2022

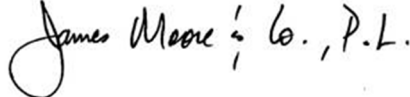
**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Mayor and Town Council,  
Town of Pomona Park, Florida:

We have examined the Town of Pomona Park, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town'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 Town complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Town's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Town of Pomona Park, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.



Gainesville, Florida  
June 6, 2022



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**386-649-4902**

[townclerk@pomonapark.com](mailto:townclerk@pomonapark.com)

## **MANAGEMENT'S RESPONSES TO FINDINGS**

### **2021-001 – Reconciliation of Account Balances**

With further knowledge, the last two months of the fiscal year's revenue are received after the closing of the fiscal year. The months of October and November will be recorded in the previous fiscal year as received.

### **2021-002 – Preparation of Financial Statements**

The Town Clerk and Town Finance Officer will actively be involved in all aspects of the financial statements and related disclosures.

### **2021-003 –Employee Manual**

The Town had a change in Administration before any changes could be made to the manual. The Clerk will has updated the Employee Manual to reflect the changes.

### **2021-004 –Town Budget**

The Town Budget Officer will review and verify that all formulas are correct to ensure a balanced budget.

Community Pride Day Proclamation



Public Work Equipment

