

**TOWN OF PEMBROKE PARK, FLORIDA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**



**MAYOR AND TOWN COUNCIL**  
*As of Financial Statement Date*

**Ashira Mohammed**  
Mayor

**Eric Morrissette**  
Vice Mayor

**William R. Hodgkins**  
Clerk Commissioner

**Musfika Kashem**  
Acting Clerk Commissioner

**Geoffrey Jacobs**  
Commissioner

**APPOINTED OFFICIALS**

**Town Manager**  
David Lynch

**Budget & Finance Director**  
James Davermann

**Town Attorney**  
Jacob Horowitz

**Town Clerk**  
Cynthia Garcia-Lima

# Table of Contents

## Financial Section

Independent Auditors' Report.....	1 - 3
Management's Discussion and Analysis.....	4 - 10
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Balance Sheet—Governmental Funds .....	14
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Building Fund.....	19
Statement of Net Position – Proprietary Funds.....	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	21
Statement of Cash Flows – Proprietary Funds .....	22
Statement of Fiduciary Net Position – Fiduciary Funds .....	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	24
Notes to Financial Statements .....	25 - 50
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios.....	52
Schedule of Changes in Net Pension Liability and Related Ratios – Town Commissioners Plan.....	53
Schedule of Contributions – Town Commissioners Plan.....	54
Schedules of Investment Returns .....	55
Schedules of Proportionate Share of NPL – FRS/HIS .....	56
Schedules of Schedule of Contributions – FRS/HIS.....	57

## 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> .....	58 - 60
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General .....	61 - 64
Independent Accountants' Examination Report.....	65
Management's Response to Findings .....	66

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Town Commission,  
Town of Pembroke Park, Florida:

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

#### ***Opinions***

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 Town of Pembroke Park, Florida (the Town), as of and for the year ended September 30, 2024, 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 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 Town, as of September 30, 2024, 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.

#### ***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* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

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

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

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Town's ability to continue as a going concern for a reasonable period of time.

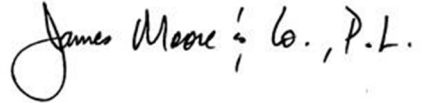
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 30, 2025, 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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" and a stylized "M".

Daytona Beach, Florida  
June 30, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the Town of Pembroke Park, Florida (the Town) offers the readers of these basic financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended September 30, 2024. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. The Town encourages readers to consider the information presented here in conjunction with the financial statements, which follow this section.

### **Financial Highlights**

- The total assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$31,821,955 (net position). Of this amount, \$21,469,888 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$2,545,960 in fiscal year 2024. Net position of the Town's governmental activities (General and Building funds) increased (decreased) by \$1,105,081, while net position of its business-type activities (Sewer and Stormwater funds) increased (decreased) by \$1,440,879.
- The Town's governmental funds reported a combined ending fund balance of \$11,344,093 at the end of the current fiscal year, which increased (decreased) by \$1,865,673 in comparison to the \$9,478,420 reported at the end of the prior fiscal year. Approximately \$9,220,690 of this amount or 81% is available for spending at the Town's discretion (unassigned fund balance).
- At the end of the 2024 fiscal year, unassigned fund balance for the General Fund was \$9,220,690 or 69% of the total fiscal year 2024 General Fund expenditures and transfers out of \$13,420,763.
- The Town's total long-term debt obligations decreased by \$322,500 during the fiscal year, due to scheduled current-year principal maturities/reductions on a note payable. The Town's combined long-term commitment for compensated absences totaled \$208,488 at year-end.

### **Overview of the Financial Statements**

The Town's basic financial statements are comprised of three parts: 1) management's discussion and analysis, 2) the basic financial statements, including notes to the financial statements, and 3) required supplementary information, including various pension-related schedules.

Management's discussion and analysis (MD&A) is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management's examination and analysis of the Town's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, as well as other management tools were used for this analysis.

The basic financial statements include two kinds of statements that present different views of the Town. The first two statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the Town's overall financial status, including its governmental activities and its business-type activities. These statements report information about the Town using full accrual accounting methods, and an economic resources focus, as utilized by similar business activities in the private sector. Information concerning the Town's assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. However, rate-regulated accounting principles

applicable to private sector utilities are not used by governmental utilities. The remaining statements are fund financial statements that focus on individual parts of the Town government and report the Town's operations in more detail than the government-wide financial statements. The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending. Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the Town's water utility system. Fiduciary fund statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others (like the retirement plan for the Town's police officers), to whom the resources in question belong.

The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Town's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. This section also contains budgetary comparisons for the Town's governmental fund activities.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The basic financial statements of the Town include a statement of net position and a statement of activities, which are described as follows:

- A statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of its fiscal year, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition.
- The statement of activities presents the results of business operations over the course of the fiscal year and information as to how the Town's net position changed during the 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 the 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., delinquent taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the Town 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 Town include general government services, public safety and building inspection, public works, and recreation and leisure services. The business-type activities of the Town include its sewer and stormwater drainage systems.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and 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. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 15 and 17.

The Town maintains two 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 fund and building fund, both of which are considered to be major funds.

**Proprietary Funds.** Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary fund financial statements, like the government-wide statements, provide both long- and short-term financial information. The Town's two enterprise funds (sewer and stormwater) are the only items included in the business-type activities presented in the government-wide statements. Since the accounting for these operations is similar to that provided in the government-wide financial statements, the fund financial statements provide limited supplemental information in more detail, such as cash flows data. The basic proprietary fund financial statements can be found on pages 20 to 22 of this report.

## **Financial Analysis of the Town as a Whole**

**Net Position.** As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the Town's combined total assets exceeded liabilities (net position) by \$31,821,955 at the end of 2024, compared to \$29,275,995 (as restated) at the end of 2023. This represents a total increase of \$2,545,960 or 8.7% over the amount reported at the end of the prior fiscal year.

The following is a summary of net position at year end:

**Net Position  
September 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>						
Current and other assets	\$ 12,506,904	\$ 10,093,835	\$ 16,960,002	\$ 15,047,481	\$ 29,466,906	\$ 25,141,316
Capital assets	5,983,198	5,347,197	3,920,960	4,321,354	9,904,158	9,668,551
Total assets	\$ 18,490,102	\$ 15,441,032	\$ 20,880,962	\$ 19,368,835	\$ 39,371,064	\$ 34,809,867
<b>DEFERRED OUTFLOWS</b>	\$ 2,620,611	\$ 4,123,705	\$ 411,748	\$ 455,565	\$ 3,032,359	\$ 4,579,270
<b>LIABILITIES</b>						
Current liabilities	\$ 1,385,702	\$ 1,151,921	\$ 299,042	\$ 308,707	\$ 1,684,744	\$ 1,460,628
Noncurrent liabilities:	6,340,537	8,173,639	867,017	970,111	7,207,554	9,143,750
Total liabilities	\$ 7,726,239	\$ 9,325,560	\$ 1,166,059	\$ 1,278,818	\$ 8,892,298	\$ 10,604,378
<b>DEFERRED INFLOWS</b>	\$ 1,497,417	\$ -	\$ 191,753	\$ 51,997	\$ 1,689,170	\$ 51,997
<b>NET POSITION</b>						
Net investment in capital assets	\$ 4,182,495	\$ 5,746,131	\$ 3,920,960	\$ 4,321,352	\$ 8,103,455	\$ 10,067,483
Restricted	2,248,612	-	-	-	2,248,612	-
Unrestricted	5,455,950	4,493,046	16,013,938	14,172,233	21,469,888	18,665,279
Total net position	\$ 11,887,057	\$ 10,239,177	\$ 19,934,898	\$ 18,493,585	\$ 31,821,955	\$ 28,732,762

\*Prior year restatements of beginning fund balance in the current year financial statements have not been reflected in the above prior year amounts.

The most significant component of the Town's net position (approximately 67%) is, by far, its investment in capital assets (land, buildings and equipment), less any related debt used to acquire or construct those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

An additional portion of the Town's net position (7%) represents resources that are subject to external restrictions on how they may be used. Consequently, the remaining 25% of unrestricted net position, represents amounts that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, and totaled \$121,469,888 at year-end, compared to \$18,665,279 in 2023.

**Changes in Net Position.** While the statement of net position shows a snapshot of the Town's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During 2024, total revenues were \$21,036,418 compared to \$19,444,792 in the prior year. Approximately 40% of the Town's revenue came from property taxes, 13% from other taxes, 36% came from fees charged for services, and most of the remaining revenue included state and federal financial assistance and other miscellaneous revenues.

During 2024, expenses were \$18,490,458 as opposed to \$18,842,228 in the prior year, for a decrease of approximately 2%. City-wide, general government expenses account for approximately 23% of the Town's expenses, and sewer/stormwater utility expenses were approximately 20%. The other functions, including the building department, physical environment, public works, and culture and recreation each individually totaled less than 5% of expenses relative to the Town as a whole.

The following is a summary of changes in net position at year end:

**Changes in Net Position  
For the Fiscal Years Ended September 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Property taxes	8,454,669	7,732,974	\$ -	\$ -	\$ 8,454,669	\$ 7,732,974
Other taxes	2,814,067	2,722,873	-	-	2,814,067	2,722,873
Charges for services	2,776,497	2,682,760	4,876,823	4,679,030	7,653,320	7,361,790
Intergovernmental and grants	1,116,691	1,103,669	60,000	-	1,176,691	1,103,669
Other revenues	653,774	185,965	283,897	337,521	937,671	523,486
Total revenues	15,815,698	14,428,241	5,220,720	5,016,551	21,036,418	19,444,792
<b>EXPENSES</b>						
General government	4,175,011	4,764,856	-	-	4,175,011	4,764,856
Public safety	8,396,657	5,593,447	-	-	8,396,657	5,593,447
Building	589,059	841,611	-	-	589,059	841,611
Physical environment	284,665	2,214,367	-	-	284,665	2,214,367
Public works	678,057	681,427	-	-	678,057	681,427
Culture and recreation	552,673	914,000	-	-	552,673	914,000
Sewer and stormwater	-	-	3,779,841	3,832,520	3,779,841	3,832,520
Interest expense	34,495	-	-	-	34,495	-
Total expenses	14,710,617	15,009,708	3,779,841	3,832,520	18,490,458	18,842,228
Transfers	-	473,692	-	(473,692)	-	-
Change in net position	1,105,081	(107,775)	1,440,879	710,339	2,545,960	602,564
Net position, beginning of year	10,781,976	10,346,952	18,494,019	17,783,246	29,275,995	28,130,198
Net position, end of year	\$ 11,887,057	\$ 10,239,177	\$ 19,934,898	\$ 18,493,585	\$ 31,821,955	\$ 28,732,762

\*Prior year restatements of beginning fund balance in the current year financial statements have not been reflected in the above prior year amounts.

