

**Comprehensive Annual  
Financial Report of the  
Town of Pembroke Park, Florida**

For The Year Ended September 30, 2015

Prepared by the  
Finance Department



**Town of Pembroke Park, Florida  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2015**

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## INTRODUCTORY SECTION





# TOWN OF PEMBROKE PARK

3150 S.W. 52ND AVENUE • PEMBROKE PARK, FLORIDA 33023 • BROWARD (954) 966-4600 • FAX (954) 966-5186

Ashira A. Mohammed  
*Mayor*

Howard P. Clark, Jr.  
*Vice Mayor*

Annette Wexler  
*Clerk Commissioner*

Georgina Cohen  
*Commissioner*

Emma Shoaff  
*Commissioner*

Dr. Robert A. Levy  
*Town Manager*

Christopher J. Ryan  
*Town Attorney*

May 26, 2016

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

In accordance with Section 11.45, Florida Statutes, and Section 18 of the Town Code of Ordinances, submitted herewith is the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015. Responsibility for both the accuracy of the data and completeness and fairness of its presentation, including all disclosures, rests with the Town. Management believes that the data presented is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Town's financial affairs have been included.

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

## **The Reporting Entity and Its Services**

The Town of Pembroke Park was incorporated on December 10, 1957 and established on June 20, 1959 by Chapter 59-1722, Laws of Florida, as amended. The Town operates under a Commission form of government and provides general government, public safety, physical environment, public works, and culture and recreation to its residents and business community. The Mayor and four Town Commissioners are responsible for establishing policies for Town government. The Mayor and Commission appoint the Town Manager, who is the Chief Administrative Officer of the Town and is responsible for implementing policies adopted by the Commission.

This report includes all of the funds for which the Town of Pembroke Park is financially accountable. Although the Broward County Board of County Commissioners, Broward County District School Board, the South Florida Water Management District, the Children's Service Council of Broward County, the South Inland Navigation District, and the South Broward Hospital District levy and collect taxes on property located within the corporate limits of the Town of Pembroke Park, financial information on these taxing authorities is not included in this report, since each has a separate elected governing body, are legally separate, and are fiscally independent of the Town. Annual financial reports of these units of government are available upon request from each agency.

## **Economic Conditions and Outlook**

The Town of Pembroke Park serves an area of approximately 1.7 square miles with an estimated population of 6,122 residents. Prior to incorporation, the Town received services from Broward County as part of its unincorporated municipal services taxing unit. The Town received no real property, facilities, or equipment from Broward County upon incorporation.

The Town's combination of mobile home parks and commercial developments resulted in a taxable value of approximately \$ 574,699,798 and a taxable value per capita of approximately \$ 92,395. The 2014/2015 fiscal year was a relatively active construction year for the Town with a good combination of commercial and industrial. An analysis of the projects in the various stages of the planning and development process indicated that building activity will continue to be geared toward similar activities perhaps at a faster pace than in previous years.

## **Major Initiatives**

The 2014/2015 fiscal year budget included a number of priorities and goals. The most significant are as follows:

- Reduce the risk of flooding within the corporate limits of the Town to minimize property losses and damages for our Town's residents.
- This goal was accomplished by replacing and improving major stormwater piping in various areas of the Town. The Town of Pembroke Park John P. Lyons Lane Stormwater Improvements (Phase I) Project was designed in early 2015, and awarded for construction in August 2015. The project includes the construction of a drainage collection system and roadway improvements to alleviate flooding problems in this residential/commercial business section of Town. This project was funded by a Florida Department of Environmental Protection (FDEP) Grant. Construction is scheduled to be completed in June 2016.

## **For the Future**

The Town continues to pursue and modify its goals as outlined in the Five-Year Capital Improvement Plan. Some of these goals were emphasized as essential to further enhance the quality of life of Town residents and to diminish property damage and loss that may occur during the hurricane season. The highest priorities for the coming years are as follows:

- The Town of Pembroke Park John P. Lyons Lane Stormwater Improvements (Phase II) Project is the continuation of the Phase I project. This project will continue the stormwater collection system construction north to Carolina Street, and will include a stormwater pumping station to provide a means to pump stormwater out of the Town.
- The Town of Pembroke Park S.W. 25<sup>th</sup> Street Stormwater Improvements. *Located adjacent to Park Road in a commercial/industrial area. Stormwater improvements include drainage structures, stormwater piping, an exfiltration water quality system, and a larger outfall located on Behan Lake These improvements are a rehabilitation and upsizing of an existing drainage system* and will help alleviate potential flooding problems on the east side of Town.
- The Town of Pembroke Park S. W. 52nd Avenue Connection Project includes the construction of stormwater piping on County Line Road, and will be designed to tie into the County's trunk line located on S.W. 56th Avenue. This project will allow a means of conveyance of stormwater flows and will help alleviate potential flooding problems on the west side of Town.

## Town of Pembroke Park, Florida

- *Dale Village Stormwater Connection: Located at S.W. 52nd Avenue/Hallandale Beach Boulevard. Construction would include a point of connection for Dale Village's private stormwater collection system. Construction would include a drainage structure on the north side of Hallandale Beach Boulevard, stormwater piping across Hallandale Beach Boulevard, and a connection to the Town's existing stormwater collection system on S.W. 52nd Avenue.*
- The Town of Pembroke Park Sewer Lift Stations No. 14 and 17. The Town of Pembroke Park continues with the wastewater collection system improvements program as outlined in Wastewater Collection Pumping System Improvements Plan of 2003. The design for the lift stations is in conformance with new construction standards and will be constructed with permanent generators.
- The Town of Pembroke Park S.W. 30th Street Wastewater Project includes the rehabilitation of the six (6) lift stations and the replacement of a deteriorated sewer force main located along S.W. 30th Street. The proposed lift station designs are in conformance with new construction standards.
- The Town of Pembroke Park Sanitary Sewer Restoration Project includes detection of leaks and repair within the existing sewer system. This project reduces infiltration and meets permit requirements. The sewer system has been deteriorating over the past few years and is characterized by increasing inflow and infiltration to the system, especially during and immediately after a heavy rainfall. The Town will use chemical grouting, sectional repair, sliplining, and complete replacement of the line to reduce the infiltration to the system.

### **Financial Policies**

The Town's budgetary and financial policies provide the basic framework for the overall fiscal management of the Town. The main policies consist of budgetary, revenue, cash management, and fund balance and risk management policies. These policies are used in the development of current activities and planning for future programs.

### **Internal Accounting Control:**

Management of the Town is responsible for establishing and maintaining internal controls to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Controls:**

Budgetary appropriations are legally controlled at the department level. Encumbrances, purchase orders and other commitments for the expenditure of monies are recorded throughout the fiscal year. Changes and amendments to the total budget of the Town must be approved by the Commission. Expenditures over \$ 500 are also approved by the Commission on a monthly basis. Budgets are adopted on a basis consistent with generally accepted accounting principles. All outstanding encumbrances lapse at the end of the fiscal year. Any lapsed capital outlay expenditures are re-appropriated in the next fiscal year. There was one amendment to the Fiscal Year 2014/2015 Budget subsequent to the initial budget adoption.

**Revenue Policy:**

The Town will attempt to maintain a diversified and stable revenue system to avoid reliance on any one revenue source and will attempt to minimize the dependence on property taxes. Charges for services are used to recover partial or full cost of providing services that benefit individual users. Additionally, it is the Town's policy that new ongoing operating costs are funded with permanent, ongoing revenue sources. One-time operating costs are tied to one-time revenue sources to ensure fund balance integrity.

**Fund Balance:**

The Town previously implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for its governmental fund. GASB Statement No. 54 establishes various classifications of fund balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as Committed can only be used for specific purposes determined by formal action of the Town Commission through an ordinance or a resolution. Commitments can only be changed or lifted only by the Town Commission through formal action. Assigned fund balances are amounts that the Town intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds is delegated to the Town Manager. Unassigned fund balance can be viewed as the net resources available at the end of the year.

**Other Information**

**Independent Audit:**

In accordance with section 11.45(3)(a) (4), Florida Statutes, and Section 18 of the Town Code of Ordinances, the Town engaged the firm of Keefe, McCullough & Co., LLP, Certified Public Accountants, to perform the independent audit of the Town's accounts and records. The independent auditors' reports are included in the Financial and Compliance sections.

**Certificate of Achievement:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Reporting to the Town of Pembroke Park, Florida for its Comprehensive Annual Financial Report for the year ended September 30, 2014. This is the eleventh straight year that the Town has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

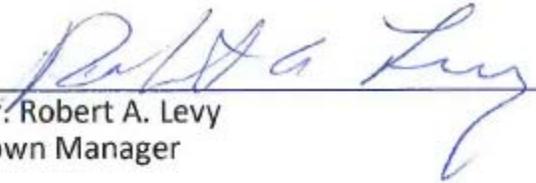
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments:**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department. We express our appreciation to members of the Department who assisted and contributed to its preparation. We also wish to thank the Mayor and Town Commission for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

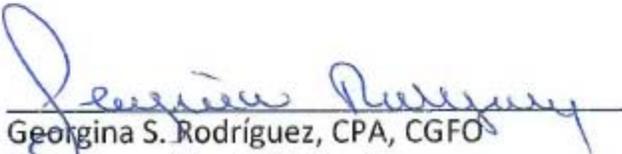
Town of Pembroke Park, Florida

Respectfully submitted,



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Dr. Robert A. Levy  
Town Manager



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Georgina S. Rodriguez, CPA, CGFO  
Finance and Budget Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

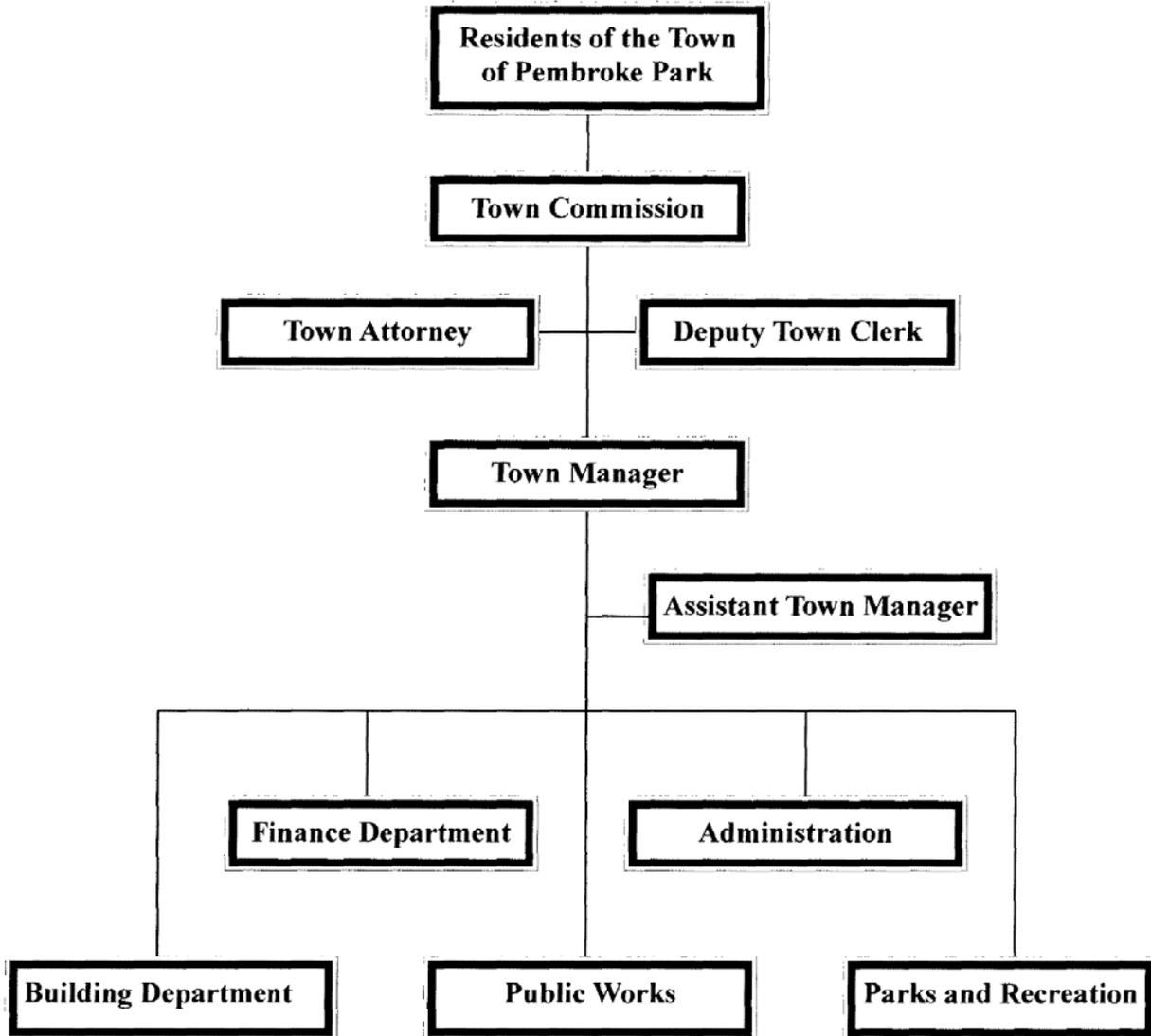
**Town of Pembroke Park  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

**TOWN OF PEMBROKE PARK, FLORIDA**



Town of Pembroke Park, Florida  
List of Principal Officials  
September 30, 2015

Commission Form of Government

**Town Commission**

Ashira Mohammed, Mayor – District 5

Howard P. Clark Jr, Vice Mayor – District 2

Annette Wexler, Clerk Commissioner – District 4

Georgina Cohen, Commissioner – District 1

Emma Shoaff, Commissioner – District 3

**Town Manager**

Dr. Robert A. Levy

**Town Attorney**

Christopher J. Ryan, Esq.