**Governmental Activities**

Revenues for the Town's governmental activities totaled \$15,815,698 in 2024. This represents a increase of approximately \$1.4 million more than last year's reported revenues of \$14,428,241, primarily due to increased property tax and interest income revenues.

Governmental activities expenses totaled \$14,710,617 which represents a decrease from the prior year's total of \$15,009,708 of approximately \$300,000, which was primarily due timing differences of one-time expenditures.

**Business-Type Activities**

The major source of operating revenues for the Town's business-type activities is charges for services (sewer and stormwater), which during the year increased to a total of \$4,876,823, or approximately \$200,000 more than utility billings of \$4,679,030 in 2023.

Total operating expenses of the sewer and stormwater funds in 2024 totaled \$3,779,841, compared to \$3,832,520 in 2023, a minimal decrease of approximately \$53,000.

## **Financial Analysis of the Town's Funds**

As stated previously, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town'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'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. As the Town completed the year, its governmental funds reported a combined fund balance of \$11,344,093, which was a change of \$1,865,673 compared with the amount reported last year.

The general fund is the chief operating fund of the Town. As of September 30, 2024, the unassigned fund balance in the general fund totaled \$9,220,690. This unassigned fund balance represents approximately 69% of the Town's general spending requirements experienced during 2024.

The Building Fund is a special revenue fund which was established to separately account for the Town Building Department activity. At the end of 2024, there was a fund balance of \$2,068,463, compared to \$1,614,409 at the end of the prior year.

**Proprietary Funds.** The Town's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$6,795,142 which is an increase of approximately \$1.1 million compared with than last year's reported amount of \$5,733,433. This increase is primarily due to operating income in excess of current year capital needs.

Unrestricted net position of the Stormwater Fund at the end of the year amounted to \$9,218,796 which is an increase of approximately \$800,000 compared with than last year's reported amount of \$8,439,234. This increase is primarily due to operating income in excess of current year capital needs.

## **General Fund Budgetary Highlights**

Actual earned revenues were approximately \$900,000 more than the amounts originally budgeted to be received during the year in the Town's General Fund, primarily due to higher interest income than originally budgeted. Actual expenditures incurred were \$413,898 less than budgeted. There were no budget amendments during the current fiscal year.

## **Capital Assets and Debt Administration**

**Capital Assets.** At September 30, 2024, the Town had a variety of gross investments in a broad range of capital assets, including land, buildings, park facilities, equipment, and infrastructure. See Note (6) for further information on the Town's capital assets.

**Long-Term Debt.** The Town has one revenue note payable totaling \$1,800,703 at year-end, compared to \$2,038,381 in total long-term debt one year earlier. More detailed information about the Town's long-term debt is presented in Note (9) to the financial statements.

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

Many factors are considered each year by the Town Commission in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop uniform user fees that are reasonable, and more importantly, capable of cost recovery. Some of the major factors considered in this process are the local economy, civilian labor force, unemployment rates, and inflation rates.

- The most recent estimates available for unemployment data in Pembroke Park, Broward County, and the State of Florida are compiled by the Florida Department of Commerce. This agency estimates a countywide unemployment rate of 3.9% at the end of September 2024, which is 0.4% higher than the 3.5% rate experienced one year earlier.
- Property tax revenue in fiscal year 2025 is expected to be higher compared to the property taxes collected in fiscal year 2024, primarily as a result of rising property values.
- The fiscal year 2025 budgets utilized the prior year's final adopted budgets and the Town's actual financial results as the baseline from which priority setting and decisions were made to formulate the new budgets. The final budget was further modified to reflect changing revenue projections and anticipated changes in expenditure trends.
- Inflationary trends for Broward County are consistent with those trends experienced at the state and national levels.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Finance Department, Town of Pembroke Park, Florida, 3150 SW 52 Avenue, Pembroke Park, FL 33023.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 5,928,060	\$ 12,073,849	\$ 18,001,909
Investments	5,910,736	4,256,475	10,167,211
Receivables, net	324,321	627,752	952,073
Due from other governments	108,698	-	108,698
Prepaid items	54,940	1,926	56,866
Net pension asset	180,149	-	180,149
Capital assets:			
Capital assets, not being depreciated	3,442,319	498,268	3,940,587
Other capital assets, net of depreciation	2,540,879	3,422,692	5,963,571
Total assets	<u>\$ 18,490,102</u>	<u>\$ 20,880,962</u>	<u>\$ 39,371,064</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 2,615,044	\$ 411,748	\$ 3,026,792
Deferred outflows related to OPEB	5,567	-	5,567
Total deferred outflows	<u>\$ 2,620,611</u>	<u>\$ 411,748</u>	<u>\$ 3,032,359</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 797,210	\$ 299,042	\$ 1,096,252
Customer deposits	25,525	-	25,525
Unearned revenue	159,927	-	159,927
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	242,379	-	242,379
Compensated absences	127,537	-	127,537
Due in more than one year:			
Bonds and notes payable, net	1,558,324	-	1,558,324
Compensated absences	54,659	26,292	80,951
Total OPEB liability	64,498	-	64,498
Net pension liability	4,696,180	840,725	5,536,905
Total liabilities	<u>\$ 7,726,239</u>	<u>\$ 1,166,059</u>	<u>\$ 8,892,298</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 1,497,417	\$ 191,753	\$ 1,689,170
Total deferred inflows	<u>\$ 1,497,417</u>	<u>\$ 191,753</u>	<u>\$ 1,689,170</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 4,182,495	\$ 3,920,960	\$ 8,103,455
Restricted for:			
Building department	2,068,463	-	2,068,463
Pension benefits	180,149	-	180,149
Unrestricted	5,455,950	16,013,938	21,469,888
Total net position	<u>\$ 11,887,057</u>	<u>\$ 19,934,898</u>	<u>\$ 31,821,955</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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	\$ 4,175,011	\$ 1,147,230	\$ 4,943	\$ -	\$ (3,022,838)	\$ -	\$ (3,022,838)
Public safety	8,396,657	531,961	-	-	(7,864,696)	-	(7,864,696)
Building	589,059	1,077,881	-	-	488,822	-	488,822
Physical environment	284,665	-	-	-	(284,665)	-	(284,665)
Public works	678,057	-	356,270	-	(321,787)	-	(321,787)
Culture and recreation	552,673	19,425	-	-	(533,248)	-	(533,248)
Interest on long-term debt	34,495	-	-	-	(34,495)	-	(34,495)
Total governmental activities	<u>14,710,617</u>	<u>2,776,497</u>	<u>361,213</u>	<u>-</u>	<u>(11,572,907)</u>	<u>-</u>	<u>(11,572,907)</u>
Business-type activities:							
Sewer utility	2,687,276	3,356,227	-	11,482	-	680,433	680,433
Stormwater drainage	1,092,565	1,520,596	-	61,334	-	489,365	489,365
Total business-type activities	<u>3,779,841</u>	<u>4,876,823</u>	<u>-</u>	<u>72,816</u>	<u>-</u>	<u>1,169,798</u>	<u>1,169,798</u>
Total primary government	<u>\$ 18,490,458</u>	<u>\$ 7,653,320</u>	<u>\$ 361,213</u>	<u>\$ 72,816</u>	<u>(11,572,907)</u>	<u>1,169,798</u>	<u>(10,403,109)</u>
General revenues:							
Property taxes					8,454,669	-	8,454,669
Public service taxes					127,174	-	127,174
Other taxes					125,289	-	125,289
Franchise and utility taxes					2,561,604	-	2,561,604
State revenue sharing					261,968	-	261,968
Other intergovernmental revenues					493,510	-	493,510
Investment earnings (loss)					649,956	271,081	921,037
Miscellaneous revenues					3,818	-	3,818
Total general revenues and transfers					<u>12,677,988</u>	<u>271,081</u>	<u>12,949,069</u>
Change in net position					1,105,081	1,440,879	2,545,960
Net position - beginning, as restated					10,781,976	18,494,019	29,275,995
Net position - ending					<u>\$ 11,887,057</u>	<u>\$ 19,934,898</u>	<u>\$ 31,821,955</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	<u>General</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 3,691,702	\$ 2,236,358	\$ 5,928,060
Investments	5,910,736	-	5,910,736
Receivables, net	324,321	-	324,321
Due from other governments	108,698	-	108,698
Prepaid items	54,940	-	54,940
Total assets	<u>\$ 10,090,397</u>	<u>\$ 2,236,358</u>	<u>\$ 12,326,755</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 529,406	\$ 167,895	\$ 697,301
Customer deposits	125,434	-	125,434
Unearned revenue	159,927	-	159,927
Total liabilities	<u>814,767</u>	<u>167,895</u>	<u>982,662</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	54,940	-	54,940
Restricted for:			
Building department	-	2,068,463	2,068,463
Unassigned	9,220,690	-	9,220,690
Total fund balances	<u>9,275,630</u>	<u>2,068,463</u>	<u>11,344,093</u>
Total liabilities and fund balances	<u>\$ 10,090,397</u>	<u>\$ 2,236,358</u>	<u>\$ 12,326,755</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

<b>Fund balances - total governmental funds</b>		\$ 11,344,093
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	12,438,850	
Less: accumulated depreciation	(6,455,652)	5,983,198
On the governmental fund statements, a net pension liability (asset) is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability (asset) of the defined benefit pension plans is reported as a noncurrent liability (asset). Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(4,696,180)	
Net pension asset	180,149	
Deferred outflows related to pensions	2,615,044	
Deferred inflows related to pensions	(1,497,417)	(3,398,404)
On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.		
Total OPEB liability	(64,498)	
Deferred outflows related to OPEB	5,567	(58,931)
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:		
Bonds and notes payable	(1,800,703)	
Compensated absences	(182,196)	(1,982,899)
<b>Net position of governmental activities</b>		<b>\$ 11,887,057</b>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>General</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 10,388,757	\$ -	\$ 10,388,757
Licenses, fees, and permits	1,574,486	1,077,278	2,651,764
Intergovernmental	1,020,588	-	1,020,588
Charges for services	519,054	-	519,054
Fines and forfeitures	381,408	-	381,408
Investment income (loss)	649,956	-	649,956
Miscellaneous	199,750	603	200,353
Total revenues	<u>14,733,999</u>	<u>1,077,881</u>	<u>15,811,880</u>
<b>Expenditures</b>			
Current:			
General government	3,786,168	-	3,786,168
Public safety	7,194,677	-	7,194,677
Building	-	525,444	525,444
Physical environment	251,361	-	251,361
Public works	509,097	-	509,097
Culture and recreation	467,721	-	467,721
Capital outlay	936,237	-	936,237
Debt service:			
Principal retirement	237,678	-	237,678
Interest and fiscal charges	37,824	-	37,824
Total expenditures	<u>13,420,763</u>	<u>525,444</u>	<u>13,946,207</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,313,236</u>	<u>552,437</u>	<u>1,865,673</u>
<b>Other financing sources (uses)</b>			
Transfers in	98,382	-	98,382
Transfers out	-	(98,382)	(98,382)
Total other financing sources (uses)	<u>98,382</u>	<u>(98,382)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>1,411,618</u>	<u>454,055</u>	<u>1,865,673</u>
<b>Fund balances, beginning of year, as restated</b>	7,864,012	1,614,408	9,478,420
<b>Fund balances, end of year</b>	<u>\$ 9,275,630</u>	<u>\$ 2,068,463</u>	<u>\$ 11,344,093</u>

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

**TOWN OF PEMBROKE 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, 2024**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 1,865,673</b>
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.	
Capital outlay expenditures	936,237
Depreciation expense	(618,167)
Net book value of capital assets disposed	(81,004)
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	237,678
Write-off of immaterial lease liability	84,822
Governmental funds report contributions to defined benefit pension and OPEB plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future total OPEB/net pension liability. Also included in expense in the statement of activities are amounts required to be amortized in future years related to pensions and OPEB.	
Change in net pension liability and deferred inflows/outflows related to pensions	(1,637,275)
Change in total OPEB liability and deferred inflows/outflows related to OPEB	(9,440)
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 accrued interest on long-term debt	3,329
Change in compensated absences liability	323,228
<b>Change in net position of governmental activities</b>	<b>\$ 1,105,081</b>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<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	\$ 10,642,959	\$ 10,642,959	\$ 10,388,757	\$ (254,202)
Licenses, fees, and permits	1,310,005	1,310,005	1,574,486	264,481
Intergovernmental	780,141	780,141	1,020,588	240,447
Charges for services	613,473	613,473	519,054	(94,419)
Fines and forfeitures	233,879	233,879	381,408	147,529
Investment income	17,932	17,932	649,956	632,024
Miscellaneous	236,272	236,272	199,750	(36,522)
<b>Total revenues</b>	<u>13,834,661</u>	<u>13,834,661</u>	<u>14,733,999</u>	<u>899,338</u>
<b>Expenditures</b>				
Current:				
General government	4,066,943	4,066,943	3,786,168	280,775
Public safety	7,894,234	7,894,234	7,194,677	699,557
Physical environment	306,128	306,128	251,361	54,767
Public works	544,967	544,967	509,097	35,870
Culture and recreation	437,639	437,639	467,721	(30,082)
Capital outlay	308,750	308,750	936,237	(627,487)
Debt service:				
Principal retirement	233,069	233,069	237,678	(4,609)
Interest and fiscal charges	42,931	42,931	37,824	5,107
<b>Total expenditures</b>	<u>13,834,661</u>	<u>13,834,661</u>	<u>13,420,763</u>	<u>413,898</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>1,313,236</u>	<u>1,313,236</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	98,382	98,382
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>98,382</u>	<u>98,382</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1,411,618</u>	<u>1,411,618</u>
<b>Fund balances, beginning of year</b>	7,864,012	7,864,012	7,864,012	-
<b>Fund balances, end of year</b>	<u>\$ 7,864,012</u>	<u>\$ 7,864,012</u>	<u>\$ 9,275,630</u>	<u>\$ 1,411,618</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUILDING FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Licenses, fees, and permits	\$ 919,158	\$ 919,158	\$ 1,077,278	\$ 158,120
Miscellaneous	6,000	6,000	603	(5,397)
Total revenues	<u>925,158</u>	<u>925,158</u>	<u>1,077,881</u>	<u>152,723</u>
<b>Expenditures</b>				
Current:				
Building	820,679	820,679	525,444	295,235
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>830,679</u>	<u>830,679</u>	<u>525,444</u>	<u>305,235</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>94,479</u>	<u>94,479</u>	<u>552,437</u>	<u>457,958</u>
<b>Other financing sources (uses)</b>				
Transfers out	(94,479)	(94,479)	(98,382)	(3,903)
Total other financing sources (uses)	<u>(94,479)</u>	<u>(94,479)</u>	<u>(98,382)</u>	<u>(3,903)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>454,055</u>	<u>454,055</u>
<b>Fund balances, beginning of year</b>	1,614,408	1,614,408	1,614,408	-
<b>Fund balances, end of year</b>	<u>\$ 1,614,408</u>	<u>\$ 1,614,408</u>	<u>\$ 2,068,463</u>	<u>\$ 454,055</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Stormwater Drainage</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 4,965,657	\$ 7,108,192	\$ 12,073,849
Investments	2,000,024	2,256,451	4,256,475
Accounts receivable, net	421,593	206,159	627,752
Prepaid items	1,926	-	1,926
Total current assets	<u>7,389,200</u>	<u>9,570,802</u>	<u>16,960,002</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	352,640	145,628	498,268
Building and improvements	679,230	-	679,230
Infrastructure	4,016,356	136,603	4,152,959
Machinery and equipment	410,627	45,000	455,627
Improvements other than buildings	2,718,372	10,929,694	13,648,066
Intangible assets	32,428	-	32,428
Accumulated depreciation	(6,319,195)	(9,226,423)	(15,545,618)
Total capital assets, net	<u>1,890,458</u>	<u>2,030,502</u>	<u>3,920,960</u>
Total noncurrent assets	<u>1,890,458</u>	<u>2,030,502</u>	<u>3,920,960</u>
Total assets	<u>\$ 9,279,658</u>	<u>\$ 11,601,304</u>	<u>\$ 20,880,962</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 244,461	\$ 167,287	\$ 411,748
Total deferred outflows	<u>\$ 244,461</u>	<u>\$ 167,287</u>	<u>\$ 411,748</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 212,973	\$ 86,069	\$ 299,042
Total current liabilities	<u>212,973</u>	<u>86,069</u>	<u>299,042</u>
Noncurrent liabilities:			
Compensated absences	12,550	13,742	26,292
Net pension liability	499,150	341,575	840,725
Total noncurrent liabilities	<u>511,700</u>	<u>355,317</u>	<u>867,017</u>
Total liabilities	<u>\$ 724,673</u>	<u>\$ 441,386</u>	<u>\$ 1,166,059</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 113,846	\$ 77,907	\$ 191,753
Total deferred inflows	<u>\$ 113,846</u>	<u>\$ 77,907</u>	<u>\$ 191,753</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,890,458	\$ 2,030,502	\$ 3,920,960
Unrestricted	6,795,142	9,218,796	16,013,938
Total net position	<u>\$ 8,685,600</u>	<u>\$ 11,249,298</u>	<u>\$ 19,934,898</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Stormwater Drainage</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 3,356,227	\$ 1,520,596	\$ 4,876,823
Total operating revenues	<u>3,356,227</u>	<u>1,520,596</u>	<u>4,876,823</u>
<b>Operating expenses</b>			
Personal services	632,063	361,830	993,893
Contractual services and supplies	1,727,747	451,633	2,179,380
Depreciation	327,466	279,102	606,568
Total operating expenses	<u>2,687,276</u>	<u>1,092,565</u>	<u>3,779,841</u>
<b>Operating income (loss)</b>	<u>668,951</u>	<u>428,031</u>	<u>1,096,982</u>
<b>Nonoperating revenues (expenses)</b>			
Interest earnings	127,296	143,785	271,081
Total nonoperating revenues (expenses)	<u>127,296</u>	<u>143,785</u>	<u>271,081</u>
<b>Income (loss) before contributions and transfers</b>	<u>796,247</u>	<u>571,816</u>	<u>1,368,063</u>
Capital contributions and impact fees	11,482	1,334	12,816
Capital grants	-	60,000	60,000
<b>Change in net position</b>	<u>807,729</u>	<u>633,150</u>	<u>1,440,879</u>
<b>Net position, beginning of year</b>	7,877,871	10,616,148	18,494,019
<b>Net position, end of year</b>	<u>\$ 8,685,600</u>	<u>\$ 11,249,298</u>	<u>\$ 19,934,898</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer Utility</b>	<b>Stormwater Drainage</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 3,370,914	\$ 1,527,153	\$ 4,898,067
Cash paid to employees	(512,436)	(400,978)	(913,414)
Cash paid to suppliers	(1,729,549)	(461,421)	(2,190,970)
Net cash provided by (used in) operating activities	<u>1,128,929</u>	<u>664,754</u>	<u>1,793,683</u>
<b>Cash flows from capital and related financing activities</b>			
Impact fees	11,482	1,334	12,816
Acquisition and construction of capital assets	(73,485)	(132,689)	(206,174)
Capital grants	-	60,000	60,000
Interest paid	(127,296)	(143,785)	(271,081)
Net cash provided by (used in) capital and related financing activities	<u>(189,299)</u>	<u>(215,140)</u>	<u>(404,439)</u>
<b>Cash flows from investing activities</b>			
Interest received	127,296	143,785	271,081
Net cash provided by (used in) investing activities	<u>127,296</u>	<u>143,785</u>	<u>271,081</u>
<b>Net change in cash and cash equivalents</b>	<u>1,066,926</u>	<u>593,399</u>	<u>1,660,325</u>
<b>Cash and cash equivalents, beginning of year</b>	3,898,731	6,514,793	10,413,524
<b>Cash and cash equivalents, end of year</b>	<u>\$ 4,965,657</u>	<u>\$ 7,108,192</u>	<u>\$ 12,073,849</u>
<b>Cash and cash equivalents classified as:</b>			
Unrestricted	\$ 4,965,657	\$ 7,108,192	\$ 12,073,849
Restricted	-	-	-
Total cash and cash equivalents	<u>\$ 4,965,657</u>	<u>\$ 7,108,192</u>	<u>\$ 12,073,849</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>			
Operating income	\$ 668,951	\$ 428,031	\$ 1,096,982
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	327,466	279,102	606,568
Changes in assets and liabilities:			
Accounts receivable	14,687	6,557	21,244
Prepaid items	(1,926)	-	(1,926)
Accounts payable and accrued liabilities	124	(9,788)	(9,664)
Compensated absences	(3,098)	3,632	534
Net pension liability	126,311	(38,477)	87,834
Total OPEB liability	(3,586)	(4,303)	(7,889)
Net cash provided by (used in) operating activities	<u>\$ 1,128,929</u>	<u>\$ 664,754</u>	<u>\$ 1,793,683</u>