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Pembroke Park, Florida (the "Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and other required supplementary information on pages 52 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
May 26, 2016

**Town of Pembroke Park, Florida  
Management's Discussion and Analysis  
September 30, 2015**

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This section of the Comprehensive Annual Financial Report (CAFR), entitled Management's Discussion and Analysis (MDA), is presented as a method to assist the reader in better understanding the financial position of the Town of Pembroke Park, Florida (the "Town") as of the date of the report in accordance with the Government Accounting Standards Board. Items noted in this section are:

1. Financial Performance - how the Town arrived at its current position by identifying key changes to the components of the financial position, examples include special grants, special assessments, disasters, etc.
2. Operational performance - how the Town performed during the past fiscal year when comparing planned results to actual results. Are trends developing that may alter forecasts?

The Letter of Transmittal, included in a previous section of this CAFR, discusses other relevant items that impact the overall financial condition of the Town. The Letter of Transmittal should be read in conjunction with Management's Discussion and Analysis and the Town's financial statements.

### **Financial Highlights**

The following are the highlights of financial activity for the fiscal year ended September 30, 2015:

- The net position amount of \$ 17,907,108 is the result of total assets less liabilities. Governmental net position was \$ 5,849,042 and business-type net position was \$ 12,058,066.
- The Town's revenues for governmental activities were \$ 9,748,383. Expenses for governmental activities were \$ 10,204,942.
- At the beginning of the fiscal year, the Town anticipated to use \$ 967 of reserves to fund fiscal year's 2014/2015 expenditures. At the close of the fiscal year, the Town's governmental fund reported an ending fund balance of \$ 3,719,131, a decrease of \$ 443,249 from the prior year.
- In the General Fund, ad valorem tax revenues collected during the fiscal year increased from the previous year's collections by \$ 80,388. The Town's property value remained consistent with the previous fiscal year.
- Charges for wastewater and drainage service in the Town's enterprise funds increased by \$ 151,194 during fiscal year 2014/2015. The increase was due to a rate increase in consumption for both services.
- Total revenues for business-type activities decreased by \$ 512,480 over the prior year. The overall decrease in revenues is due to capital grants of \$ 611,591 received during 2013/2014 that were not received in 2104/2015.

## **Town Highlights**

During fiscal year ended September 30, 2015, the Town continued working on several upgrades of the storm water drainage systems.

## **Overview of the Financial Statements**

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

**Government-wide statements:** The government-wide financial statements, which consist of the following two 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 statement of net position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing 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 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.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town categorizes funds into two basic fund types: governmental funds and proprietary 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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating the Town'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 Town'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 reconciliations to facilitate this comparison between governmental funds and governmental activities.

**Town of Pembroke Park, Florida  
Management's Discussion and Analysis  
September 30, 2015**

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Proprietary funds are comprised of the enterprise funds which are the equivalent of business-type activities in the government-wide statements. These include the Sewer Utility Fund and the Stormwater Drainage Fund.

The Town reports a pension trust for its defined benefit pension plan in the fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund statements can be found on pages 25 and 26 of this report and a more detailed description of the Town's pension trust fund may be found in Note 8 to financial statements.

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

**Other financial information:** In addition to the basic financial statements and accompanying notes, this report also presents other financial information concerning the Town's capital assets.

**Government-Wide Financial Analysis**

The Town's combined net position totaled \$ 17,907,108 as of September 30, 2015. Governmental activities net position totaled \$ 5,849,042 and business-type activities net position totaled \$ 12,058,066. Unrestricted net position is that portion of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

As of September 30, 2015, the Town's unrestricted net position increased by \$ 290,342 which resulted from a combination of the governmental activities unrestricted net position decrease of \$ 444,029 and the business-type activities net position increase of \$ 734,371. The combined unrestricted net position amounted to \$ 8,361,860 as of September 30, 2015. A key component to the Town's growth in net position is the Town's effort to encourage business investments in the Town. The Town's open door policy with the private sector together with the Town's strict zoning regulations and a balanced land use provide for the Town's stable growth of industrial, commercial, residential and recreational development. Additionally the Town completed stormwater system improvements for which it received governmental grants. The cost of these improvements will be recognized over their useful life.

The following table presents condensed Statements of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Current and Other Assets</b>	\$ 4,166,965	\$ 4,666,434	\$ 7,194,738	\$ 6,453,688	\$ 11,361,703	\$ 11,120,122
<b>Capital Assets (Net)</b>	<u>4,011,647</u>	<u>4,026,529</u>	<u>8,421,455</u>	<u>8,897,625</u>	<u>12,433,102</u>	<u>12,924,154</u>
Total assets	<u>8,178,612</u>	<u>8,692,963</u>	<u>15,616,193</u>	<u>15,351,313</u>	<u>23,794,805</u>	<u>24,044,276</u>
<b>Deferred outflows of resources</b>	<u>1,179,536</u>	<u>462,553</u>	<u>98,412</u>	<u>64,683</u>	<u>1,277,948</u>	<u>527,236</u>

**Town of Pembroke Park, Florida  
Management's Discussion and Analysis  
September 30, 2015**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Current Liabilities</b>	499,032	549,714	585,294	584,175	1,084,326	1,133,889
<b>Noncurrent Liabilities</b>	2,307,194	1,563,171	3,032,712	3,376,875	5,339,906	4,940,046
Total liabilities	2,806,226	2,112,885	3,618,006	3,961,050	6,424,232	6,073,935
<b>Deferred inflows of resources</b>	702,880	737,030	38,533	103,065	741,413	840,095
<b>Net Position:</b>						
Net Investment in capital assets	4,011,647	4,026,529	5,194,495	5,222,681	9,206,142	9,249,210
Restricted	183,955	181,603	155,151	155,151	339,106	336,754
Unrestricted	1,653,440	2,097,469	6,708,420	5,974,049	8,361,860	8,071,518
Total net position	\$ 5,849,042	\$ 6,305,601	\$ 12,058,066	\$ 11,351,881	\$ 17,907,108	\$ 17,657,482

**General discussion on revenues:** Several areas can be identified which directly impact this current reporting period and the next fiscal year's revenues. The millage rate established by the Town during the budget process determines how much property tax revenue is generated in the General Fund. Property tax revenue is the major revenue source in the General Fund, it accounts for approximately 46% of total fund revenues in fiscal year 2014/2015. The millage rate is a rate charged per thousand dollars of assessed property value net of exemptions.

The planning and decisions taken by the Town are always weighted against the financial burden that will be placed on both current and future residents of the Town, as well as potential economic and environmental impacts. Through careful planning, Pembroke Park has kept its tax millage rate unchanged for the past fourteen fiscal years at 8.5000 mills. One mill of tax equals one dollar for each one thousand dollars of assessed property value as determined by the Broward County Property Appraiser.

The Town's financial condition generally is affected by economic conditions. During prosperous economic periods, property values generally increase which correspondingly increase property tax revenue. The Town's taxable value slightly increased during fiscal year 2014/2015.

Revenues for the governmental fund remain steady with small positive and negative variances when compared to the previous fiscal year.

The Town experienced a decrease in revenues of \$ 512,480 for the business type activities funds. Operating revenue, which includes charges for services, slightly increased by \$ 151,194. The rise was due to an increase in stormwater and sewer rates. Grant revenue and contributions decreased by \$ 667,443.

**General discussion on expenses:** Expenses for the governmental and business type activities were \$ 10,204,942 and \$ 3,285,584, respectively. One of the Town's major expenses is the payment to Broward County for police and fire rescue which accounts for \$ 6,252,552 or 61% of the total expenses for the General Fund.

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The number of employees working for the Town has remained stable over the years. The increase of \$ 402,867 in expenses for governmental activities was due to an increase on the cost of public safety of \$ 164,074 and general government of \$ 162,950.

Program expenses for business type activities funds increased by \$ 201,390. The increase was due to a surge in the cost of processing sewage of \$ 217,145. Other expenses fluctuated in either direction creating the net increase on expenses for both funds.

The following table presents a condensed Statement of Activities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,426,669	\$ 1,199,993	\$ 3,881,540	\$ 3,730,346	\$ 5,308,209	\$ 4,930,339
Capital grants and contributions	-	60,515	89,366	756,809	89,366	817,324
<b>General revenues:</b>						
Property taxes	4,532,518	4,452,130	-	-	4,532,518	4,452,130
Other taxes and fees	2,025,887	1,954,714	-	-	2,025,887	1,954,714
Intergovernmental	898,152	781,080	-	-	898,152	781,080
Other general revenues	865,157	752,141	20,863	17,094	886,020	769,235
<b>Total revenues</b>	<b>9,748,383</b>	<b>9,200,573</b>	<b>3,991,769</b>	<b>4,504,249</b>	<b>13,740,152</b>	<b>13,704,822</b>
<b>Program Expenses:</b>						
General government	2,610,513	2,447,563	-	-	2,610,513	2,447,563
Public safety	6,259,566	6,095,492	-	-	6,259,566	6,095,492
Physical environment	306,333	346,876	-	-	306,333	346,876
Culture and recreation	422,878	380,544	-	-	422,878	380,544
Public works	601,730	531,482	-	-	601,730	531,482
Interest expense	3,922	118	-	-	3,922	118
Sewer utility	-	-	2,359,648	2,142,503	2,359,648	2,142,503
Stormwater drainage	-	-	925,936	941,691	925,936	941,691
<b>Total expenses</b>	<b>10,204,942</b>	<b>9,802,075</b>	<b>3,285,584</b>	<b>3,084,194</b>	<b>13,490,526</b>	<b>12,886,269</b>
Change in net position	(456,559)	(601,502)	706,185	1,420,055	249,626	818,553
Net position, beginning of year	6,305,601	8,837,082	11,351,881	10,100,250	17,657,482	18,937,332
Restatement	-	(1,929,979)	-	(168,424)	-	(2,098,403)
Net position, end of year	\$ <u>5,849,042</u>	\$ <u>6,305,601</u>	\$ <u>12,058,066</u>	\$ <u>11,351,881</u>	\$ <u>17,907,108</u>	\$ <u>17,657,482</u>

**Analysis of the Government's Funds**

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Town of Pembroke Park, Florida  
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The General Fund is the chief operating fund of the Town. At the end of the fiscal year ended September 30, 2015, unassigned fund balance of the General Fund was \$ 2,917,297. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. The unassigned fund balance represents approximately 29% of the expenditures in the General Fund.

The General Fund's fund balance decrease from \$ 4,162,380 to \$ 3,719,131 during the current fiscal year, a difference of \$ 443,249. The key factors in this change are included in the section entitled, "General Fund Budgetary Highlights."

**Proprietary Funds:** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the Enterprise Funds amounted to \$ 12,058,066 at the end of the fiscal year ended September 30, 2015, an increase of \$ 706,185 over the prior fiscal year. Other factors concerning the finances of these two funds are covered in more detail in the discussion of the Town's business-type activities in the Government-wide Financial Analysis section.

**General Fund Budgetary Highlights**

The Town amended its budget once at the end of the year. Changes and amendments to the budget must be approved by the Commission. The original budget was amended to update for unanticipated revenues and expenditures noted below. The Commission approves purchase orders and nonrecurring expenditures over \$ 500 on a monthly basis. The Commission uses this procedure to closely monitor expenditures and commitments made by the Town.

General Fund revenues were \$ 255,639 more than the original budget projections. The Town collected a total of \$ 182,960 less than what was originally budgeted for Ad Valorem Taxes. Other Miscellaneous revenue increased by \$ 287,340 from the budget amount. Collections for revenues generally fluctuated more or less near the budget amounts with no significant variances.

**Capital Assets and Debt Administration**

The Town had \$ 12,433,102 net of depreciation invested in capital assets on September 30, 2015. The following schedule summarizes capital asset activity over the past fiscal year:

For more detailed information, please refer to the notes to the financial statements on pages 35 and 37:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Capital assets, not being depreciated:</b>						
Land	\$ 2,120,064	\$ 2,120,064	\$ -	\$ -	\$ 2,120,064	\$ 2,120,064
Construction in progress	20,370	-	-	-	20,370	-
Total capital assets not being depreciated	2,140,434	2,120,064	-	-	2,140,434	2,120,064

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	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Capital assets being depreciated:</b>						
Buildings	984,935	984,935	-	-	984,935	984,935
Improvements other than buildings	3,148,517	3,125,367	-	-	3,148,517	3,125,367
Infrastructure	-	-	17,081,989	16,785,725	17,081,989	16,785,725
Machinery and equipment	1,265,934	1,152,209	112,664	99,906	1,378,598	1,252,115
<b>Total capital assets being depreciated</b>	<b>5,399,386</b>	<b>5,262,511</b>	<b>17,194,653</b>	<b>16,885,631</b>	<b>22,594,039</b>	<b>22,148,142</b>
<b>Less accumulated depreciation for:</b>						
Buildings	886,440	866,741	-	-	886,440	866,741
Improvements other than buildings	1,710,480	1,572,985	-	-	1,710,480	1,572,985
Infrastructure	-	-	8,702,023	7,926,368	8,702,023	7,926,368
Machinery and equipment	931,253	916,320	71,175	61,638	1,002,428	977,958
<b>Total accumulated depreciation</b>	<b>3,528,173</b>	<b>3,356,046</b>	<b>8,773,198</b>	<b>7,988,006</b>	<b>12,301,371</b>	<b>11,344,052</b>
<b>Total capital assets being depreciated, net</b>	<b>1,871,213</b>	<b>1,906,465</b>	<b>8,421,455</b>	<b>8,897,625</b>	<b>10,292,668</b>	<b>10,804,090</b>
<b>Total capital assets, net</b>	<b>\$ 4,011,647</b>	<b>\$ 4,026,529</b>	<b>\$ 8,421,455</b>	<b>\$ 8,897,625</b>	<b>\$ 12,433,102</b>	<b>\$ 12,924,154</b>

The Town continues its capital outlay efforts by upgrading the water and wastewater lines. The amount spent on these infrastructure improvements remains fairly consistent from year to year. During fiscal year 2014/2015, the Town continued upgrades on the sewer and stormwater systems.

**Debt:** The Town had debt totaling \$ 5,845,811 at September 30, 2015. This amount includes compensated absences. Total debt outstanding at the end of the prior fiscal year was \$ 5,440,413. For more detailed information, please refer to the notes to the financial statements on pages 37 and 38.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Compensated absences	\$ 255,992	\$ 228,299	\$ 31,887	\$ 25,096	\$ 287,879	\$ 253,395
OPEB Obligation	8,468	7,430	1,713	1,500	10,181	8,930
Net pension liability	2,093,932	1,373,102	226,859	130,042	2,320,791	1,503,144
Note payable	-	-	1,004,960	1,422,944	1,004,960	1,422,944
Bonds payable	-	-	2,222,000	2,252,000	2,222,000	2,252,000
	<b>\$ 2,358,392</b>	<b>\$ 1,608,831</b>	<b>\$ 3,487,419</b>	<b>\$ 3,831,582</b>	<b>\$ 5,845,811</b>	<b>\$ 5,440,413</b>

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

**Economic factors:** The Town's primary sources of revenue are property taxes and utility charges for services. State shared revenues, which include telecommunication taxes, account for another large source of revenue.

Over the past year and continuing for the foreseeable future, there has been growth in the local economy. A major factor contributing to this has been the increase in property values at the national level and a lower rate of unemployment. While the decrease in taxable value has been modest for our Town, it has followed several years of increases, during which time it has allowed the Town to build up a fund balance. The Town has a very diverse tax base including substantial amounts of commercial and industrial property which should allow for a smaller impact to ad valorem revenues in the future years should the economy experience a downturn. For more information regarding the Town's property taxes please refer to the notes to the financial statements.

### **Requests for Information**

This entire report has been prepared by the finance department of the Town of Pembroke Park, Florida with the assistance of the Town's external auditors. Every effort has been made to make this report understandable to the reader. Any questions or comments about this report are welcomed and may be directed to the Town's Finance Director at (954) 966-4600, Extension 232; Fax (954) 961-4760, or by mail to the Town of Pembroke Park, Finance Director; 3150 SW 52nd Avenue; Pembroke Park, Florida 33023.

## BASIC FINANCIAL STATEMENTS



**Town of Pembroke Park, Florida**  
**Statement of Net Position**  
**September 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash, cash equivalents and investments	\$ 3,494,054	\$ 6,435,348	\$ 9,929,402
Accounts receivable, net	624,128	742,311	1,366,439
Due from other governments	48,783	17,079	65,862
Total current assets	<u>4,166,965</u>	<u>7,194,738</u>	<u>11,361,703</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	2,140,434	-	2,140,434
Depreciable	1,871,213	8,421,455	10,292,668
Total noncurrent assets	<u>4,011,647</u>	<u>8,421,455</u>	<u>12,433,102</u>
Total assets	<u>8,178,612</u>	<u>15,616,193</u>	<u>23,794,805</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pension	<u>1,179,536</u>	<u>98,412</u>	<u>1,277,948</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	168,190	112,910	281,100
Payroll liabilities	28,600	5,909	34,509
Accrued liabilities	12,543	11,768	24,311
Unearned revenue	231,963	-	231,963
Deposits	6,538	-	6,538
Current portion of compensated absences payable	51,198	5,019	56,217
Current portion of debt	-	449,688	449,688
Total current liabilities	<u>499,032</u>	<u>585,294</u>	<u>1,084,326</u>
Noncurrent liabilities:			
Net pension liability	2,093,932	226,859	2,320,791
OPEB obligation	8,468	1,713	10,181
Compensated absences payable	204,794	26,868	231,662
Debt	-	2,777,272	2,777,272
Total noncurrent liabilities	<u>2,307,194</u>	<u>3,032,712</u>	<u>5,339,906</u>
Total liabilities	<u>2,806,226</u>	<u>3,618,006</u>	<u>6,424,232</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	<u>702,880</u>	<u>38,533</u>	<u>741,413</u>
<b>Net Position:</b>			
Net investment in capital assets	4,011,647	5,194,495	9,206,142
Restricted for:			
Law enforcement	183,955	-	183,955
Debt service	-	72,992	72,992
Capital projects	-	82,159	82,159
Unrestricted	1,653,440	6,708,420	8,361,860
Total net position	<u>\$ 5,849,042</u>	<u>\$ 12,058,066</u>	<u>\$ 17,907,108</u>

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

**Town of Pembroke Park, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2015**

Functions/Programs:	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,610,513	\$ 145,491	\$ -	\$ -	\$ (2,465,022)	\$ -	\$ (2,465,022)
Public safety	6,259,566	1,278,178	-	-	(4,981,388)	-	(4,981,388)
Physical environment	306,333	-	-	-	(306,333)	-	(306,333)
Public works	422,878	-	-	-	(422,878)	-	(422,878)
Culture and recreation	601,730	3,000	-	-	(598,730)	-	(598,730)
Interest expense	3,922	-	-	-	(3,922)	-	(3,922)
Total governmental activities	10,204,942	1,426,669	-	-	(8,778,273)	-	(8,778,273)
Business-type activities:							
Sewer utility	2,359,648	2,626,946	-	24,878	-	292,176	292,176
Stormwater drainage district	925,936	1,254,594	-	64,488	-	393,146	393,146
Total business-type activities	3,285,584	3,881,540	-	89,366	-	685,322	685,322
Total primary government	\$ 13,490,526	\$ 5,308,209	\$ -	\$ 89,366	(8,778,273)	685,322	(8,092,951)
General revenues:							
Taxes:							
					4,532,518	-	4,532,518
					110,691	-	110,691
					915,375	-	915,375
					999,821	-	999,821
					898,152	-	898,152
					12,217	20,863	33,080
					852,940	-	852,940
					8,321,714	20,863	8,342,577
					(456,559)	706,185	249,626
					6,305,601	11,351,881	17,657,482
					\$ 5,849,042	\$ 12,058,066	\$ 17,907,108

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

**Town of Pembroke Park, Florida**  
**Balance Sheet - Governmental Fund**  
**September 30, 2015**

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	<b>General Fund</b>
	<u>          </u>
<b>Assets:</b>	
Equity in pooled cash, cash equivalents and investments	\$ 3,494,054
Accounts receivable, net of allowances	624,128
Due from other governments	<u>48,783</u>
Total assets	<u>\$ 4,166,965</u>
 <b>Liabilities and Fund Balance:</b>	
Liabilities:	
Accounts payable	\$ 168,190
Payroll liabilities	28,600
Accrued liabilities	12,543
Unearned revenue	231,963
Deposits	<u>6,538</u>
Total liabilities	<u>447,834</u>
 Fund balance:	
Restricted for:	
Law enforcement	183,955
Committed to:	
Retirement benefits	373,057
Assigned to:	
Subsequent years budget	244,822
Unassigned	<u>2,917,297</u>
Total fund balance	<u>3,719,131</u>
Total liabilities and fund balance	<u>\$ 4,166,965</u>

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

**Town of Pembroke Park, Florida  
 Reconciliation of the Balance Sheet of the Governmental Fund  
 to the Statement of Net Position  
 September 30, 2015**

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<b>Fund Balance - Governmental Fund</b>		\$ 3,719,131
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:</p>		
The cost of capital assets is	\$ 7,539,820	
Accumulated depreciation is	<u>(3,528,173)</u>	4,011,647
<p>The net pension liability and related deferred inflows and outflows are not due and payable in the current period and, therefore, are not reported in the fund:</p>		
Net pension liability		(2,093,932)
Deferred outflows related to pension		1,179,536
Deferred inflows related to pension		(702,880)
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported in the fund:</p>		
Net OPEB liability		(8,468)
Compensated absences payable		<u>(255,992)</u>
<b>Net Positon of Governmental Activities</b>		<u>\$ 5,849,042</u>

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

**Town of Pembroke Park, Florida**  
**Statement of Revenues, Expenditures, and Changes In Fund Balance -**  
**Governmental Fund**  
**For the Year Ended September 30, 2015**

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	<b>General Fund</b>
<b>Revenues:</b>	
Ad valorem taxes	\$ 4,532,518
Local option gas tax	110,691
Franchise taxes	915,375
Utility service taxes	999,821
Licenses and permits	1,014,412
Intergovernmental revenues	879,589
Charges for services	355,289
Fines and forfeitures	76,067
Grant revenues	-
Interest income	12,217
Miscellaneous revenues	851,509
	<u>9,747,488</u>
Total revenues	<u>9,747,488</u>
<b>Expenditures:</b>	
Current:	
General government	2,579,724
Public safety	6,252,552
Physical environment	296,601
Public works	370,989
Culture and recreation	464,136
Capital outlay	226,735
	<u>10,190,737</u>
Total expenditures	<u>10,190,737</u>
Net change in fund balance	(443,249)
<b>Fund Balance at Beginning of Year</b>	<u>4,162,380</u>
<b>Fund Balance at the End of Year</b>	<u>\$ 3,719,131</u>

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

**Town of Pembroke Park, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Change in Fund Balance of the Governmental Fund**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2015**

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**Net Change in Fund Balance - Governmental Fund** \$ (443,249)

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

The governmental fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$ 226,735	
Less current year provision for depreciation	(242,512)	
Disposals	<u>895</u>	(14,882)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

Change in compensated absences payable	(27,693)
Change in net pension liability	(720,830)
Change in deferred outflows related to pension	716,983
Change in deferred inflows related to pension	34,150
Change in OPEB Liability	<u>(1,038)</u>

**Change in Net Position of Governmental Activities** \$ (456,559)

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

**Town of Pembroke Park, Florida**  
**Statement of Revenues, Expenditures and**  
**Change in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes:				
Current	\$ 4,793,514	\$ 3,978,275	\$ 3,978,275	\$ -
Delinquent	621,055	550,976	550,976	-
Interest	13,000	3,267	3,267	-
Total ad valorem taxes	5,427,569	4,532,518	4,532,518	-
Local option gas tax	107,846	110,691	110,691	-
<b>Franchise taxes:</b>				
Electric	579,000	616,862	616,862	-
Garbage	278,000	280,063	280,063	-
Towing	10,000	10,000	10,000	-
Bus stop	8,450	8,450	8,450	-
Total franchise taxes	875,450	915,375	915,375	-
<b>Utility service taxes:</b>				
Electric	735,000	756,928	756,928	-
Water	230,000	234,571	234,571	-
Gas	22,000	8,322	8,322	-
Total utility service taxes	987,000	999,821	999,821	-
<b>Licenses and permits:</b>				
Building permits	261,093	256,831	256,831	-
Occupational licenses	148,000	145,491	145,491	-
Processing fees	96,000	79,538	79,538	-
Building inspections	155,672	102,791	102,791	-
Sign fees	58,000	56,851	56,851	-
Electrical permits	51,216	72,455	72,455	-
Mechanical permits	69,988	202,983	202,983	-
Other licenses and permits	29,395	34,500	34,500	-
Certificate of use	36,000	25,910	25,910	-
Plumbing permits	32,608	23,662	23,662	-
Zoning and variance fees	25,400	13,400	13,400	-
Total licenses and permits	963,372	1,014,412	1,014,412	-

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

**Town of Pembroke Park, Florida**  
**Statement of Revenues, Expenditures and**  
**Change in Fund Balance -**  
**Budget and Actual - General Fund**  
**(continued)**  
**For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original	Final		
<b>Intergovernmental revenues:</b>				
State sales tax	398,169	398,391	398,391	-
Communication tax	247,698	282,403	282,403	-
State revenue sharing	174,050	182,126	182,126	-
Alcoholic beverage licenses	8,000	10,422	10,422	-
Mobile home licenses	8,000	6,247	6,247	-
<b>Total intergovernmental revenues</b>	<b>835,917</b>	<b>879,589</b>	<b>879,589</b>	<b>-</b>
<b>Charges for services:</b>				
EMS transport fees	296,000	311,625	311,625	-
Other charges	41,340	26,098	26,098	-
Penalty and late charges	12,000	6,973	6,973	-
Impact fees	13,127	1,813	1,813	-
Rental fees	3,625	3,000	3,000	-
False alarm fee	6,050	5,780	5,780	-
<b>Total charges for services</b>	<b>372,142</b>	<b>355,289</b>	<b>355,289</b>	<b>-</b>
<b>Fines and forfeitures:</b>				
Forfeitures and seizures	43,562	18,563	18,563	-
Code enforcement fines	25,000	25,250	25,250	-
Other fines	34,000	32,254	32,254	-
<b>Total fines and forfeitures</b>	<b>102,562</b>	<b>76,067</b>	<b>76,067</b>	<b>-</b>
Grant revenues	-	-	-	-
Interest income	50,000	12,217	12,217	-
Other miscellaneous revenue	737,512	851,509	851,509	-
<b>Total revenues</b>	<b>10,459,370</b>	<b>9,747,488</b>	<b>9,747,488</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government:				
Mayor and Commission:				
Personal services	389,477	341,803	341,803	-
Operating expenditures	15,000	21,057	21,057	-
Capital outlay	2,000	2,379	2,379	-
<b>Total Mayor and Commission</b>	<b>406,477</b>	<b>365,239</b>	<b>365,239</b>	<b>-</b>

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

**Town of Pembroke Park, Florida**  
**Statement of Revenues, Expenditures and**  
**Change in Fund Balance -**  
**Budget and Actual - General Fund**  
**(continued)**  
**For the Year Ended September 30, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts Budgetary Basis</b>	
<b>Financial and administrative:</b>				
Personal services	1,234,580	1,176,930	1,176,930	-
Operating expenditures	159,387	115,891	115,891	-
Capital outlay	7,000	2,919	2,919	-
Total financial and administrative	1,400,967	1,295,740	1,295,740	-
<b>Town attorney:</b>				
Operating expenditures	180,953	260,371	260,371	-
Total Town attorney	180,953	260,371	260,371	-
<b>Comprehensive planning:</b>				
Operating expenditures	281,800	223,286	223,286	-
Total comprehensive planning	281,800	223,286	223,286	-
<b>Non departmental:</b>				
Operating expenditures	414,013	440,386	440,386	-
Capital outlay	120,644	120,644	120,644	-
Total non departmental	534,657	561,030	561,030	-
Total general government	2,804,854	2,705,666	2,705,666	-
<b>Public safety:</b>				
<b>Police:</b>				
Operating expenditures	2,779,753	2,721,577	2,721,577	-
Total police	2,779,753	2,721,577	2,721,577	-
<b>Fire control:</b>				
Operating expenditures	2,538,219	2,926,963	2,926,963	-
Total fire control	2,538,219	2,926,963	2,926,963	-
<b>Protective inspections:</b>				
Personal services	540,773	528,846	528,846	-
Operating expenditures	133,199	75,166	75,166	-
Capital outlay	5,000	158	158	-
Total protective inspections	678,972	604,170	604,170	-
Total public safety	5,996,944	6,252,710	6,252,710	-