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

**TOWN OF PEMBROKE PARK, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2024**

	<b>Commissioners Pension Trust Fund</b>
<b>ASSETS</b>	
Investments, at fair value	
Corporate bonds	\$ 725,915
Equities	1,533,610
Mutual funds	1,208,105
Total investments	3,467,630
Life insurance and variable annuity contracts	803,693
Total assets	\$ 4,271,323
<b>NET POSITION</b>	
Restricted for pensions	\$ 4,271,323

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Commissioners Pension Trust Fund</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 150,000
Total contributions	<u>150,000</u>
Investment earnings (loss)	
Net appreciation (depreciation) in fair value of investments	<u>787,770</u>
Net investment income (loss)	<u>787,770</u>
Total additions	<u>937,770</u>
<b>Deductions</b>	
Benefit payments and refunds	222,184
Administrative expenses	<u>2,638</u>
Total deductions	<u>224,822</u>
<b>Change in net position</b>	<u>712,948</u>
<b>Net position restricted for pensions, beginning of year</b>	3,558,375
<b>Net position restricted for pensions, end of year</b>	<u><u>\$ 4,271,323</u></u>

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

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

The financial statements of the Town of Pembroke 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 was incorporated in 1957, under the State of Florida Laws, Chapter 59, Acts of 1722. The Town operates under a Town Council form of government and provides, under the administration of an appointed Town Manager, the following services: general government, public safety, public works, physical environment, and culture and recreation.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust fund. Those activities are reported only in fund financial statements. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges to customers or applicants 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 major individual enterprise funds are reported as separate columns in the fund financial statements.

(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.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

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. The Town considers other reoccurring revenue to be available if they are collected within 90 days of the end of the current fiscal period. Grant and similar revenues are recognized when the related expenditure is incurred.

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, pension and other postemployment benefits, and claims and judgments are recorded only when payment is due.

Property taxes, franchise 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

**General Fund**—The General Fund is the Town’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

**Building Fund**—The Building Fund accounts for the activities as they relate to the issuance of building permits to residences and businesses withing the Town.

The Town reports the following major proprietary funds:

**Sewer Utility Fund**—The Sewer Utility Fund accounts for the operation of the Town’s sewer utility system.

**Stormwater Drainage Fund**—The Stormwater Drainage Fund accounts for providing drainage services to the residents of the Town.

Additionally, the Town reports the following fiduciary fund type:

**Commissioner’ Pension Trust Fund**—Accounts for the activities of the pension plan provided to the Town’s commissioners.

As a general rule, the effect of the Town’s 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 Town’s water and sewer function and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

(d) **Budget information**—Annual operating budgets are adopted by the Town for the General Fund and the Enterprise Funds, which are prepared on a basis consistent with generally accepted accounting principles. Amendments may be made to the budgets during the year as approved by the Town Commission. The Town follows State guidelines in filing and submitting their budgets. Appropriations are legally controlled at the department level. Unexpended portions of budget categories lapse at year end.

The adoption of the budget by the Town Commission constitutes the legal appropriation of the amounts specified therein as expenditures from the appropriate governmental fund. A department budget cannot be exceeded unless the Town Commission has approved a supplemental appropriation, by motion, at a public meeting. The Town Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change.

(e) **Deposits and investments**—The Town's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The Town's investment policies are governed by state statutes and local resolution. These policies authorize the Town to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury.

(f) **Property taxes**—The assessment of all properties and the collection of all property taxes are made through the County Property Appraiser and County Tax Collector. General property taxes are recorded as received, in cash, which approximates taxes levied less discounts for the current year.

Taxes are levied on November 1 of each year. All taxes become delinquent on April 1 of the following year. Discounts are allowed for early payment. On or prior to June 1, certificates bearing interest are sold for all uncollected real property taxes. Unsold certificates are held by the County.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

(g) **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/from other funds” (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.”

All trade and property tax receivables are reported net of an allowance for doubtful accounts, where appropriate. Unbilled utility service receivables are recorded at year-end. They are calculated by pro-rating cycle billings subsequent to year-end according to the number of days included in the current fiscal year.

(h) **Inventories and prepaid items**—All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

(i) **Restricted assets**—Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayments, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

(j) **Capital assets**—Capital assets, which include land, construction in progress, buildings, improvements other than buildings, infrastructure, machinery and equipment, and right to use leased assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$250 (amount not rounded) and an estimated useful life in excess of one year. Other than right to use leased assets, such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50 years
Improvements other than buildings	10 – 20 years
Infrastructure	20 years
Machinery and equipment	5 years
Right-to-use leased assets	2 - 5 years

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

(k) **Compensated absences**—Town employees may accumulate unused vacation and sick time and may be compensated for such time upon termination of employment at their pay rate in effect of their termination date. For sick time, there is a limit payable upon termination of no more than \$500 for an employee. For vacation time, the amount payable upon termination is limited to 400 hours of leave, except for the amount accrued by the Town Manager which is based on the contract between the Town and the Manager. The liability for these compensated absences in the General Fund is recorded as a long-term liability in the government-wide statement of net position.

In the fund financial statements, government funds report only the compensated absence liabilities that have been matured. In addition, the General Fund has always been used to liquidate compensated absences payable.

(l) **Long-term obligations**—In the government-wide financial statements and the proprietary funds 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 statement of net position. 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 bond premiums and discounts, as well as bond issue costs, during the current period. The face amount of the 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.

(m) **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* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Town Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Town Commission or through the Town Commission delegation of this responsibility to the Town Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification 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.

When both restricted and unrestricted resources are available for use, it is generally the practice of the Town to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Town's practice to use committed resources first, then assigned, and then unassigned as needed.

(n) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town presents a deferred outflow of resources related to its pension liability. Deferred outflows related to pensions are discussed further in Note (12) and deferred outflows related to OPEB are discussed further in Note (11).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only items in this category consisted of deferred inflows of resources related to pensions, as discussed further in Note (12) and deferred inflows related to OPEB are discussed further in Note (11).

(o) **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.

(p) **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 PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(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) **Cash Deposits and Investments:**

The Town’s investments follow the investment rules as defined in Florida Statutes Chapter 215. The Town has not adopted a separate investment policy. The basic allowable investment instruments are as follows:

The Local Government Surplus Funds Trust Fund (SBA) or other state sponsored funds – The State Board of Administration (SBA) pools investments for local governments while providing safety and liquidity.

The Florida Municipal Investment Trust administered by the Florida League of Cities.

The State Board of Administration’s (SBA) Local Government Surplus Funds Trust Fund (Florida Prime) is a “2a-7 like” pool. A “2a-7 like” pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The Town has reported its investment in Florida Prime as amortized cost for financial reporting purposes.

Deposits include cash on hand and amounts held in the Town’s demand accounts. Each demand account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Any balance in excess of FDIC insurance is covered by collateral held by the Town’s custodial bank, which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act (the 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. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(3) Cash Deposits and Investments:** (Continued)

Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

The Town measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

As of September 30, 2024, the Town’s governmental and business-type investment portfolio was composed of the following investments:

<u>Investment Type</u>	<u>Credit Quality Rating (S&amp;P)</u>	<u>Carrying Value</u>	<u>Weighted Average Investment Maturities (in Years)</u>		<u>Fair Value Hierarchy</u>
			<u>Less Than 1</u>	<u>1 – 5</u>	<u>Classification</u>
FMIT 1-3 Yr High Quality Bond Fund	AAAf/S1	\$ 9,753,153	\$ 9,753,153	-	Level 2
Florida Prime	AAAm	414,058	414,058	-	N/A
Total Portfolio		<u>\$ 10,167,211</u>	<u>\$ 10,167,211</u>	<u>\$ -</u>	

*Interest Rate Risk:* Interest rate exists when there is a possibility that changes in interest rates could adversely affect an investments fair value. The Town’s investment within the Florida Municipal Investment Trust and SBA are exposed to interest rate risk.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Town’s portfolio is held entirely with public depositories and is invested in SBA funds, as described above.

*Concentration of Credit Risk:* The Town places no limit on the amount the Town may invest in any one issuer.

*Custodial Credit Risk—Investments:* In the case of investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town generally utilizes third party custodians to help manage custodial credit risk.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is, therefore, not exposed to foreign currency risk.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(3) Cash Deposits and Investments:** (Continued)

***Pension Plan***

The Town’s Pension Plan is authorized to invest in all of the instruments noted above as well as the following investments:

Bonds, stocks, commingled mutual funds, real estate funds; and foreign securities.

The following chart shows the Town pension funds cash and investment accounts by investment portfolios and their respective maturities (in years):

	<b>Fair Value</b>	<b>Weighted Average Maturity (years)</b>	<b>Credit Rating Range (Moody’s)</b>	<b>Fair Value Hierarchy Classification</b>
Corporate bonds	\$ 725,915	5.51	AAA to CAA	Level 2
Equities	1,533,610	N/A	NR	Level 2
Mutual funds	1,208,105	N/A	NR	Level 2
Life insurance / annuity contracts	803,693	N/A	NR	Level 2
Total Portfolio	\$ 4,271,323			

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The established performance objectives of the Pension Plans require investment maturities to provide sufficient liquidity to pay obligations as they become due. At September 30, 2024, the weighted average maturity in years for each investment type is included in the preceding table.

*Credit Risk:* Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The Pension Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The ratings of the investments held at year end are shown above.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Town Commissioner Pension Plan policy states that if five (5) percent or more of the total assets of the portfolio are invested with one issuer, an additional disclosure is required. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements. There were no individual investments that represent five (5) percent or more, at September 30, 2024, that met the criteria for disclosure.

*Custodial Credit Risk:* Custodial credit risk is the risk that the Town may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

*Life Insurance and Variable Annuity Contracts:* In order to provide death benefits to Town Commissioners, the Town has entered into life insurance and variable annuity contracts with a financial institution.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(4) **Receivables:**

*Accounts Receivable*

The Town's receivables consisted of the following at September 30, 2024:

	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
Governmental Activities:			
General Fund			
Accounts receivable	\$ 468,605	\$ (144,284)	324,321
Total – Governmental Activities	468,605	(144,284)	324,321
	<b>Gross Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Receivable</b>
Business-Type Activities:			
Sewer Fund			
Accounts receivable	\$ 469,461	\$ (47,868)	\$ 421,593
Stormwater Drainage Fund			
Accounts receivable	229,078	(22,919)	206,159
Totals – Business-Type Activities	698,539	(70,787)	627,752
Totals	\$ 1,167,144	\$ (215,071)	\$ 952,073

(5) **Interfund Loans, Advances, Fees, and Transfers:**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. As of September 30, 2024, there are no balances due between interfund receivables and payables for the primary government.

For the year ended September 30, 2024, individual fund transfers to and from other funds for the primary government were comprised of the following:

	<b>Transfer From</b>	<b>Transfer To</b>
Governmental Activities:		
General Fund:		
General Fund	\$ -	\$ 98,382
Other Governmental Funds:		
Special Revenue Fund:		
Building Fund	98,382	-
Totals – All Funds	\$ 98,382	\$ 98,382

Transfers are used to move revenues between funds to reflect the activities of the fund with the primary government. The primary government accounts for activities such as budgetary authorizations, subsidies or matching funds for various grant programs, and reimbursements to the general fund for services provided to other funds.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(6) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

***Governmental activities:***

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 2,120,064	\$ -	\$ -	\$ 2,120,064
Construction in progress	949,948	372,307	-	1,322,255
Total assets not being depreciated	<u>3,070,012</u>	<u>372,307</u>	<u>-</u>	<u>3,442,319</u>
Capital assets being depreciated:				
Building and Improvements	2,640,158	328,986	-	2,969,144
Machinery and equipment	5,792,443	234,944	-	6,027,387
Right to use lease	142,253	-	(142,253)	-
Total assets being depreciated	<u>8,574,854</u>	<u>563,930</u>	<u>(142,253)</u>	<u>8,996,531</u>
Less accumulated depreciation for:				
Building and Improvements	(2,548,845)	(163,957)	-	(2,712,802)
Machinery and equipment	(3,294,679)	(448,171)	-	(3,742,850)
Right to use lease	(55,210)	(6,039)	61,249	-
Total accumulated depreciation	<u>(5,898,734)</u>	<u>(618,167)</u>	<u>61,249</u>	<u>(6,455,652)</u>
Total capital assets being depreciated, net	<u>2,676,120</u>	<u>(54,237)</u>	<u>(81,004)</u>	<u>2,540,879</u>
Governmental activities capital assets, net	<u>\$ 5,746,132</u>	<u>\$ 318,070</u>	<u>\$ (81,004)</u>	<u>\$ 5,983,198</u>

***Business-type activities:***

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	\$ 410,681	\$ 87,587	\$ -	\$ 498,268
Intangible asset	32,428	-	-	32,428
Total assets not being depreciated	<u>443,109</u>	<u>87,587</u>	<u>-</u>	<u>530,696</u>
Capital assets being depreciated:				
Building and Improvements	14,221,456	105,840	-	14,327,296
Infrastructure	4,152,959	-	-	4,152,959
Machinery and equipment	442,880	12,747	-	455,627
Total assets being depreciated	<u>18,817,295</u>	<u>118,587</u>	<u>-</u>	<u>18,935,882</u>
Less: accumulated depreciation	<u>(14,939,050)</u>	<u>(606,568)</u>	<u>-</u>	<u>(15,545,618)</u>
Total capital assets being depreciated, net	<u>3,878,245</u>	<u>(487,981)</u>	<u>-</u>	<u>3,390,264</u>
Business-type activities capital assets, net	<u>\$ 4,321,354</u>	<u>\$ (400,394)</u>	<u>\$ -</u>	<u>\$ 3,920,960</u>

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 105,582
Public safety	345,782
Building	15,520
Physical environment	1,361
Public works	119,973
Culture and recreation	29,949
Total depreciation expense - governmental activities	\$ 618,167
Business-type activities:	
Sewer	\$ 327,466
Stormwater	279,102
Total depreciation expense - business-type activities	\$ 606,568

(7) **Commitments:**

The Town also has an agreement with Broward Sheriff's Office to provide emergency medical and fire protection services. The renewal and termination terms are the same as noted for the police services agreement. As of September 30, 2022, this agreement was on a continuing month-to-month basis until the Town's Police Department was operational on October 1, 2022. For subsequent fiscal years until such time that the Town's Police Department is fully operational, the amount owed will be based on the Sheriff's budgeted costs, subject to the restrictions noted under the police services agreement. The paid for emergency medical and fire protection services for the year ended September 30, 2024, was \$4,145,880.

The Town has an agreement with the City of Hollywood for sewage disposal. The monthly charges for the disposal service are included in the operating expenses of the Sewer Utility Fund.

(8) **Contingencies and Uncertainties:**

The Town is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2024. The outcomes of established claims are included in these financial statements. In the opinion of the Town's legal counsel, no legal proceedings are pending or threatened against the Town which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

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

Long-term liability activity for the year ended September 30, 2024, 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>					
Note payable:					
Non-ad valorem Revenue note	\$ 2,038,381	\$ -	\$ (237,678)	\$ 1,800,703	\$ 242,379
Compensated absences	505,424	208,763	(531,991)	182,196	127,537
Obligations under lease	84,822	-	(84,822)	-	-
Governmental activities – Total long-term liabilities	<u>\$ 2,628,627</u>	<u>\$ 208,763</u>	<u>\$ (854,491)</u>	<u>\$ 1,982,899</u>	<u>\$ 369,916</u>
<b>Business-type activities:</b>					
Compensated absences	<u>\$ 25,758</u>	<u>\$ 29,217</u>	<u>\$ (28,683)</u>	<u>26,292</u>	<u>-</u>
Business-type activities – Total long-term liabilities	<u>\$ 25,758</u>	<u>\$ 29,217</u>	<u>\$ (28,683)</u>	<u>\$ 26,292</u>	<u>\$ -</u>

Notes and obligations under lease payable in the Town’s governmental activities at September 30, 2024, were comprised of the following obligations:

Non-Ad Valorem Revenue Note, Series 2021, was issued in the amount of \$2,500,000.

The Note proceeds were used to finance the cost of the police department project and to pay associated transaction costs. The Note bears interest at a fixed rate of 1.96%, payable monthly on the first day of each month commencing October 1, 2021 through September 1, 2031. On or before September 1, 2024, this Note may be prepaid in whole or in part at the option of the Issuer at any time at a premium of 102%. After September 1, 2024, this Note may be prepaid in whole or in part at the option of the Issuer at any time without penalty. Payment of the Note is secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues of the Issuer and a pledge of lien upon the Pledged Revenues from the Town’s revenues from the General Fund.

	\$ 1,800,703
Total revenue notes and lease payable	<u>\$ 1,800,703</u>

Annual debt service requirements to maturity for the Town’s governmental activities note payable is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 242,379	\$ 33,124	\$ 275,503
2026	247,172	28,331	275,503
2027	252,061	23,442	275,503
2028	257,046	18,457	275,503
2029	262,129	13,374	275,503
2030-2034	539,916	11,092	551,008
Total	<u>\$ 1,800,703</u>	<u>\$ 127,820</u>	<u>\$ 1,928,523</u>

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(10) 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.

During the fiscal year ended September 30, 2024, the Town has participated in the Florida League of Cities, which is a not-for-profit corporation, for self-insurance program for workers' compensation, general and auto liability, and property insurance.

Annually, participants in this program are billed for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program.

**(11) Other Postemployment Benefits (OPEB):**

**Plan Description**—The Town of Pembroke Park's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Town. The Plan, which is administered by the Town, allows employees who retire and meet retirement eligibility requirements under the applicable retirement plan to continue medical insurance coverage as a participant in the Town's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

**Benefits Provided**—A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependent.

**Plan Membership**—At September 30, 2023, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Members	49
Inactive Members	0
	49

**Total OPEB Liability**—The Town's total OPEB liability of \$64,498 was measured as of September 30, 2024, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	2.50%
Discount rate	4.87%
Initial trend rate	7.00%
Ultimate trend rate	4.00%
Years to ultimate	51

For all lives, mortality rates were PubG-2010 Mortality Tables projected to the valuation date using Projection Scale MP-2019.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(11) Other Postemployment Benefits (OPEB):** (Continued)

Changes in the OPEB liability for the fiscal year ended September 30, 2024, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2023	\$ 57,380
Changes for a year:	
Service cost	10,835
Interest	3,208
Differences Between Expected and Actual Experience	(17,447)
Changes of assumptions	12,490
Benefit payments	(1,969)
Net changes	7,117
Balance at September 30, 2024	\$ 64,498

*Discount rate:*

Given the Town’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.87%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years.

Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the Town calculated using the discount rate of 4.87%, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.87%) or 1% higher (5.87%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 72,005	\$ 64,498	\$ 58,181

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the Town as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3% - 6%) or 1% higher (5% - 8%) than the current healthcare cost trend rates (4% - 7%):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 57,348	\$ 64,498	\$ 73,094

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2024, the Town recognized OPEB expense of \$11,036. At September 30, 2024, as the Town follows the alternative measurement method and utilizes a measurement date of one year in arrears, the only deferred outflow related to the Plan was \$5,567 related to employer contributions subsequent to the measurement date, which will be recognized in OPEB expense in the subsequent fiscal year.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:**

**A. Florida Retirement System**

**Plan Description and Administration**

As provided by Chapters 121 and 112, Florida Statutes, the Florida Retirement System (“FRS”) provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature. Employees of the Town are eligible to participate in FRS.

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**Benefits Provided and Employees Covered**

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.60% of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Elected Officers’ class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment.

The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(12) Employee Retirement Systems and Pension Funds:** (Continued)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Benefits provided for HIS are the following: for the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**Financial Statements**

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000.