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

**Statement of Revenues, Expenditures and  
Change in Fund Balance -  
Budget and Actual - General Fund  
(continued)  
For the Year Ended September 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original	Final		
<b>Physical environment:</b>				
Code enforcement:				
Personal services	341,686	263,785	263,785	-
Operating expenditures	34,650	32,816	32,816	-
Capital outlay	6,000	22,944	22,944	-
Total physical environment	<u>382,336</u>	<u>319,545</u>	<u>319,545</u>	<u>-</u>
<b>Public works:</b>				
Road and street facilities:				
Personal services	225,989	223,133	223,133	-
Operating expenditures	144,868	147,856	147,856	-
Capital outlay	5,000	2,979	2,979	-
Total public works	<u>375,857</u>	<u>373,968</u>	<u>373,968</u>	<u>-</u>
<b>Culture and recreation:</b>				
Parks and recreation:				
Personal services	614,266	365,687	365,687	-
Operating expenditures	90,755	98,449	98,449	-
Capital outlay	68,150	74,712	74,712	-
Total culture and recreation	<u>773,171</u>	<u>538,848</u>	<u>538,848</u>	<u>-</u>
Total expenditures	<u>10,333,162</u>	<u>10,190,737</u>	<u>10,190,737</u>	<u>-</u>
Net change in fund balance	\$ <u>126,208</u>	\$ <u>(443,249)</u>	\$ <u>(443,249)</u>	\$ <u>-</u>

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

**Town of Pembroke Park, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2015**

	<b>Business-Type Activities - Enterprise Funds Major Funds</b>		<b>Total</b>
	<b>Sewer Utility Fund</b>	<b>Stormwater Drainage District Fund</b>	
<b>Assets:</b>			
Current assets:			
Equity in pooled cash, cash equivalents and investments	\$ 3,750,232	\$ 2,685,116	\$ 6,435,348
Accounts receivable, net	528,906	213,405	742,311
Due from other governments	-	17,079	17,079
Total current assets	<u>4,279,138</u>	<u>2,915,600</u>	<u>7,194,738</u>
Non current assets:			
Capital assets, being depreciated, net	<u>3,587,214</u>	<u>4,834,241</u>	<u>8,421,455</u>
Total non current assets	<u>3,587,214</u>	<u>4,834,241</u>	<u>8,421,455</u>
Total assets	<u>7,866,352</u>	<u>7,749,841</u>	<u>15,616,193</u>
<b>Deferred outsources of resources:</b>			
Deferred outflows related to pension	<u>81,772</u>	<u>16,640</u>	<u>98,412</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	101,960	10,950	112,910
Payroll liabilities	4,898	1,011	5,909
Accrued interest payable	8,418	3,350	11,768
Current portion of compensated absences payable	4,203	816	5,019
Current portion of debt	<u>30,000</u>	<u>419,688</u>	<u>449,688</u>
Total current liabilities	<u>149,479</u>	<u>435,815</u>	<u>585,294</u>
<b>Noncurrent liabilities:</b>			
OPEB obligation	1,111	602	1,713
Net pension liability	188,499	38,360	226,859
Compensated absences payable	19,728	7,140	26,868
Debt	<u>2,192,000</u>	<u>585,272</u>	<u>2,777,272</u>
Total noncurrent liabilities	<u>2,401,338</u>	<u>631,374</u>	<u>3,032,712</u>
Total liabilities	<u>2,550,817</u>	<u>1,067,189</u>	<u>3,618,006</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pension	<u>32,018</u>	<u>6,515</u>	<u>38,533</u>
<b>Net Position:</b>			
Net investment in capital assets	1,365,214	3,829,281	5,194,495
Restricted for debt service	72,992	-	72,992
Restricted for capital projects	82,159	-	82,159
Unrestricted	<u>3,844,924</u>	<u>2,863,496</u>	<u>6,708,420</u>
Total net position	<u>\$ 5,365,289</u>	<u>\$ 6,692,777</u>	<u>\$ 12,058,066</u>

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

Town of Pembroke Park, Florida  
Statement of Revenues, Expenses and Changes in net Position  
Proprietary Funds  
For the Year Ended September 30, 2015

	<b>Business-Type Activities - Enterprise Funds Major Funds</b>		<b>Total</b>
	<b>Sewer Utility Fund</b>	<b>Stormwater Drainage District Fund</b>	
<b>Operating Revenues:</b>			
Charges for services	\$ 2,626,946	\$ 1,254,594	\$ 3,881,540
Total operating revenues	<u>2,626,946</u>	<u>1,254,594</u>	<u>3,881,540</u>
<b>Operating expenses:</b>			
Contractual services	927,451	2,445	929,896
Provision for depreciation	301,942	483,250	785,192
Personnel services	377,170	98,339	475,509
Administrative services	394,042	188,190	582,232
Maintenance and repairs	88,870	67,773	156,643
Insurance premiums	77,485	22,121	99,606
Utilities	64,613	15,915	80,528
Miscellaneous expenses	29,550	-	29,550
Total operating expenses	<u>2,261,123</u>	<u>878,033</u>	<u>3,139,156</u>
Operating income	<u>365,823</u>	<u>376,561</u>	<u>742,384</u>
<b>Nonoperating Revenues (Expenses):</b>			
Impact fees	24,878	7,736	32,614
Interest income	9,845	11,018	20,863
Interest expense	(98,525)	(47,903)	(146,428)
Total nonoperating revenues (expenses)	<u>(63,802)</u>	<u>(29,149)</u>	<u>(92,951)</u>
<b>Capital Contributions</b>			
Grants	<u>-</u>	<u>56,752</u>	<u>56,752</u>
Changes in net position	302,021	404,164	706,185
<b>Net Position at Beginning of Year</b>	<u>5,063,268</u>	<u>6,288,613</u>	<u>11,351,881</u>
<b>Net Position at End of Year</b>	<u>\$ 5,365,289</u>	<u>\$ 6,692,777</u>	<u>\$ 12,058,066</u>

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

**Town of Pembroke Park, Florida**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**For the Year Ended September 30, 2015**

	<b>Business-Type Activities - Enterprise Funds Major Funds</b>		
	<b>Sewer Utility Fund</b>	<b>Stormwater Drainage District Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers, users and other	\$ 2,610,229	\$ 1,226,846	\$ 3,837,075
Cash paid to employees for services	(380,385)	(96,033)	(476,418)
Cash paid to suppliers for goods and services	<u>(1,574,579)</u>	<u>(294,579)</u>	<u>(1,869,158)</u>
Net cash provided by operating activities	<u>655,265</u>	<u>836,234</u>	<u>1,491,499</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Cash received from capital contributions	-	248,201	248,201
Cash received from impact fees	24,878	7,736	32,614
Purchase of capital assets	(12,758)	(296,264)	(309,022)
Principal payments on debt	(30,000)	(417,984)	(447,984)
Interest paid	<u>(98,525)</u>	<u>(49,612)</u>	<u>(148,137)</u>
Net cash used in capital and related financing activities	<u>(116,405)</u>	<u>(507,923)</u>	<u>(624,328)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	<u>9,845</u>	<u>11,018</u>	<u>20,863</u>
Net increase in cash and equity in pooled cash	548,705	339,329	888,034
<b>Cash and Equity in Pooled Cash at Beginning of Year</b>	<u>3,201,527</u>	<u>2,345,787</u>	<u>5,547,314</u>
<b>Cash and Equity in Pooled Cash at End of Year</b>	<u>\$ 3,750,232</u>	<u>\$ 2,685,116</u>	<u>\$ 6,435,348</u>

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

**Town of Pembroke Park, Florida**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**(continued)**  
**For the Year Ended September 30, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Total</b>
	<b>Sewer Utility Fund</b>	<b>Stormwater Drainage District Fund</b>	
<b>Reconciliation of Operating Income to Net Cash Provided</b>			
<b>Operating Activities:</b>			
Operating income	\$ <u>365,823</u>	\$ <u>376,561</u>	\$ <u>742,384</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Provision for depreciation	301,942	483,250	785,192
(Increase) decrease in:			
Accounts receivable	(16,717)	(27,748)	(44,465)
Deferred outflows of resources	(28,026)	(5,702)	(33,728)
Increase (decrease) in:			
Accounts payable	7,432	1,865	9,297
Payroll liabilities	(5,070)	(1,399)	(6,469)
Deferred inflows of resources	(53,620)	(10,913)	(64,533)
Net pension liability	80,446	16,371	96,817
OPEB obligation	138	75	213
Compensated absences payable	<u>2,917</u>	<u>3,874</u>	<u>6,791</u>
Total adjustments	<u>289,442</u>	<u>459,673</u>	<u>749,115</u>
Net cash provided by operating activities	\$ <u><u>655,265</u></u>	\$ <u><u>836,234</u></u>	\$ <u><u>1,491,499</u></u>

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

**Town of Pembroke Park, Florida**  
**Statement of Fiduciary Net Position**  
**Pension Trust Fund**  
**September 30, 2015**

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**Assets:**

Investments - mutual funds \$ 1,511,083

Total assets 1,511,083

**Liabilities:**

Total liabilities -

**Net Position:**

Held in trust for pension benefits \$ 1,511,083

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

**Town of Pembroke Park, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**Pension Trust Fund**  
**For the Year Ended September 30, 2015**

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**Additions:**

Employer contributions	\$	62,510
Investment income, net		<u>(75,254)</u>
Total additions		<u>(12,744)</u>

**Deductions:**

Benefit payments		<u>28,288</u>
Change in net position		(41,032)

**Net Position Held in Trust  
for Pension Benefits:**

October 1, 2014		<u>1,552,115</u>
September 30, 2015	\$	<u><u>1,511,083</u></u>

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

## Note 1 - Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The financial statements of Town of Pembroke Park, Florida (the "Town"), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies of the Town:

**Reporting Entity:** The Town of Pembroke Park was incorporated on December 10, 1957 and established on June 20, 1959 by Chapter 59-1722, Laws of Florida, as amended. The Town provides the following services as authorized by its charter; general government, public safety, physical environment, public works and culture and recreation.

The reporting entity is defined as the primary government and any organizations for which the primary government is financially accountable, and identification of legally separate organizations for which the elected officials of the Town are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based upon this review, there were no potential component units or related organizations of the Town.

Financial accountability is deemed to exist if the primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

Property taxes, franchise fees, utility service taxes and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental fund:

The General Fund is the principal operating fund of the Town. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this Fund.

The Town reports the following major proprietary funds:

The Sewer Utility Fund accounts for the operation of the Town's sewer utility system.

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

Additionally, the Town reports the Pension Trust Fund as a fiduciary fund, which accounts for the activities of the pension plan provided to the Town's commissioners.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Note 1 - Summary of Significant Accounting Policies (continued)**

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 an enterprise fund's principal ongoing operations. The principal operating revenue of the Sewer Utility Fund and Stormwater Drainage District Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and the provision for depreciation of capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenue and expenses.

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

**Cash and Cash Equivalents:** In connection with the statement of cash flows, the Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased.

The Town maintains a cash and investment pool that is available for use by all funds to facilitate the cash management process. Each fund's portion of this pool is included on the statement of net position/balance sheet as "equity in pooled cash, cash equivalents and investments."

**Investments:** Investments are stated at fair value.

**Capital Assets:** Capital assets, which include land, construction in progress, buildings, improvements other than buildings, infrastructure and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$ 250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period for Enterprise Funds.

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

Buildings	50 years
Improvements other than buildings	10-20 years
Infrastructure	20 years
Machinery and equipment	5 years

**Note 1 - Summary of Significant Accounting Policies (continued)**

GASB No. 34 encourages but does not require certain governments to retroactively report infrastructure assets. The Town has elected not to retroactively report any unrecorded infrastructure that may exist.

**Long-Term Debt:** In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**Compensated Absences Payable:** 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 at their retirement date. For sick time, there is a limit payable upon termination of no more than \$ 500 for employees. For vacation time, the amount payable upon termination is limited to 400 hours of leave. 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, governmental funds report only the compensated absence liabilities that have matured. In addition, the General Fund has always been used to liquidate compensated absences payable.

**Encumbrances:** Appropriations in budgetary funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year end are completed. Encumbrances outstanding at year end do not constitute expenditures or liabilities. These encumbrances will be honored by Town of Pembroke Park, Florida, and because of this, the encumbrances are reserved from fund balance. The Town had no encumbrances outstanding as of September 30, 2015.

**Accounts Receivable:** Accounts receivable reflected in the Sewer Utility Fund and the Stormwater Drainage District Fund are presented net of an allowance for doubtful accounts of \$ 170,644. No allowance for doubtful accounts is considered necessary for the accounts receivable in the General Fund.

**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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town presents a deferred outflow of resources related to its pension liability.

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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town presents a deferred outflow of resources related to its pension liability.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Interfund Receivables and Payables:** Transactions between funds that are representative of lending/borrowing arrangement outstanding at the end of the year are referred to as either "interfund receivables/payables." Any residual outstanding balances between the governmental activities and business-type activities at year end are reported in the government-wide financial statements as internal balances.

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Equity classifications:**

*Government-wide statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

*Fund Statements*

The Town presents fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Note 1 - Summary of Significant Accounting Policies (continued)**

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating 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: This classification includes the residual fund balance for the General Fund.

It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Date of Management review**: Subsequent events were evaluated through May 26, 2016, which is the date the financial statements were to be issued.

**Note 2 - Stewardship, Compliance and Accountability**

**Budgets and Budgetary Accounting**: The Town adopts annual operating budgets for the General Fund and the Enterprise Funds, which are prepared on a basis consistent with generally accepted accounting principles, except for the provision for depreciation and amortization which is not budgeted in the Enterprise Funds. Amendments are 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.

**Level of Control**: 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.

**Note 3 – Deposits and Investments**

**Deposits:** In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity’s name.

At September 30, 2015, the total carrying amount of the Town’s cash balances was \$ 5,069,526. The bank balance at local depositories was \$ 5,073,954. In addition, \$ 250 was held in petty cash.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Collateral pool	\$ 2,062,663	\$ 2,038,542
Insured by F.D.I.C.	<u>250,000</u>	<u>250,000</u>
	<u>\$ 2,312,663</u>	<u>\$ 2,288,542</u>

**Investments - Town:** The investment of funds is authorized by Florida Statutes, which allows the District to invest in the Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Inter local 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.

The Town invests surplus funds in external investment pools, the Local Government Surplus Funds Trust Fund (the “State Pool”), administered by the Florida State Board of Administration (“SBA”) and the Florida Municipal Investment Trust administered by the Florida League of Cities.

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 Florida PRIME has adopted operating procedures with the requirement for a 2a7-like fund. The Town’s investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida PRIME	Weighted average years to maturity is less than one	\$ 343,951

**Note 3 – Deposits and Investments (continued)**

As of September 30, 2015, the Town had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida Municipal Investment Trust 1-3 Year High Quality Bond Fund	Weighted average years to maturity is 1.49 years	\$ 6,899,481

**Credit Risk:** The Town’s investments held within the Florida Municipal Investment Trust carry a Fitch rating of AAA/V2. The Florida PRIME is rated AAAM by Standard and Poor’s.

**Interest Rate Risk:** Interest rate risk 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. The 1-3 Year High Quality Bond Fund has an effective duration and weighted average maturity of 1.37 years. The weighted average maturity of the Florida PRIME is 29 days.

**Life Insurance Contracts and Variable Annuity:** In order to provide death benefits to a Town Commissioner (Note 7), the Town has entered into a life insurance contracts and purchases a variable annuity contract with a financial institution. The fair value of these contracts as of September 30, 2015 is \$ 373,057. The value of these contracts is presented as committed fund balance.

**Investments – Town Commissioner Pension Plan:**

As of September 30, 2015, the Town’s Commissioner Pension Plan (the “Plan”) had the following investments:

Loomis Sayles Investment Grade Bond	\$ 540,100
Allianzgi NFJ Large Cap Value	313,491
Janus Opportunistic Large Cap Growth	331,051
Janus Overseas Fund	106,697
DFA U.S. Targeted Value Portfolio	112,653
Alger Small/Mid Cap Growth Fund	<u>107,091</u>
	<u>\$ 1,511,083</u>

**Interest Rate Risk:** The investments held within the Intermediate Term Bond Fund have an average maturity and effective duration of approximately 9 and 6 years, respectively. The other mutual funds are not subject to interest rate risk.

**Credit Risk:** The majority of the investments held within the Intermediate Term Bond Fund have a credit quality between Aaa and A, as rated by a nationally recognized statistical rating agency. The other mutual funds are not subject to credit risk.

Property taxes are levied and become a lien on real and personal property prior to September 30, and are payable November 1, with discounts of one to four percent if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1, and bear interest of eighteen percent from April 1 until a tax sale certificate is sold at auction.

**Town of Pembroke Park, Florida**  
**Notes to the Financial Statements**  
**September 30, 2015**

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**Note 4 – Property Taxes**

Assessed values are established by the Broward County Property Appraiser at just values. The assessed value of property at January 1, 2013, upon which the 2013-2014 levy was based, was approximately \$ 524,783,000.

The Town is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$ 10 per \$ 1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services and debt service requirements for the year ended September 30, 2015 was 8.5000 per \$ 1,000.

**Note 5 – Capital Assets**

Capital asset activity for the year ended September 30, 2015, was as follows:

	Primary Government			
	Balance, October 1, 2014	Increases	Decreases	Balance, September 30, 2015
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,120,064	\$ -	\$ -	\$ 2,120,064
Construction in progress	-	20,370	-	20,370
Total capital assets, not being depreciated	<u>2,120,064</u>	<u>20,370</u>	<u>-</u>	<u>2,140,434</u>
Capital assets, being depreciated:				
Buildings	984,935	-	-	984,935
Improvements other than buildings	3,125,367	23,150	-	3,148,517
Machinery and equipment	<u>1,152,209</u>	<u>183,215</u>	<u>69,490</u>	<u>1,265,934</u>
Total capital assets, being depreciated	<u>5,262,511</u>	<u>206,365</u>	<u>69,490</u>	<u>5,399,386</u>
Total capital assets	<u>7,382,575</u>	<u>226,735</u>	<u>69,490</u>	<u>7,539,820</u>
Less accumulated depreciation for:				
Buildings	866,741	19,699	-	886,440
Improvements other than buildings	1,572,985	137,495	-	1,710,480
Machinery and equipment	<u>916,320</u>	<u>85,318</u>	<u>70,385</u>	<u>931,253</u>
Total accumulated depreciation	<u>3,356,046</u>	<u>242,512</u>	<u>70,385</u>	<u>3,528,173</u>
Total capital assets, being depreciated, net	<u>1,906,465</u>	<u>(36,147)</u>	<u>(895)</u>	<u>1,871,213</u>
Governmental activities capital assets, net	<u>\$ 4,026,529</u>	<u>\$ (15,777)</u>	<u>\$ (895)</u>	<u>\$ 4,011,647</u>

**Town of Pembroke Park, Florida**  
**Notes to the Financial Statements**  
**September 30, 2015**

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**Note 5 – Capital Assets (continued)**

Provision for depreciation was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 50,960
Public safety	4,685
Physical environment	4,415
Public works	48,837
Culture and recreation	<u>133,615</u>
 Total provision for depreciation - governmental activities	 \$ <u><u>242,512</u></u>

	Balance, October 1, 2014	Increases	Decreases	Balance, September 30, 2015
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Infrastructure	\$ 16,785,725	\$ 296,264	\$ -	\$ 17,081,989
Machinery and equipment	<u>99,906</u>	<u>12,758</u>	<u>-</u>	<u>112,664</u>
 Total capital assets, being depreciated	 <u>16,885,631</u>	 <u>309,022</u>	 <u>-</u>	 <u>17,194,653</u>
 Total capital assets	 <u>16,885,631</u>	 <u>309,022</u>	 <u>-</u>	 <u>17,194,653</u>
Less accumulated depreciation for:				
Infrastructure	7,926,368	775,655	-	8,702,023
Machinery and equipment	<u>61,638</u>	<u>9,537</u>	<u>-</u>	<u>71,175</u>
 Total accumulated depreciation	 <u>7,988,006</u>	 <u>785,192</u>	 <u>-</u>	 <u>8,773,198</u>
 Total capital assets, being depreciated, net	 <u>8,897,625</u>	 <u>(476,170)</u>	 <u>-</u>	 <u>8,421,455</u>
 Business-type activities capital assets, net	 \$ <u><u>8,897,625</u></u>	 \$ <u><u>(476,170)</u></u>	 \$ <u><u>-</u></u>	 \$ <u><u>8,421,455</u></u>

Provision for depreciation was charged to functions of the Town as follows:

Business-type Activities:	
Sewer utility	\$ 301,942
Stormwater drainage district	<u>483,250</u>
 Total provision for depreciation - business-type activities	 \$ <u><u>785,192</u></u>

**Town of Pembroke Park, Florida**  
**Notes to the Financial Statements**  
**September 30, 2015**

**Note 6 – Long Term Debt**

**Debt:** During the year ended September 30, 2015, the following changes occurred in debt of governmental activities:

	Balance, October 1, 2014	Increases	Decreases	Balance, September 30, 2015	Due Within One Year
Compensated absences payable	\$ 228,299	\$ 35,963	\$ 8,270	\$ 255,992	\$ 51,198
Net pension liability	1,373,102	720,830	-	2,093,932	-
OPEB obligation	7,430	1,038	-	8,468	-
Governmental activity debt	<u>\$ 1,608,831</u>	<u>\$ 757,831</u>	<u>\$ 8,270</u>	<u>\$ 2,358,392</u>	<u>\$ 51,198</u>

The following is a summary of Proprietary Fund debt for the year ended September 30, 2015:

	Balance, October 1, 2014	Increases	Decreases	Balance, September 30, 2015	Due Within One Year
Note payable	\$ 1,422,944	-	\$ 417,984	\$ 1,004,960	\$ 436,787
Revenue Bond, Series 2009	2,252,000	-	30,000	2,222,000	31,000
Compensated absences	25,096	12,653	5,862	31,887	6,377
Net pension liability	130,042	96,817	-	226,859	-
OPEB obligation	1,500	213	-	1,713	-
Proprietary Fund debt	<u>\$ 3,831,582</u>	<u>\$ 109,683</u>	<u>\$ 453,846</u>	<u>\$ 3,487,419</u>	<u>\$ 474,164</u>

The Town previously obtained a term note in the amount of \$ 5,265,000 to refinance an existing note of \$ 2,765,000 and provide funds of approximately \$ 2,500,000 for stormwater drainage capital projects. The note bears interest at a fixed rate of 4.00%, payable monthly through December 2017. The term loan is secured by public service taxes and the net system revenues of the Stormwater Drainage District Fund. The Town must fix, establish and maintain stormwater rates in an amount, that when added to public service taxes, generates pledged revenues sufficient to cover annual debt service by 1.50 times. For the year ended September 30, 2015, this covenant has been met.

The Town previously issued Sewer Revenue Bond, Series 2009, in the amount of \$ 2,360,000. The bond proceeds were used to pay off the entire balance of the interim financing that had been used to finance a part of the cost of acquiring, constructing and erecting extensions and improvements to the municipal sewer system of the Town. The Bond bears interest, payable annually on September 1, at the rate of 4.375% per annum through September 2048. Principal is due beginning on September 1, 2011 through September 1, 2048. The Bond contains certain restrictive covenants which include; adopting annual operating budgets, the establishment of revenue, operation and maintenance and bond sinking funds; and the establishment of rates sufficient to satisfy debt service requirements. The Bond is secured by a pledge of revenues from the Town's revenues from the Sewer Utility Fund.

**Note 6 – Long Term Debt (continued)**

The following is a schedule of approximate future debt service requirements for Business-type activities at September 30, 2015:

Year Ending September 30,	Principal	Interest
2016	\$ 467,800	\$ 128,000
2017	\$ 487,900	\$ 108,900
2018	\$ 147,200	\$ 94,800
2019	\$ 36,000	\$ 92,900
2020	\$ 37,000	\$ 91,400
2021-2025	\$ 211,000	\$ 430,900
2026-2030	\$ 262,000	\$ 380,500
2031-2035	\$ 325,000	\$ 318,000
2036-2040	\$ 402,000	\$ 240,300
2041-2045	\$ 497,000	\$ 144,600
2046-2048	\$ 354,000	\$ 31,500

**Note 7 – Florida Retirement System**

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 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, or from the Web site: [www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Pension Plan**

**Plan Description**

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

**Benefits Provided**

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.

**Note 7 – Florida Retirement System (continued)**

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.

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.

**Contributions**

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates for the periods from October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively, were 7.37% and 7.26%; for the Regular class. These employer contribution rates include 1.26% and 1.66% HIS Plan subsidy for the periods October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015, respectively.

The Town's contributions, including employee contributions, to the Pension Plan totaled \$ 228,392 for the fiscal year ended September 30, 2015.

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

At September 30, 2015, the Town reported a liability of \$ 1,191,713 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town's proportion was .0092% percent, which was an increase of .0080% percentage points from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the Town recognized pension expense of \$ 248,738. At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Town of Pembroke Park, Florida**  
**Notes to the Financial Statements**  
**September 30, 2015**

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**Note 7 – Florida Retirement System (continued)**

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,810	\$ 28,264
Changes of assumptions	79,098	-
Net difference between projected and actual earnings on pension plan investments	-	284,561
Changes in proportion and differences between Town contributions and proportionate share of contributions	463,161	-
Town contributions subsequent to measurement date	50,689	-
<b>Total</b>	<b>\$ 718,758</b>	<b>\$ 312,825</b>

\$ 50,689 reported as deferred outflows of resources related to the Pension Plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ 56,841
2017	\$ 6,152
2018	\$ 6,152
2019	\$ 240,924
2020	\$ 79,344
Thereafter	\$ 16,518

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

**Note 7 – Florida Retirement System (continued)**

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.2%	3.1%	1.7%
Fixed income	18.0%	4.8%	4.7%	4.7%
Global equity	53.0%	8.5%	7.2%	17.7%
Real estate (property)	10.00%	6.8%	6.2%	12.0%
Private Equity	6.00%	11.9%	8.2%	30.0%
Strategic investments	12.00%	6.7%	6.1%	11.4%
<b>Total</b>	<b>100.00%</b>			
Assumed Inflation - Mean		2.6%		1.9%

(1) As outlined in the Pension Plan's investment policy

**Discount Rate** - The discount rate used to measure the total pension liability was 7.65%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town's proportion share of the net pension liability to changes in the discount rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
City's proportionate share of the net pension liability for FRS	\$ 3,087,999	\$ 1,191,713	\$ (386,308)

**Pension Plan Fiduciary Net Position**

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Note 7 – Florida Retirement System (continued)**

**HIS Plan**

**Plan Description**

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**

For the fiscal year ended September 30, 2015, 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.

**Contributions**

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, 2015, the HIS contribution for the period October 1, 2014 through June 30, 2015 and from July 1, 2015 through September 30, 2015 was 1.26% and 1.66%, respectively. 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.

The Town's contributions to the HIS Plan totaled \$ 26,843 for the fiscal year ended September 30, 2015.