**Contributions**

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2024, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan &amp; Class</u>	<u>Through June 30, 2024</u>	<u>After June 30, 2024</u>
Regular Class	13.57%	13.57%
Elected Officers	58.68%	58.68%
Senior Management Service	34.52%	34.52%
Special Risk Regular	32.67%	32.67%
DROP from FRS	12.64%	12.64%

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2018 through September 30, 2023 was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

For the plan year ended June 30, 2024, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 626,726
Entity Contributions – HIS	70,852
Employee Contributions – FRS	106,277

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2024, the entity reported a net pension liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 4,281,524
HIS	1,255,381
Total	\$ 5,536,905

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2024 and June 30, 2023, the organization's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2024	2023
FRS	0.011067744%	0.001320000%
HIS	0.008368660%	0.009560000%

For the plan year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 816,576
HIS	73,629
Total	\$ 890,205

*Deferred outflows/inflows related to pensions:*

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 432,549	\$ -	\$ 12,122	\$ (2,411)
Changes of assumptions	586,822	-	22,217	(148,621)
Net difference between projected and actual investment earnings	-	(284,572)	-	(454)
Change in proportionate share	1,181,936	(619,982)	314,908	(206,819)
Contributions subsequent to measurement date	144,738	-	16,425	-
Total	\$ 2,346,045	\$ (904,554)	\$ 365,672	\$ (358,305)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2025.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2025	\$ 171,604	\$ 3,358	\$ 174,962
2026	967,083	25,474	992,557
2027	215,522	5,070	220,592
2028	(56,383)	(369)	(56,752)
2029	(1,073)	(29,496)	(30,569)
Thereafter	-	(13,095)	(13,095)
	\$ 1,296,753	\$ (9,058)	\$ 1,287,695

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation 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 was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal 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 investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.65%.

Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024, the FRS Actuarial Assumptions Conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	3.3%
Fixed income	29.0%	5.7%
Global equities	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%
Total	100.0%	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the Town calculated using the current discount rates, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 7,531,051	\$ 4,281,524	\$ 1,559,356
HIS	3.93%	1,429,090	1,255,381	1,111,174

**B. Town-Sponsored Defined Benefit Pension Plan**

**Plan Description and Administration**

During the fiscal year ended September 30, 2008, the Town Commission created, under the laws of the State of Florida, a single employer defined benefit pension plan that covers members of the Town Commission (the “Plan”). The administrative duties for this Plan are handled through Securian Retirement Services. A more detailed description of the Plan appears in the ordinances 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 Town as a pension trust fund. Amendments to the plan document can only be authorized by the Town Commission.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(12) Employee Retirement Systems and Pension Funds:** (Continued)

Members of the Plan are eligible for benefits at their normal retirement date, which is the first day of the month coincident with, or next, following attainment of age 62 or 4 years of credited service if hired prior to October 1, 2008 or attainment of age 62 or 13 years of credited service if hired after.

**Benefits Provided**

Normal benefits are equal to 5% of the average monthly compensation multiplied by the credited years of service, with a maximum of 20 credited years. The maximum benefit under the plan is \$195,000, which is subject to certain limitations if less than 10 years of credited service are attained.

Upon the death of a member, benefits cease to be paid out of Plan assets. However, a beneficiary will receive an annuity equal to the accrued benefit owed to the plan member, payable over 10 years.

**Employees Covered**

The Plan has contracted with an actuary to provide an actuarial valuation of the plan as of October 1 of each year. Current membership in the Town Commissioner Pension Plan was composed of the following at October 1, 2023:

	<b>Town Commissioner Pension Plan</b>
Active participants	5
Inactive members entitled to future benefits	1
Inactive members currently receiving benefits	5
Total current membership	11

The Town does not issue audited stand-alone financial statements for the Plan. Therefore, the provisions of GASB Statement No.67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No.25* have been incorporated to this Annual Financial Report in the paragraphs below and Required Supplementary Information section.

**Financial Statements**

The financial statements of the plan is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The Town’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. The Town’s single-employer pension plan does not issue stand-alone financial statements.

**Contributions**

Town Contributions to the Town’s pension plan for the year ended September 30, 2024, were 150,000.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

**Investment Policy**

The Plan's policy in regard to the allocation of invested assets is established by the Pension Board. The Plan currently has all of its funds invested through Securian Retirement Services. The investment policy may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Overall asset allocation targets are reviewed on an annual basis.

The following was the asset allocation policy at September 30, 2024:

Asset Class	Target Allocation
Domestic equities	63.72%
International equities	8.65%
Fixed income	24.10%
Cash and equivalents	3.53%
Real estate and alternatives	0%

**Net Pension Liability (Asset)**

The components of the net pension liability (asset) of the pension plan at September 30, 2024, were as follows:

	Town Commissioner Pension Plan
Total pension liability	\$ 4,091,173
Plan fiduciary net position	(4,271,322)
Net pension liability (asset)	\$ (180,149)
 Plan fiduciary net position as percentage of total pension liability	104.40%

The total pension liability was determined by actuarial valuation as of October 1, 2023 and measurement dates of September 30, 2024, using the following actuarial assumptions to all measurement periods.

	Town Commissioner Pension Plan
Inflation	2.50%
Cost of living adjustment	2.75% per year
Investment rate of return	6.25%
Mortality table	MP - 2021

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

The long-term expected rate of return on pension 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 pension plan investment expenses 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.

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Long Term Expected Rate of Return
Domestic equities	4.52%
International equities	5.08%
Fixed income	2.44%
Real Estate and alternatives	3.73%
Cash and equivalents	0.99%

*Concentration:*

Governmental entities need to disclose the concentration of credit risk with a single issuer. If 5.00% or more of the total assets of the portfolio are invested with one issuer, an additional disclosure is required. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements. There were no individual investments that represent 5.00% or more, at September 30, 2024, that met the criteria for disclosure.

*Discount rate:*

The discount rate used to measure the total pension liability was 6.25% per annum. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

*Changes in net pension liability:*

The changes in net pension liability (asset) for the year ended September 30, 2024, is as follows:

	<b>Town Commissioner Pension Plan</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (asset) (a - b)</b>
Beginning Balance	\$ 3,930,687	\$ 3,558,376	\$ 372,311
Changes for year:			
Service cost	118,066	-	118,066
Interest	246,104	-	246,104
Differences between expected/actual experience	7,343	-	7,343
Changes of assumptions	11,157	-	11,157
Contributions – employer	-	150,000	(150,000)
Net investment income	-	787,770	(787,770)
Benefit payments, including refunds	(222,184)	(222,184)	-
Administrative expenses	-	(2,640)	2,640
Net changes	<u>160,486</u>	<u>712,946</u>	<u>(552,460)</u>
Ending Balance	<u>\$ 4,091,173</u>	<u>\$ 4,271,322</u>	<u>\$ (180,149)</u>

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the net pension liability of the Town calculated using the selected discount rate, as well as what the Town’s net pension liability (NPL) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<b>Current Discount Rate</b>	<b>NPL with 1% Decrease</b>	<b>NPL at Current Discount Rate</b>	<b>NPL with 1% Increase</b>
Net Pension Liability (asset)	6.25%	\$ 323,508	\$ (180,149)	\$ (594,465)

For the year ended September 30, 2024, the annual-money weighted rate of return on pension plan investments, net of pension plan investment expense, was 22.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on 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 pension 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.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

(12) **Employee Retirement Systems and Pension Funds:** (Continued)

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2024, the Town recognized pension expense of \$197,370 for this plan.

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 306,072	\$ -
Changes of assumptions	9,003	58,919
Net different between projected and actual investment earnings	-	367,392
	<b>\$ 315,075</b>	<b>\$ 426,311</b>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<b>Year Ending September 30:</b>
2025	\$ 29,953
2026	113,764
2027	(145,150)
2028	(110,443)
2029	640
Thereafter	-

(13) **Prior Period Restatements:**

The Town recorded restatements to beginning fund balance/net position in the General Fund related to misstatements recorded in prior years regarding the balances for the Town's long-term debt, due from other governments and accounts receivable. The impact of the above restatements on the respective fund balance/net position amounts as of September 30, 2023, are as follows:

	<b>General Fund</b>	<b>Governmental Activities</b>
Net position/Fund balance - 9/30/2023 originally reported	\$ 4,918,505	\$ 10,239,176
Long-term debt items improperly record at fund level	2,402,707	-
Prior year unbalanced entry	(23,620)	(23,620)
Prior year due from other governments cutoff corrections	103,049	103,049
Prior year receivables cutoff corrections	463,371	463,371
Net position/Fund balance - 9/30/2023, as restated	<b>\$ 7,864,012</b>	<b>\$ 10,781,976</b>

**TOWN OF PEMBROKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**(14) 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 effective for fiscal years subsequent to September 30, 2024, 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:

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The effective date for implementation is fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB No. 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF PEMBROKE PARK, FLORIDA  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 10,835	\$ 13,152	\$ 7,290	\$ 6,116
Interest	3,208	1,741	1,346	1,636
Difference between expected and actual experience	(17,447)	-	(14,525)	-
Changes of assumptions	12,490	(15,045)	10,372	9,660
Estimated benefit payments	<u>(1,969)</u>	<u>(1,832)</u>	<u>(1,445)</u>	<u>(1,344)</u>
Net change in total OPEB liability	7,117	(1,984)	3,038	16,068
Total OPEB liability - beginning of year	57,381	59,365	56,327	40,259
<b>Total OPEB liability - end of year</b>	<u><u>\$ 64,498</u></u>	<u><u>\$ 57,381</u></u>	<u><u>\$ 59,365</u></u>	<u><u>\$ 56,327</u></u>
Covered employee payroll	\$ 2,972,218	\$ 3,164,098	\$ 3,086,925	\$ 1,911,117
Total OPEB liability as a percentage of covered employee payroll	2.17%	1.81%	1.92%	2.95%

Notes to Schedule:

There are no assets accumulated in a trust that pay for related benefits.

Valuation date:	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Measurement date:	9/30/2023	9/30/2022	9/30/2021	9/30/2020

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount

4.87%	4.77%	2.43%	2.14%
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Benefit Payments. The plan sponsor did not provide actual net benefits paid by the Plan for the fiscal year ending on September 30, 2024. Expected net benefit payments produced by the valuation model for the same period are shown in the table above.

\*10 years of data will be presented as it becomes available.