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

At September 30, 2015, the Town reported a liability of \$ 657,431 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Town's proportionate share of the net pension liability was based on the Town's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Town's proportionate share was .0064% percent, which was an increase from .0061% percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Town recognized pension expense of \$ 30,743. In addition the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

**Note 7 – Florida Retirement System (continued)**

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 51,723	\$ -
Net difference between projected and actual earnings on pension plan investments	356	-
Net difference projected between City HIS Plan contributions and proportionate share of contributions	23,673	1,543
City HIS Plan contributions subsequent to the measurement date	<u>7,936</u>	<u>-</u>
	<u>\$ 83,688</u>	<u>\$ 1,543</u>

The deferred outflows of resources related to the HIS Plan, totaling \$ 7,936 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>		
2016	\$	20,464
2017	\$	12,528
2018	\$	12,528
2019	\$	12,456
2020	\$	12,421
Thereafter	\$	11,747

Actuarial Assumptions - The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.80%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.80%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Note 7 – Florida Retirement System (continued)**

Sensitivity of the Town’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Town’s proportionate share of the net pension liability calculated using the discount rate of 4.29%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.29%) or one percentage point higher (5.29%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
City's proportionate share of the net pension liability for FRS	\$ 749,112	\$ 657,431	\$ 580,983

**Pension Plan Fiduciary Net Position**

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Note 8 – Town Commissioner Pension Plan**

On March 1, 2003, 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. At September 30, 2015, there are 5 active plan members and 2 retirees and beneficiaries receiving benefits.

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.

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 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. This will be funded through the Town’s General Fund (Note 9).

During the year, the Town made a contribution to the Plan in the amount of \$ 62,510. At September 30, 2015, the Plan holds 1,552,115 in investments (Note 3).

**Note 8 – Town Commissioner Pension Plan (continued)**

Actuarial methods and significant assumptions used to determine the annual required contributions for the current year are as follows:

Valuation date	October 1, 2015
Actuarial cost method	Aggregate
Amortization method	Level dollar closed
Remaining amortization period	7 Years
Asset valuation method	Market value adjusted for contributions receivable or prepaid
Actuarial assumptions:	
Rate of return	5.0%
Projected salary increases	3.0%
Inflation adjustment	3.5%

The aggregate actuarial cost method does not separately amortize unfunded actuarial accrued liabilities information about funded status and funding progress is presented using the entry age actuarial cost method. Therefore, information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

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 Comprehensive Annual Financial Report in the paragraphs below and Required Supplementary Information section.

**Investments:** *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 is the adopted asset allocation policy as of September 30, 2015:

Asset Class/ Investment Category	Target Allocation
Equity Securities and Similar Funds:	
U.S. stocks	48.00%
Global stocks	12.00%
	60.00%
Fixed Income and Similar Funds:	
Multi-Sector Bonds	40.00%
	40.00%
Total	100.00%

**Note 8 – Town Commissioner Pension Plan (continued)**

*Concentrations* - 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, 2015, that met the criteria for disclosure.

*Rate of return*- For the year ended September 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -4.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net Pension Liability (Asset) of the Pension Plan for Town Commissioners:***

The components of the net pension liability at September 30, 2014, were as follows:

Total pension liability	\$ 1,982,729
Plan fiduciary net position	<u>(1,511,083)</u>
Net position liability (asset)	<u>\$ 471,646</u>
Plan fiduciary net position as a percentage of the total pension liability	76.21%

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. Best estimates of arithmetic real rates of return for each major asset class included in the Town’s target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class/ Investment Category</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Securities and Similar Funds:	
U.S. stocks	5.00% per annum
Global stocks	5.00% per annum
Fixed Income and Similar Funds:	
Multi-Sector Bonds	1.75% per annum

**Discount rate** - The discount rate used to measure the total pension liability was 6.50% 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.

**Note 8 – Town Commissioner Pension Plan (continued)**

The changes in net pension liability (asset) for the year ended September 30, 2015 is as follows:

	Increases(Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability Asset (a)-(b)
Balances at September 30, 2014	\$ 1,995,277	\$ 1,552,115	\$ 443,162
Changes for the year:			
Service cost	21,941	-	21,941
Interest cost	99,066	-	99,066
Contributions - employer	-	62,510	62,510
Differences between expected and actual experience	321,666	-	321,666
Changes in assumptions and methods	(427,321)	-	(427,321)
Net increase in fair value of investments	-	(75,642)	(75,642)
Benefit payments, including refunds of member contributions	(27,900)	(27,900)	(55,800)
Net Changes	<u>(12,548)</u>	<u>(41,032)</u>	<u>(53,580)</u>
Balances at September 30, 2015, measurement date	\$ <u>1,982,729</u>	\$ <u>1,511,083</u>	\$ <u>389,582</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 discount rate of 8.07%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.50%) or 1.00% higher (7.50%) than the current rate:

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Pension Plan for Town Commissioners Net Pension Liability (Asset)	\$ 718,046	\$ 471,646	\$ 271,692

**Pension Expense and Deferred Outflows of Resources Related to Pensions:** For the year ended September 30, 2015, the City recognized pension expense of \$ 277,547 for this Plan. At September 30, 2015 the City reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources:

**Note 8 – Town Commissioner Pension Plan (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability	\$ 321,666	\$ -
Changes in assumptions	-	427,321
Net difference between projected and actual earning on pension plan investments	154,113	-
	<u>\$ 475,779</u>	<u>\$ 427,321</u>

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

<u>Year Ended September 30:</u>		
2016	\$	(22,005)
2017	\$	(22,005)
2018	\$	30,823
2019	\$	30,823
2020	\$	30,823
Thereafter	\$	NONE

**Note 9 – Other Post Employment Benefits**

**Plan Description and Funding Policy:** The Town offers retired employees the opportunity to retain the Town’s health insurance coverage. Retirees contribute an amount equal to the actual premium for health insurance that is charged by the carrier. However, there is an implied subsidy in the insurance premium for retirees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average

Additionally, Town Commissioner’s beneficiaries are eligible for a pre-funded benefit should the Commissioner become deceased while in active service. The funding for this benefit has been accomplished through the purchase of life insurance products or an annuity product that is expected to cover the costs of the possible benefits.

During the year, the Town had 30 active participants and no retirees receiving benefits.

**Actuarial Assumptions:** Projections of benefits are based on the substantive plan and include the types of benefits in force at the time of valuation date and the pattern of sharing benefits between the Town and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additionally, actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The cost developed pursuant to GASB 45 is only an estimate of the true cost of providing post-employment benefits. The basis for these benefits is authorized by the Town Commission by resolution.

**Note 9 – Other Post Employment Benefits (continued)**

The latest valuation is measured as of October 1, 2014 based on the following methods and assumptions:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll (Closed Amortization over 30 years)
Investment return	4.50% per annum
Inflation adjustment	0%
Projected salary increases	0%
Healthcare cost trend:	
Pre-Medicare:	7.5% in 2015, trending to 4.5% in 2018
Post-Medicare:	7.5% in 2015, trending to 4.5% in 2018

A stand-alone actuarial valuation reports has been prepared by an independent actuary and is available for review at the Finance Department in Town Hall, 3150 S.W. 52<sup>nd</sup> Avenue; Pembroke Park, FL 33023.

The net OPEB obligation at September 30, 2015 has been reflected on the Statement of Net Position. The plan is not pre-funded and is therefore supported on a pay-as-you-go basis.

**Funded Status:** For the year ended September 30, 2015, the Town’s annual post-employment benefit (OPEB) costs were as follows:

Annual required contribution	\$ 39,559
Interest on net OPEB obligation	402
Adjustment to annual required contribution	<u>(563)</u>
Annual OPEB cost	39,398
Contributions made	<u>(38,147)</u>
Increase in net OPEB obligation	1,251
Net OPEB obligation, beginning of year	<u>8,930</u>
Net OPEB obligation, end of year	<u>\$ 10,181</u>

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
09/30/15	\$ 39,398	\$ 38,147	97%	\$ 10,181
09/30/14	\$ 34,251	\$ 33,128	97%	\$ 8,930
09/30/13	\$ 35,858	\$ 34,976	98%	\$ 7,807

**Note 9 – Other Post Employment Benefits (continued)**

Funded Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a) / (c)
10/01/14	\$ -	\$ 20,467	\$ 20,467	0.0%	\$ 2,089,086	1.0%

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of assets is increasing or decreasing over time relative to the UAAL for benefits.

**Note 10 – Commitments and Contingencies**

**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; and natural disasters. In order to limit its exposure to these risks, the Town is a participant in the Florida League of Cities (a not-for-profit corporation) self-insurance program for workers' compensation, general and auto liability, and property insurance. This self-insurance program purchases excess and specific coverage from third party insurance carriers. Participants in the program are billed annually 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.

**Grant Contingency:** The Town receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act, the Town is required to conduct "single audits" when the required thresholds of \$ 500,000 in grant expenditures from either source is exceeded. For the year ended September 30, 2015, neither a Federal audit in accordance with OMB Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations* or a state single audit was required.

**Significant Agreements:** The Town previously entered into an agreement with the Broward Sheriff's Office to provide professional police services through September 2014. After its initial term, the agreement may be renewed for an additional three years, and then for an additional five years upon mutual agreement of the parties. The agreement may be terminated upon default if one of the parties gives the other party thirty days written notice. Currently, this agreement is continuing on a month to month basis while a new agreement is negotiated. For the fiscal year ending September 30, 2016, the total amount due under the agreement will be approximately \$ 2,794,700 in monthly installments. The amount due for subsequent years will be determined based on the Sheriff's budgeted costs. The maximum increase in the fee each year will be five percent for operating costs and nine percent for costs relating to health insurance premiums. There is no limitation on the cost increase related to workers' compensation premiums and pension contributions. The Town paid approximately \$ 2,721,600 for police services for the year ended September 30, 2015.

**Note 10 – Commitments and Contingencies**

The Town previously entered into an agreement with Broward Sheriff's Office to provide emergency medical and fire protection services through September 30, 2014. The renewal and termination terms are the same as noted for the police services agreement. Currently, this agreement is continuing on a month to month basis while a new agreement is negotiated. For the fiscal year ending September 30, 2016, the total amount due under the agreement is approximately \$ 2,679,700 in monthly installments. For subsequent fiscal years, the amount owed will be based on the Sheriff's budgeted costs, subject to the restrictions noted under the police services agreement. The amount paid for emergency medical and fire protection services for the year ending September 30, 2015 was \$ 2,927,000.

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.

**Litigation:** The Town is involved in two ongoing litigation matters. The ultimate outcome of these matters, in the opinion of the Town Attorney, will not have a material effect on the Town's financial condition.

**Post-retirement benefits:** The Town has authorized post-retirement benefits as noted in the Town Commissioner Pension Plan (Note 7). The Town has purchased life insurance policies on four of its Commissioners to fund future payments of death benefits. The policies have death benefits ranging from \$ 100,000 to \$ 300,000. In addition, the policies require annual premiums ranging from approximately \$ 900 to \$ 15,400, with future premium outlays to be approximately \$ 30,500 through fiscal year 2017 and \$ 17,200 thereafter until fiscal year 2020.

**Note 11 – Restatement of Net Position**

During the year ended September 30, 2015, the Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This pronouncement requires the restatement of the September 30, 2014, net position of the governmental activities, business-type activities and utility fund as shown as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net position, September 30, 2014, as previously reported	\$ 8,235,577	\$ 11,520,305	\$ 19,755,882
Cumulative Affect of Application of GASB 68, Net Pension Liability	<u>(1,929,976)</u>	<u>(168,424)</u>	<u>(2,098,400)</u>
Net Position, September 30, 2014, as restated	<u>\$ 6,305,601</u>	<u>\$ 11,351,881</u>	<u>\$ 17,657,482</u>

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REQUIRED SUPPLEMENTARY  
INFORMATION



**Town of Pembroke Park, Florida**  
**Required Supplementary Information**  
**(unaudited)**  
**Pension Plan for Town Commissioners**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the year ended September 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>		
Service cost	\$ 21,941	\$ 21,303
Interest	99,066	94,948
Differences between expected and actual experience	321,666	(4,885)
Changes in assumptions and methods	(427,321)	-
Benefit payments, including refunds of member contributions	<u>(27,900)</u>	<u>(30,087)</u>
<b>Net change in total pension liability</b>	(12,548)	81,279
<b>Total pension liability - beginning</b>	1,995,277	1,913,998
<b>Total pension liability - ending</b>	<u>\$ 1,982,729</u>	<u>\$ 1,995,277</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 62,510	\$ 66,669
Net investment income	(75,642)	136,270
Benefit payments, including refunds of member contributions	(27,900)	(30,087)
Administrative expenses	<u>-</u>	<u>(4,192)</u>
<b>Net change in plan fiduciary net position</b>	<u>(41,032)</u>	<u>168,660</u>
<b>Plan fiduciary net position - beginning</b>	1,552,115	1,383,455
<b>Plan fiduciary net position - ending</b>	<u>\$ 1,511,083</u>	<u>\$ 1,552,115</u>
<b>Town net pension liability - ending</b>	\$ 471,646	\$ 443,162
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	76.21%	77.79%
<b>Covered employee payroll</b>	36,000	28,000
<b>Town net pension liability as a percentage of covered employee payroll</b>	\$ 1310.13%	\$ 1582.72%

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Town of Pembroke Park, Florida**  
**Required Supplemental Information**  
**(unaudited)**  
**Pension Plan for Town Commissioners**  
**Schedule of Contributions**  
**For the year ended September 30, 2015**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 62,510	\$ 107,611	\$ 99,693	\$ 131,149	\$ 146,935	\$ 119,525	\$ 152,136
Actual contribution	<u>62,510</u>	<u>66,669</u>	<u>108,102</u>	<u>82,875</u>	<u>141,245</u>	<u>-</u>	<u>700,000</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>40,942</u>	\$ <u>(8,409)</u>	\$ <u>48,274</u>	\$ <u>5,690</u>	\$ <u>119,525</u>	\$ <u>(547,864)</u>
Number of active members	5	5	5	5	5	5	5
Actual contribution per active member	\$ <u>12,502</u>	\$ <u>13,334</u>	\$ <u>21,620</u>	\$ <u>16,575</u>	\$ <u>28,249</u>	\$ <u>-</u>	\$ <u>140,000</u>

Notes to Schedule

**Valuation date: October 1, 2014**

Actuarially determined contribution rates are calculated as of October 1 which is two years prior to the end of the fiscal year in which contributions are reported.

The first valuation of the Town Commissioner Pension Plan was performed as of October 1, 2009.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate
Amortization method	Level dollar closed
Remaining amortization period	7 years
Asset valuation method	Market value adjusted for contributions receivable or prepaid

Inflation	3.50%
Salary increases	3.00%
Investment rate of return	5.00%
Retirement age	Early retirement age

Mortality	Pre-retirement: None
	Post-retirement: 2014 optional combined tables for males and females

**Town of Pembroke Park, Florida  
 Required Supplementary Information  
 (unaudited)  
 Pension Plan for Town Commissioners  
 Schedule of Investment Returns  
 Last Six Fiscal Years**

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	3.77%	9.85%	-4.76%	17.34%	11.97%	9.65%	-4.79%

Note: The Plan held no investments prior to 2009.

**Town of Pembroke Park, Florida**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years\***  
**(Unaudited)**

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	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.00922640%	0.00796120%
Proportionate share of the net pension liability	\$ 1,191,713	\$ 485,749
Covered-employee payroll	\$ 1,978,680	\$ 1,852,809
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.23%	26.22%
Plan fiduciary net position as a percentage of total pension liability	92.00%	96.09%

\* This schedule is intended to present information for ten years. However, until a full ten year trend is compiled, the pension plan will present information for those years for which the information is available.

**Town of Pembroke Park, Florida**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years\***  
**(Unaudited)**

---

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.00614138%	0.00644640%
Proportionate share of the net pension liability	\$ 657,431	\$ 574,234
Covered-employee payroll	\$ 1,978,680	\$ 1,852,809
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.23%	30.99%
Plan fiduciary net position as a percentage of total pension liability	0.50%	0.99%

\* This schedule is intended to present information for ten years. However, until a full ten year trend is compiled, the pension plan will present information for those years for which the information is available.

**Town of Pembroke Park, Florida**  
**Schedule of Contributions**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years\***  
**(Unaudited)**

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	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 228,392	\$ 207,813
Contributions in relation to the contractually required contribution	<u>228,392</u>	<u>207,813</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town of Pembroke Park, Florida's covered employee payroll	1,978,680	1,852,809
Contributions as a percentage of covered payroll	11.54%	11.22%

\* This schedule is intended to present information for ten years. However, until a full ten year trend is compiled, the pension plan will present information for those years for which the information is available.

**Town of Pembroke Park, Florida**  
**Schedule of Contributions**  
**Retiree Health Insurance Subsidy Program**  
**Last 10 Fiscal Years\***  
**(Unaudited)**

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	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 26,843	\$ 22,507
Contributions in relation to the contractually required contribution	<u>26,843</u>	<u>22,507</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Town of Pembroke Park, Florida's covered employee payroll	\$ 1,978,680	\$ 1,852,809
Contributions as a percentage of covered payroll	1.36%	1.21%

\* This schedule is intended to present information for ten years. However, until a full ten year trend is compiled, the pension plan will present information for those years for which the information is available.

**Town of Pembroke Park, Florida**  
**Schedule of Investment Returns**  
**Florida Retirement System Pension Plan**  
**Last 10 Fiscal Years\***  
**(Unaudited)**

---

	<u>2015</u>		<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	3.77%	\$	17.57%

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Town of Pembroke Park, Florida  
Schedule of Investment Returns  
Retiree Health Insurance Subsidy Program  
Last 10 Fiscal Years\*  
(Unaudited)**

---

	<u>2015</u>	<u>2014</u>
Annual money-weighted annual rate of return, net of investment expenses	\$ 3.77%	\$ 17.57%

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**Town of Pembroke Park, Florida**  
**Required Supplementary Information**  
**(unaudited)**  
**Other Post-Employment Benefits Plan**  
**Schedule of Funding Progress**

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
10/01/09	\$ -	\$ 24,379	\$ 24,379	0%	\$ 1,890,319	1.3%
10/01/10	\$ -	\$ 19,350	\$ 19,350	0%	\$ 2,092,611	0.9%
10/01/11	\$ -	\$ 23,094	\$ 23,094	0%	\$ 2,328,002	1.0%
10/01/12	\$ -	\$ 19,091	\$ 19,091	0%	\$ 2,089,086	0.9%
10/01/13	\$ -	\$ 19,706	\$ 19,706	0%	\$ 2,089,086	0.9%
10/01/14	\$ -	\$ 20,467	\$ 20,467	0%	\$ 2,089,086	1.0%

Note: The first valuation of the Other Post-Employment Benefits Plan was performed as of October 1, 2009.

STATISTICAL SECTION

(NOT COVERED BY INDEPENDENT  
AUDITOR'S REPORT)



This part of the Town of Pembroke Park’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	63-70
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the Town’s most significant local revenue source, the property tax.	71-74
<b>Debt Capacity</b>	
These schedules contain information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	75-79
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	80-81
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs.	82-84
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	



**Town of Pembroke Park, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 3,632,235	\$ 4,052,657	\$ 4,059,901	\$ 4,157,471	\$ 3,985,707	\$ 4,025,566	\$ 4,001,459	\$ 4,140,660	\$ 4,026,529	\$ 4,011,647
Restricted	-	-	-	20,168	47,857	117,330	196,653	199,604	181,603	183,955
Unrestricted	<u>4,196,703</u>	<u>4,452,579</u>	<u>4,694,845</u>	<u>5,163,827</u>	<u>5,434,912</u>	<u>4,903,813</u>	<u>4,304,480</u>	<u>4,496,818</u>	<u>4,027,445</u>	<u>1,653,440</u>
Total governmental activities net position	<u>7,828,938</u>	<u>8,505,236</u>	<u>8,754,746</u>	<u>9,341,466</u>	<u>9,468,476</u>	<u>9,046,709</u>	<u>8,502,592</u>	<u>8,837,082</u>	<u>8,235,577</u>	<u>5,849,042</u>
<b>Business-type activities</b>										
Net investment in capital assets	2,528,654	3,454,856	4,894,210	5,609,158	5,547,785	5,311,092	5,219,430	4,966,605	5,222,681	5,194,495
Restricted	-	-	-	79,744	34,335	68,240	60,152	72,992	155,151	155,151
Unrestricted	<u>2,297,580</u>	<u>2,855,971</u>	<u>2,769,826</u>	<u>3,705,161</u>	<u>4,182,051</u>	<u>4,409,091</u>	<u>4,270,241</u>	<u>5,060,653</u>	<u>6,142,473</u>	<u>6,708,420</u>
Total business-type activities net position	<u>4,826,234</u>	<u>6,310,827</u>	<u>7,664,036</u>	<u>9,394,063</u>	<u>9,764,171</u>	<u>9,788,423</u>	<u>9,549,823</u>	<u>10,100,250</u>	<u>11,520,305</u>	<u>12,058,066</u>
<b>Primary government:</b>										
Net investment in capital assets	6,160,889	7,507,513	8,954,111	9,766,629	9,533,492	9,336,658	9,220,889	9,107,265	9,249,210	9,206,142
Restricted	-	-	-	99,912	82,192	185,570	256,805	272,596	336,754	339,106
Unrestricted	<u>6,494,283</u>	<u>7,308,550</u>	<u>7,464,671</u>	<u>8,868,988</u>	<u>9,616,963</u>	<u>9,312,904</u>	<u>8,574,721</u>	<u>9,557,471</u>	<u>10,169,918</u>	<u>8,361,860</u>
Total primary government net position	<u>\$ 12,655,172</u>	<u>\$ 14,816,063</u>	<u>\$ 16,418,782</u>	<u>\$ 18,735,529</u>	<u>\$ 19,232,647</u>	<u>\$ 18,835,132</u>	<u>\$ 18,052,415</u>	<u>\$ 18,937,332</u>	<u>\$ 19,755,882</u>	<u>\$ 17,907,108</u>

**Town of Pembroke Park, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	2008	2009
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 1,940,380	\$ 2,158,233	\$ 1,911,705	\$ 1,919,674
Public safety	3,837,385	4,310,188	5,418,223	5,503,809
Physical environment	278,927	291,277	216,914	234,134
Public works	513,238	371,260	933,296	351,113
Culture and recreation	405,047	462,680	480,155	460,897
Interest expense	1,773	1,243	863	10,745
	<u>6,976,750</u>	<u>7,594,881</u>	<u>8,961,156</u>	<u>8,480,372</u>
Total governmental activities expenses				
<b>Business-type activities:</b>				
Sewer Utility	1,594,594	1,506,706	1,590,674	1,507,906
Stormwater drainage district	631,987	639,949	646,261	837,919
	<u>2,226,581</u>	<u>2,146,655</u>	<u>2,236,935</u>	<u>2,345,825</u>
Total business-type activities expenses				
Total primary government expenses				
	<u>9,203,331</u>	<u>9,741,536</u>	<u>11,198,091</u>	<u>10,826,197</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
General government	298,629	297,345	176,180	124,028
Public safety	733,875	606,453	1,259,698	666,195
Culture and recreation	-	-	1,050	2,575
Operating grants and contributions	346,351	12,937	-	-
Capital grants and contributions	143,645	199,598	278,972	323,329
	<u>1,522,500</u>	<u>1,116,333</u>	<u>1,715,900</u>	<u>1,116,127</u>
Total governmental activities program revenues				
<b>Business-type activities:</b>				
Charges for services:				
Sewer utility	1,597,560	1,564,502	1,788,616	1,764,945
Stormwater drainage district	727,196	680,217	678,435	796,844
Operating grants and contributions	98,901	7,001	-	-
Capital grants and contributions	27,498	1,094,402	1,069,184	1,286,494
	<u>2,451,155</u>	<u>3,346,122</u>	<u>3,536,235</u>	<u>3,848,283</u>
Total business-type activities program revenues				
Total primary government program revenues				
	<u>\$ 3,973,655</u>	<u>\$ 4,462,455</u>	<u>\$ 5,252,135</u>	<u>\$ 4,964,410</u>

**Table 2**

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	2,302,705	\$	2,366,244	\$	2,287,814	\$	2,220,061	\$	2,447,563	\$	2,610,513
	5,437,356		6,000,840		5,856,614		5,898,517		6,095,492		6,259,566
	260,207		230,590		241,329		251,169		346,876		306,333
	495,677		286,097		267,805		341,949		380,544		422,878
	320,812		490,310		484,853		526,750		531,485		601,730
	6,041		4,715		3,180		1,175		118		3,922
	<u>8,822,798</u>		<u>9,378,796</u>		<u>9,141,595</u>		<u>9,239,621</u>		<u>9,802,078</u>		<u>10,204,942</u>
	1,991,890		2,047,307		2,135,075		2,217,437		2,142,503		2,359,648
	943,234		908,166		1,013,527		888,267		941,691		925,936
	<u>2,935,124</u>		<u>2,955,473</u>		<u>3,148,602</u>		<u>3,105,704</u>		<u>3,084,194</u>		<u>3,285,584</u>
	<u>11,757,922</u>		<u>12,334,269</u>		<u>12,290,197</u>		<u>12,345,325</u>		<u>12,886,272</u>		<u>13,490,526</u>
	128,147		139,359		140,424		142,622		148,260		145,491
	707,008		881,442		811,552		1,233,541		1,047,608		1,278,178
	4,025		4,700		3,100		3,700		4,125		3,000
	-		-		-		-		-		-
	152,465		274,985		64,204		100,684		60,515		-
	<u>991,645</u>		<u>1,300,486</u>		<u>1,019,280</u>		<u>1,480,547</u>		<u>1,260,508</u>		<u>1,426,669</u>
	1,917,592		1,997,494		1,894,194		2,429,211		2,507,253		2,626,946
	907,183		903,010		901,771		1,027,237		1,223,093		1,254,594
	-		-		-		-		-		-
	371,270		21,967		61,089		199,607		756,809		89,366
	<u>3,196,045</u>		<u>2,922,471</u>		<u>2,857,054</u>		<u>3,656,055</u>		<u>4,487,155</u>		<u>3,970,906</u>
\$	<u>4,187,690</u>	\$	<u>4,222,957</u>	\$	<u>3,876,334</u>	\$	<u>5,136,602</u>	\$	<u>5,747,663</u>	\$	<u>5,397,575</u>

**Town of Pembroke Park, Florida**  
**Changes in Net Position**  
**Last Nine Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(continued)**

	Fiscal Year			
	2006	2007	2008	2009
<b>Net expense/revenue:</b>				
Governmental activities	\$ (5,454,250)	\$ (6,478,548)	\$ (7,245,256)	\$ (7,364,245)
Business-type activities	224,574	1,199,467	1,299,300	1,502,458
Total primary government net expense	<u>(5,229,676)</u>	<u>(5,279,081)</u>	<u>(5,945,956)</u>	<u>(5,861,787)</u>
<b>General revenues and other changes in net assets</b>				
<b>Governmental activities:</b>				
<b>Taxes:</b>				
Ad valorem taxes	3,547,034	3,963,944	4,426,894	4,767,861
Local option gas tax	108,264	106,452	103,991	102,574
Franchise taxes	724,241	880,769	896,580	917,492
Utility service taxes	608,175	649,234	725,201	770,019
Unrestricted intergovernmental revenues	897,821	847,908	822,431	818,864
Interest income	292,953	138,483	55,467	173,653
Miscellaneous	694,032	568,056	460,333	400,502
Gain on disposition of capital assets	-	-	3,869	-
Total governmental activities	<u>6,872,520</u>	<u>7,154,846</u>	<u>7,494,766</u>	<u>7,950,965</u>
<b>Business-type activities</b>	-	285,126	53,909	227,569
Total primary government business-type activities	<u>6,872,520</u>	<u>7,439,972</u>	<u>7,548,675</u>	<u>8,178,534</u>
<b>Changes in net assets:</b>				
Governmental activities	1,418,270	676,298	249,510	586,720
Business-type activities	224,574	1,484,593	1,353,209	1,730,027
Total primary government changes in net position	<u>\$ 1,642,844</u>	<u>\$ 2,160,891</u>	<u>\$ 1,602,719</u>	<u>\$ 2,316,747</u>