**TOWN OF PEMBROKE PARK, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**PENSION PLAN FOR TOWN COMMISSIONERS**  
**SEPTEMBER 30, 2024**  
**(UNAUDITED)**

Fiscal Year Ending September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 118,066	\$ 78,831	\$ 65,581	\$ 89,150	\$ 83,600	\$ 61,060	\$ 316,660	\$ 66,093	\$ 55,785	\$ 21,941
Interest	246,104	196,356	194,763	204,657	196,664	184,097	180,541	176,986	127,969	99,066
Difference between actual and expected experience	7,343	600,293	(39,788)	(315,163)	113,830	35,662	(370,636)	(146,601)	177,571	321,666
Changes of assumptions	11,157	(117,839)	(188,891)	-	84,433	-	-	-	420,088	(427,321)
Benefit payments including refunds of contributions	(222,184)	(199,119)	-	(98,203)	(88,137)	(86,834)	(56,882)	(26,663)	(27,956)	(27,900)
Net change in total pension liability	160,486	558,522	31,665	(119,559)	390,390	193,985	69,683	69,815	753,457	(12,548)
Total pension liability - beginning	3,930,687	3,372,165	3,340,500	3,460,059	3,069,669	2,875,684	2,806,001	2,736,186	1,982,729	1,995,277
<b>Total pension liability - ending (a)</b>	<u>\$ 4,091,173</u>	<u>\$ 3,930,687</u>	<u>\$ 3,372,165</u>	<u>\$ 3,340,500</u>	<u>\$ 3,460,059</u>	<u>\$ 3,069,669</u>	<u>\$ 2,875,684</u>	<u>\$ 2,806,001</u>	<u>\$ 2,736,186</u>	<u>\$ 1,982,729</u>
<b>Total Fiduciary Net Position</b>										
Contributions - employer	\$ 150,000	\$ 90,812	\$ -	\$ 110,484	\$ 85,303	\$ 37,362	\$ 370,136	\$ 121,583	\$ 137,490	\$ 62,510
Net investment income	787,770	365,752	(459,781)	619,158	241,560	67,948	246,124	229,468	150,300	(75,642)
Benefit payments, including refunds of contributions	(222,184)	(199,119)	(188,891)	(98,203)	(88,137)	(86,834)	(56,882)	(26,663)	(27,956)	(27,900)
Administrative expense	(2,640)	(4,565)	(4,263)	(4,507)	(4,895)	(4,202)	(4,404)	(4,183)	(8,384)	-
Other	-	-	-	-	-	-	-	-	445,681	-
Net change in plan fiduciary net position	712,946	252,880	(652,935)	626,932	233,831	14,274	554,974	320,205	697,131	(41,032)
Plan fiduciary net position - beginning	3,558,376	3,305,495	3,958,430	3,331,498	3,097,667	3,083,393	2,528,419	2,208,214	1,511,083	1,552,115
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 4,271,322</u>	<u>\$ 3,558,376</u>	<u>\$ 3,305,495</u>	<u>\$ 3,958,430</u>	<u>\$ 3,331,498</u>	<u>\$ 3,097,667</u>	<u>\$ 3,083,393</u>	<u>\$ 2,528,419</u>	<u>\$ 2,208,214</u>	<u>\$ 1,511,083</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (180,149)</u>	<u>\$ 372,311</u>	<u>\$ 66,670</u>	<u>\$ (617,930)</u>	<u>\$ 128,561</u>	<u>\$ (27,998)</u>	<u>\$ (207,709)</u>	<u>\$ 277,582</u>	<u>\$ 527,972</u>	<u>\$ 471,646</u>
Plan fiduciary net position as a percentage of the total pension liability	104.40%	90.53%	98.02%	118.50%	96.28%	100.91%	107.22%	90.11%	80.70%	76.21%
Covered payroll	\$ 260,000	\$ 208,000	\$ 104,000	\$ 86,520	\$ 129,780	\$ 43,260	\$ 43,260	\$ 43,260	\$ 42,000	\$ 36,000
Net pension liability (asset) as a percentage of covered payroll	-69.29%	179.00%	64.11%	-714.20%	99.06%	-64.72%	-480.14%	641.66%	1257.08%	1310.13%

**TOWN OF PEMBROKE PARK, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
PENSION PLAN FOR TOWN COMMISSIONERS  
SEPTEMBER 30, 2024  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution (ADC)</b>	<b>Contributions in Relation to ADC</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as Percentage of Employee Payroll</b>
2024	\$ 179,193	\$ 150,000	\$ 29,193	\$ 260,000	57.69%
2023	90,812	90,812	-	208,000	43.66%
2022	90,812	-	90,812	104,000	0.00%
2021	110,484	110,484	-	86,520	127.70%
2020	85,303	85,303	-	129,780	65.73%
2019	38,529	37,362	1,167	129,780	28.79%
2018	351,306	370,136	(18,830)	154,000	240.35%
2017	80,278	121,583	(41,305)	180,000	67.55%
2016	67,848	137,490	(69,642)	180,000	76.38%
2015	62,510	62,510	-	144,000	43.41%

Notes to Schedule:

Valuation Date: 10/1/2024

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Aggregate  
Amortization Method: Level Dollar, Closed

Inflation: 2.50%  
Investment Rate of Return: 6.25%  
Retirement Age: 100% at Early Retirement Age  
Mortality: Society of Actuaries Pub-2010 General Retirees  
Headcount-Weighted Mortality setback one year with  
generational projection using scale MP-2021

**TOWN OF PEMBROKE PARK, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF INVESTMENT RETURNS  
 SEPTEMBER 30, 2024  
 (UNAUDITED)**

<b>For the Year Ending September 30,</b>	<b>Pension Plan for Town Commissioners</b>
2024	22.62%
2023	11.47%
2022	-11.97%
2021	18.82%
2020	7.38%
2019	2.24%
2018	8.67%
2017	10.13%
2016	9.47%
2015	-4.79%
2014	9.65%

**TOWN OF PEMBROKE PARK, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	As of the Plan Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>										
Proportion of the net pension liability	0.011067744%	0.001320000%	0.008600000%	0.006600000%	0.005400000%	0.005300000%	0.009200000%	0.008900000%	0.008500000%	0.009200000%
Proportionate share of the net pension liability	\$ 4,281,524	\$ 5,291,933	\$ 3,225,574	\$ 504,049	\$ 2,370,244	\$ 1,837,772	\$ 2,761,625	\$ 2,461,826	\$ 2,145,618	\$ 1,971,713
Covered payroll	3,542,577	3,566,241	2,549,056	2,328,890	1,934,795	1,541,730	2,150,710	2,045,188	1,836,696	1,978,680
Proportionate share of the net pension liability as a percentage of covered payroll	120.86%	148.39%	126.54%	21.64%	122.51%	119.20%	128.41%	120.37%	116.82%	99.65%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.80%	84.88%	92.00%
<b>Health Insurance Subsidy Program (HIS)</b>										
Proportion of the net pension liability	0.008368660%	0.009560000%	0.006770000%	0.006000000%	0.005000000%	0.004600000%	0.006900000%	0.007000000%	0.006500000%	0.006400000%
Proportionate share of the net pension liability	\$ 1,255,381	\$ 1,518,714	\$ 717,403	\$ 746,916	\$ 621,180	\$ 514,330	\$ 727,357	\$ 747,307	\$ 752,274	\$ 657,431
Covered payroll	3,542,577	3,566,241	2,549,056	2,328,890	1,934,795	1,541,730	2,150,710	2,045,188	1,836,696	1,978,680
Proportionate share of the net pension liability as a percentage of covered payroll	35.44%	42.59%	28.14%	32.07%	32.11%	33.36%	33.82%	36.54%	40.96%	33.23%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**TOWN OF PEMBROKE PARK, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

For the Fiscal Year Ended September 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>										
Contractually required contributor	\$ 606,663	\$ 841,441	\$ 449,712	\$ 374,769	\$ 284,459	\$ 172,378	\$ 225,033	\$ 233,168	\$ 211,718	\$ 228,392
Contributions in relation to the contractually required contribution	606,663	841,441	449,712	374,769	284,459	172,378	225,033	233,168	211,718	228,392
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,555,495	\$ 3,566,241	\$ 2,549,056	\$ 2,328,890	\$ 1,934,795	\$ 1,541,730	\$ 1,907,580	\$ 2,074,311	\$ 1,902,689	\$ 1,978,680
Contributions as a percentage of covered payroll	17.06%	23.59%	17.64%	16.09%	14.70%	11.18%	11.80%	11.24%	11.13%	11.54%
<b>Health Insurance Subsidy Program (HIS)</b>										
Contractually required contributor	\$ 71,110	\$ 59,200	\$ 42,314	\$ 38,660	\$ 32,118	\$ 25,593	\$ 31,666	\$ 34,433	\$ 31,588	\$ 26,843
Contributions in relation to the contractually required contribution	71,110	59,200	42,314	38,660	32,118	25,593	31,666	34,433	31,588	26,843
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,555,495	\$ 3,566,241	\$ 2,549,056	\$ 2,328,890	\$ 1,934,795	\$ 1,541,730	\$ 1,907,580	\$ 2,074,311	\$ 1,902,689	\$ 1,978,680
Contributions as a percentage of covered payroll	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%

**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 Commission,  
Town of Pembroke Park, Florida:

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 Pembroke Park, Florida (the Town), as of and for the year ended September 30, 2024, 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 30, 2025.

***Report on 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 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 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 identified 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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described below as items 2024-001 and 2024-002, to be material weaknesses:

**2024-001 Reconciliation of Account Balances and Audit Adjustments** – As a combined result of items identified by management and our based on our audit procedures, we noted multiple restatements of beginning fund balance and/or net position were required to correct errors in the prior year financial statement Without these adjustments and competent oversight, the statements would have been materially misstated. We recommend management consistently apply appropriate accounting principles to record all year-end accruals an ensure all accounts are properly reconciled at year-end in order to be able to prepare complete GAAP-compliant financial statements.

**2024-002 Timeliness of Bank Reconciliations** – During the audit period, we noted that bank reconciliations were not prepared regularly at the end of each month, with some being completed weeks or even months later. Additionally, there was no evidence that the reconciliations were reviewed or approved by upper-level management. We recommend that the Town ensure bank reconciliations are completed in a timely manner and are consistently reviewed and approved by upper-level management to strengthen financial oversight and internal controls.

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 deficiencies described below as items 2024-003, 2024-004, and 2024-005, to be significant deficiencies:

**2024-003 Expenses and Accounts Payable** – The accounts payable process as it operated during fiscal year 2024 exhibited several control deficiencies, including the failure to record invoices into the system on a regular and timely basis, the lack of supervisory review of system-generated accounts payable invoice reports to ensure completeness, and the absence of reconciliations between accounts payable balances in the general ledger and those in the accounts payable schedule or open invoices report. We recommend that all invoices and related payments be recorded in the system promptly and accurately in the correct accounting period, and that accounts payable reports and general ledger entries be reviewed monthly by a supervisor, with documented evidence to confirm that the review was completed.

**2024-004 Purchasing Policy and Cash Disbursements** – During our audit procedures, we noted that the Town did not adhere to its Purchasing Policy dated November 8, 2023, section II, which requires all payments - whether by check or wire transfer - to be approved. Additionally, some purchase order approval forms and property purchase order forms were not signed by the respective department head and the approval packet for various disbursements was not approved until after the payment was made. We recommend The Town should ensure that acquisition procedures are properly implemented and consistently followed. Adherence to the purchasing policy helps identify potential conflicts of interest, confirms that purchases are authorized by appropriate personnel, and ensures that expenditures are within budget.

**2024-005 Capital Assets** – During the audit, we noted that the total capital assets reported in the depreciation summary–book data report did not reconcile with the total capital assets recorded in the general ledger for the general fund. We recommend that the Town ensure all assets recorded in the detailed depreciation summary are accurately reflected in the general ledger and that the detailed report is reconciled with the general ledger on a consistent basis.

### ***Report on Compliance and Other Matters***

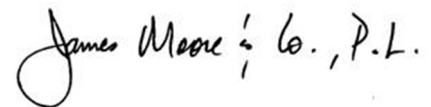
As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida  
June 30, 2025

**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 Commission,  
Town of Pembroke Park, Florida:

**Report on the Financial Statements**

We have audited the financial statements of Town of Pembroke Park, Florida (the Town), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025.

**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 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 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 and schedule, which are dated June 30, 2025, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted below. The following findings and recommendations remain uncorrected from the second preceding annual financial report:

**2023-01 Expenses and Accounts Payable** – repeated as comment 2024-003.

**2023-03 Purchasing Policy** – repeated as comment 2024-004.

**2023-09 Financial Statements Close Process** – repeated as comment 2024-001.

**2023-10 Bank account Reconciliations** – repeated as comment 2024-002.

**2023-11 Capital Assets** – repeated as comment 2024-005.

The following findings and recommendations remain uncorrected from only the preceding audit report:

**2023-08 Internal Control over Petty Cash** – repeated as comment 2024-006.

## **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 report 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 identification of 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. 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 recommendation:

**2024-006 Internal Control over Petty Cash** – During our audit procedures, we noted that there are limited internal controls over petty cash to ensure that the funds are used in accordance with established policies. We recommend that the Town implement procedures to strengthen petty cash controls, including: a) conducting surprise counts to verify that the physical cash on hand matches the petty cash report, b) requiring adequate documentation for all petty cash disbursements, and c) segregating duties so that the individuals responsible for recording and approving petty cash expenditures are separate, thereby reducing the risk of misallocation or misuse of funds.

**2024-007 Unexpended Fund Balance – Building Permits** – Section 553.80(7)(a), Florida Statutes, limits the amount of unexpended building permit funds carried forward to future fiscal years to no more than the Town's average operating budget for enforcing the Florida Building Code for the previous four fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The Town's fund balance in the Building Fund at September 30, 2024, exceeded the average operating budget for enforcing the Florida Building Code for the previous four fiscal years. We recommend the City develop its plan of utilizing accumulated building code fund balances in order to comply with Section 553.80(7)(a) of Florida Statutes.

**2024-008 Impact Fee Accounting** – At year-end, the Town's impact fees were not being recorded in a separate fund. In late fiscal year 2021, the State of Florida adopted a bill modifying Section 163.31801 (4b), Florida Statutes, which requires impact fees be recorded in a separate accounting fund. We recommend the Town transition its impact fees to a separate fund in fiscal year 2025 and in the fiscal year 2026 budget process.

**2024-009 Qualified Public Depositor Report** – Chapter 280, *Florida Statutes* requires all public deposits to file an annual report of all public deposits with the Chief Financial Officer prior to November 30 for the preceding fiscal year. We noted this report was not filed timely for the fiscal year ended September 30, 2024, and recommend the Town ensure annual reporting is done timely to ensure all state protection relate to public deposits remains in effect.

**2024-010 IT System Backups** – We noted that the most recent system restore test was performed in March 2022. Regular restore testing is a critical component of IT disaster recovery and business continuity planning. Without periodic restore procedures, the Town cannot be assured that critical systems and data can be successfully recovered in the event of data loss, cyberattack, or system failure. We recommend the Town perform restore tests at least annually to verify the integrity of backup processes and ensure preparedness for potential disruptions.

### **Property Assessed Clean Energy (PACE) Programs**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town’s geographical boundaries during the fiscal year under audit.

### **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 that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

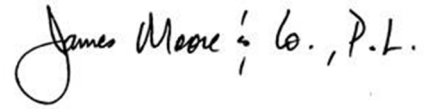
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the 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 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 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 distinct "Co." followed by "P.L.".

Daytona Beach, Florida  
June 30, 2025

## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

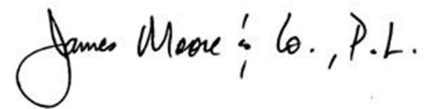
To the Honorable Mayor and Town Commission,  
Town of Pembroke Park, Florida:

We have examined the Town of Pembroke Park, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. The Town's 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 responsibility is to obtain reasonable assurance by evaluating the Town's compliance with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the Town complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the Town's compliance based on our examination during the year ended September 30, 2024. 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.

We are required to be independent of Town, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.



Daytona Beach, Florida  
June 30, 2025

## **MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS**

### **2024-001 Reconciliation of Account Balances and Audit Adjustments**

Response: Management acknowledges the auditor's finding and concurs with the recommendation to strengthen year-end reconciliation. The restatements identified were primarily the result of staff turnover including multiple Finance Directors over a 4-year period, which impacted the timely reconciliation and delayed implementation of a close process. The Finance team is now fully staffed and has implemented a monthly close checklist to ensure all account balances are reviewed and reconciled on an ongoing basis.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

### **2024-002 Timeliness of Bank Reconciliations**

Response: The delays identified during the audit were due to resource constraints and transitions within the Finance Department. In the prior year, a single Accounting Clerk handled bank reconciliations with little to no oversight. Now that the department is fully staffed, we have put in place a deadline for bank reconciliations and an approval chain to ensure that finance leadership has had an opportunity to review in a timely manner.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

### **2024-003 Expenses and Accounts Payable**

Response: Management acknowledges the control deficiencies noted in the accounts payable process during fiscal year 2024 and concurs with the auditors' recommendations. To address the issues identified and strengthen internal controls, the Finance Dept. has taken the following steps:

- 1) The hiring of a full-time A/P Clerk to ensure that all invoices are entered into the financial system in a timely fashion
- 2) Implemented a deadline of 5 business days for entering invoices into the system
- 3) Established a clear approval chain for the payment of invoices up to the Senior Accounting Manager and the Finance Director
- 4) Established a deadline of 5 business days for recording such transactions in the GL, to be reviewed by the Finance Director

Management is committed to maintaining strong financial controls and timely financial reporting. These changes are expected to significantly improve the reliability and timeliness of bank reconciliations going forward.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

#### **2024-004 Purchasing Policy and Cash Disbursements**

Response: Management concurs with the audit finding and acknowledges that there were instances during the audit period when the Town did not fully adhere to its Purchasing Policy dated November 8, 2023, particularly with respect to proper payment approval and purchase documentation.

To address the identified issues, the Finance Dept. has taken the following steps:

- 1) Procurement training sessions have been conducted for all department heads, staff, and new hires
- 2) No disbursements are processed without a fully executed purchase order, including all required approvals from department heads and finance
- 3) All supporting documentation must be included to approve a purchase order
- 4) The appointment of a Purchasing Administrator as part of the Finance Team to provide additional oversight, consult with the Town Attorney on legal and compliance matters, and manage all aspects of procurement

Management is committed to strengthening procurement and disbursement controls to ensure transparency, accountability, and compliance with policy.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

#### **2024-005 Capital Assets**

Response: Management concurs with this audit finding. This discrepancy was primarily due to system differences between the Town's current ERP and the previous system used to maintain Capital Assets, and the timing issues with data transference because of staff turnover. There was no one on staff adequately trained to monitor the previous system.

Management has applied the following corrective measures:

- 1) Procurement of a new and updated system for Capital Assets tracking
- 2) The inclusion of Capital Assets reconciliation as part of the monthly close process
- 3) The monthly review of all supporting documentation for any asset acquisitions or disposals which will require signature from department heads and management

These measures will significantly improve internal controls and reduce risk.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

**2024-006 Internal Control over Petty Cash**

Response: This is a prior audit finding. The Finance Dept. no longer keeps petty cash on hand, and the last petty cash balance was deposited into the Town's bank account in FY 2025.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

**2024-007 Unexpended Fund Balance – Building Permits**

Response: Management acknowledges the audit finding regarding the excess fund balance in the Building Fund as of September 30, 2024, and concurs with the recommendation to comply with Section 553.80(7)(a), Florida Statutes, which limits the amount of unexpended building permit revenue that may be carried forward. The excess accumulation was primarily due to an increase in permit activity in recent years

To rectify, Management is currently developing a formal plan for the use of excess Building Fund balances. This plan will include investments in technology upgrades, staffing, training, inspections, and code enforcement infrastructure, all of which are allowable uses under Florida law. Finance is partnering with the Building Department to create a written policy to guide the use, monitoring, and reporting of building permit revenue and fund balances to ensure ongoing compliance with Section 553.80(7)(a)

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

**2024-008 Impact Fee Accounting**

Response: Management concurs with the audit finding and acknowledges that, as of fiscal year-end 2024, the Town's impact fees were not recorded in a separate fund, as required by Section 163.31801(4)(b), Florida Statutes.

To rectify, Management will create a separate Impact Fee Fund as part of the 2026 FY Budget process. All existing impact fee balances currently held in other funds will be transferred to the new Impact Fee Fund with appropriate journal entries and supporting documentation to ensure a clean transition and accurate beginning fund balance.

Management is committed to ensuring transparency and statutory compliance in the accounting and use of impact fees and appreciates the audit team's guidance in this matter.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

**2024-009 Qualified Public Depositor Report**

Response: Management concurs with the audit finding. Due to staff turnover, the Qualified Public Depositor Report submission request e-mail was sent to the inbox of the person who held the

Finance Director seat 3 years ago, which resulted in a late submission. The CFO's office has received all updated contact information.

Management has included the QPDR as part of the Town's annual checklist of reporting items to the State.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**

#### **2024-010 IT System Backups**

Response: Management concurs with this finding and has planned with the IT department for annual system backup and restore testing and documentation efforts.

Management is committed to maintaining a secure and resilient technology environment and will continue to enhance our disaster recovery planning to safeguard the Town's operations and data assets.

**These findings are generated by events that occurred prior to the arrival of the current management team in the town of Pembroke Park.**