Table 2

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	(7,831,153)	\$ (8,078,310)	\$ (8,122,315)	\$ (7,759,074)	\$ (8,541,570)	\$ (8,778,273)
	<u>260,921</u>	<u>(33,002)</u>	<u>(291,548)</u>	<u>550,351</u>	<u>1,402,961</u>	<u>685,322</u>
	<u>(7,570,232)</u>	<u>(8,111,312)</u>	<u>(8,413,863)</u>	<u>(7,208,723)</u>	<u>(7,138,609)</u>	<u>(8,092,951)</u>
	4,801,275	4,551,336	4,436,814	4,361,937	4,452,130	4,532,518
	106,944	107,150	104,848	104,395	106,572	110,691
	873,709	853,296	815,829	821,477	867,335	915,375
	787,702	823,919	878,036	895,817	980,807	999,821
	804,279	848,501	845,425	777,792	781,080	898,152
	142,157	69,265	66,944	50,652	63,251	12,217
	442,097	403,076	428,501	1,081,494	688,890	852,940
	<u>-</u>	<u>-</u>	<u>1,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,958,163</u>	<u>7,656,543</u>	<u>7,578,198</u>	<u>8,093,564</u>	<u>7,940,065</u>	<u>8,321,714</u>
	<u>109,187</u>	<u>57,254</u>	<u>52,948</u>	<u>76</u>	<u>17,094</u>	<u>20,863</u>
	<u>8,067,350</u>	<u>7,713,797</u>	<u>7,631,146</u>	<u>8,093,640</u>	<u>7,957,159</u>	<u>8,342,577</u>
	127,010	(421,767)	(544,117)	334,490	(601,505)	(456,559)
	<u>370,108</u>	<u>24,252</u>	<u>(238,600)</u>	<u>550,427</u>	<u>1,420,055</u>	<u>706,185</u>
\$	<u><u>497,118</u></u>	\$ <u><u>(397,515)</u></u>	\$ <u><u>(782,717)</u></u>	\$ <u><u>884,917</u></u>	\$ <u><u>818,550</u></u>	\$ <u><u>249,626</u></u>

**Town of Pembroke Park, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

**Table 3**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund:</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ 44,406	\$ -	\$ 6,445	\$ 53,444	\$ 54,441	\$ -	\$ -
Restricted	-	-	-	20,168	47,857	117,330	196,653	199,604	181,603	183,955
Committed	-	-	-	109,479	208,960	266,105	303,265	343,411	387,138	373,057
Assigned	-	-	-	394,143	622,002	489,496	654,519	563,519	967	244,822
Unassigned	<u>4,696,224</u>	<u>5,007,674</u>	<u>5,078,448</u>	<u>4,247,953</u>	<u>4,310,078</u>	<u>3,906,793</u>	<u>3,155,532</u>	<u>3,421,428</u>	<u>3,636,399</u>	<u>2,917,297</u>
Total General Fund	<u>\$ 4,696,224</u>	<u>\$ 5,007,674</u>	<u>\$ 5,078,448</u>	<u>\$ 4,816,149</u>	<u>\$ 5,188,897</u>	<u>\$ 4,786,169</u>	<u>\$ 4,363,413</u>	<u>\$ 4,582,403</u>	<u>\$ 4,206,107</u>	<u>\$ 3,719,131</u>
<b>Other governmental fund:</b>										
Unassigned	<u>\$ (24,083)</u>	<u>\$ -</u>								
Total governmental funds	<u>\$ 4,672,141</u>	<u>\$ 5,007,674</u>	<u>\$ 5,078,448</u>	<u>\$ 4,816,149</u>	<u>\$ 5,188,897</u>	<u>\$ 4,786,169</u>	<u>\$ 4,363,413</u>	<u>\$ 4,582,403</u>	<u>\$ 4,206,107</u>	<u>\$ 3,719,131</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal years 2004-2010 have been restated to conform to the new statement requirements.

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**Town of Pembroke Park, Florida**  
**Changes In Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 3,547,034	\$ 3,963,944	\$ 4,426,894	\$ 4,767,861
Franchise taxes	724,241	823,386	959,963	917,492
Utility service taxes	608,175	649,234	725,201	770,019
Licenses and permits	746,559	645,947	1,105,716	517,889
Intergovernmental revenues	897,821	847,908	822,431	818,864
Charges for services	279,839	181,980	134,732	220,634
Fines and forfeitures	78,543	67,868	158,113	51,700
Miscellaneous revenues	447,303	429,260	447,219	400,502
Interest income	292,953	138,483	55,467	173,653
Local option gas tax	108,264	106,452	103,991	102,574
Grant revenues	489,996	212,535	92,876	135,676
Special assessments	5,502	-	262,419	187,654
Rental income	153,790	155,799	51,482	2,575
Contribution of land	-	-	-	-
	<u>8,380,020</u>	<u>8,222,796</u>	<u>9,346,504</u>	<u>9,067,093</u>
<b>Expenditures:</b>				
General government	1,730,995	1,973,732	2,106,129	2,689,641
Public safety	3,830,437	4,299,558	5,399,877	5,492,783
Physical environment	272,673	285,816	209,633	224,466
Public works	465,416	318,290	332,804	292,875
Culture and recreation	334,947	379,874	362,027	359,137
Capital outlay	310,721	612,644	850,311	344,421
Debt service:				
Principal	14,212	16,022	14,085	17,945
Interest	1,803	1,327	863	10,745
	<u>6,961,204</u>	<u>7,887,263</u>	<u>9,275,729</u>	<u>9,432,013</u>
Excess of revenues over (under) expenditures	<u>1,418,816</u>	<u>335,533</u>	<u>70,775</u>	<u>(364,920)</u>
<b>Other Financing Sources (Uses):</b>				
Capital lease proceeds	-	-	-	102,621
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	24,083	-	-
Transfers out	-	(24,083)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,621</u>
Net change in fund balances	<u>\$ 1,418,816</u>	<u>\$ 335,533</u>	<u>\$ 70,775</u>	<u>\$ (262,299)</u>
Debt service as a percentage of non-capital expenditures	0.24%	0.24%	0.18%	0.32%

Table 4

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	4,801,275	\$	4,551,336	\$	4,436,814	\$	4,361,937	\$	4,452,130	\$	4,532,518
	873,709		853,296		815,829		821,477		867,335		915,375
	787,702		823,919		878,036		895,817		980,807		999,821
	556,853		687,655		641,870		965,325		762,586		1,014,412
	804,279		779,029		766,084		755,640		773,501		879,589
	224,840		279,387		287,850		365,604		388,717		355,289
	53,462		127,931		106,263		75,025		57,819		76,067
	442,097		403,076		426,935		1,077,555		687,340		851,509
	142,157		69,265		66,944		50,652		63,251		12,217
	106,944		107,150		104,848		104,395		106,572		110,691
	14,546		152,426		64,204		100,684		60,515		-
	137,920		122,559		-		-		-		-
	4,025		-		-		-		-		-
	-		-		-		-		-		-
	<u>8,949,809</u>		<u>8,957,029</u>		<u>8,595,677</u>		<u>9,574,111</u>		<u>9,200,573</u>		<u>9,747,488</u>
	2,159,632		2,248,730		2,154,195		2,152,564		2,340,158		2,575,802
	5,430,243		5,995,029		5,850,239		5,893,798		6,076,116		6,252,552
	254,840		225,436		232,278		246,506		342,175		296,601
	268,384		244,357		227,610		297,520		304,071		370,989
	389,530		390,601		374,191		405,727		424,506		464,136
	50,011		231,176		157,322		341,784		125,065		226,735
	18,380		19,713		31,370		16,047		8,387		3,922
	6,041		4,715		3,180		1,175		118		118
	<u>8,577,061</u>		<u>9,359,757</u>		<u>9,030,385</u>		<u>9,355,121</u>		<u>9,620,596</u>		<u>10,190,855</u>
	<u>372,748</u>		<u>(402,728)</u>		<u>(434,708)</u>		<u>218,990</u>		<u>(420,023)</u>		<u>(443,367)</u>
	-		-		-		-		-		-
	-		-		11,952		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		11,952		-		-		-
\$	<u><u>372,748</u></u>	\$	<u><u>(402,728)</u></u>	\$	<u><u>(422,756)</u></u>	\$	<u><u>218,990</u></u>	\$	<u><u>(420,023)</u></u>	\$	<u><u>(443,367)</u></u>
	0.29%		0.27%		0.39%		0.19%		0.09%		0.04%

**Town of Pembroke Park, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 5**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other</u>	<u>Less: Tax Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>City Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Assessed Value as a Percentage of Taxable Value</u>
2006	130,990,500	37,839,370	161,050,550	22,967,370	28,178,910	324,668,880	8.5000	\$ 355,909,420	91.22%
2007	144,901,590	43,529,160	176,343,980	25,301,970	30,876,710	359,199,990	8.5000	395,955,110	90.72%
2008	168,176,080	55,511,610	195,738,750	27,605,210	32,634,000	414,397,650	8.5000	455,676,830	90.94%
2009	207,011,660	68,291,280	218,715,840	46,184,140	39,316,850	500,886,070	8.5000	546,535,298	91.65%
2010	212,333,850	80,620,310	232,446,030	51,159,930	15,761,710	560,798,410	8.5000	576,104,508	97.34%
2011	168,830,340	117,411,800	273,019,070	46,337,110	13,859,120	591,739,200	8.5000	600,799,300	98.49%
2012	157,354,010	109,149,830	216,062,380	48,013,280	12,404,240	518,175,260	8.5000	575,469,839	90.04%
2013	157,484,900	103,267,820	214,929,780	55,831,340	11,205,410	520,308,430	8.5000	547,709,705	95.00%
2014	162,045,420	103,804,360	212,626,230	56,816,230	10,509,370	524,782,870	8.5000	536,617,905	97.79%
2015	173,200,060	108,632,470	234,879,580	58,503,310	8,072,870	567,142,550	8.5000	574,699,768	98.69%

Source: Broward County, Florida, Property Appraiser

**Town of Pembroke Park, Florida  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Table 6**

Fiscal Year	Tax Year	Town Direct Rate	Overlapping Rates						Total
			Broward County	Broward School District	Children's Service Council of Broward County	South Florida Water Management District	South Inland Navigation District	South Broward Hospital District	
2006	2005	8.5000	7.0230	8.2695	0.4231	0.6970	0.0385	1.5761	26.5272
2007	2006	8.5000	6.7830	8.0623	0.4231	0.6970	0.0385	1.4500	25.9539
2008	2007	8.5000	6.0661	7.8687	0.4073	0.6970	0.0385	1.3300	24.9076
2009	2008	8.5000	5.2868	7.6484	0.3572	0.6240	0.0345	1.1643	23.6152
2010	2009	8.5000	5.3145	7.4170	0.3754	0.6240	0.0345	1.1913	23.4567
2011	2010	8.5000	5.3889	7.4310	0.4243	0.6240	0.0345	1.2732	23.6759
2012	2011	8.5000	5.5530	7.4180	0.4789	0.4363	0.0345	0.7500	23.1707
2013	2012	8.5000	5.5530	7.4560	0.4902	0.4289	0.0345	0.6000	23.0626
2014	2013	8.5000	5.7230	7.4800	0.4882	0.4110	0.0345	0.4000	23.0367
2015	2014	8.5000	5.7230	7.4380	0.4882	0.3842	0.0345	0.1863	22.7542

Source: Broward County, Florida, Property Appraiser

**Town of Pembroke Park, Florida  
Principal Property Tax Payers  
Current Year and Ten Years Ago**

**Table 7**

<b>Taxpayer</b>	<b>2014</b>			<b>2004</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Town Taxable Assessed Value</b>
Seneca Industrial Holdings LLC % Kimberly (	\$ 47,595,970	1	8.33%	\$ -		
Florida Coca-Cola Bottling Co.	\$ 25,909,960	2	4.54%	\$ 18,371,420	3	4.81%
Coca Cola Refreshments Fixed Assets	\$ 22,378,145	3	3.92%	\$ -		-
KTR Seneca II LLC	\$ 17,589,730	4	3.08%	\$ -		-
KTR Seneca I LLC	\$ 17,343,960	5	3.04%	\$ -		-
Miami Station Split Co	\$ 14,100,000	6	2.47%	\$ -		-
Coca Cola Refreshments	\$ 20,260,999	7	3.55%	\$ -		-
WPLG/TV 10	\$ 10,428,015	8	1.83%	\$ -		-
Carolina 31st Corp	\$ 9,851,820	9	1.72%	\$ 7,175,940	8	1.88%
Trinity Broadcasting of FL	\$ 8,298,550	10	1.45%	\$ -		
<b>Total</b>	<b>\$ 193,757,149</b>		<b>33.93%</b>	<b>\$ 25,547,360</b>		<b>6.69%</b>

Source: Broward County, Florida, Department of Revenue Collections

**Town of Pembroke Park, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 8**

<u>Fiscal Year</u>	<u>Property Tax Levy</u>	<u>Property Tax Discount</u>	<u>Net Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2006	\$ 3,654,847	\$ 127,847	\$ 3,527,000	\$ 3,491,874	99.00%	\$ 19,387	\$ 3,511,261	99.55%
2007	4,090,171	146,970	3,943,201	3,918,751	99.38%	3,632	3,922,383	99.47%
2008	4,623,870	156,628	4,467,242	4,408,076	98.68%	43,886	4,451,962	99.66%
2009	4,884,665	167,992	4,716,673	4,632,303	98.21%	74,314	4,706,617	99.79%
2010	5,134,398	179,272	4,955,126	4,783,405	96.53%	-	4,783,405	96.53%
2011	4,900,088	169,821	4,730,267	4,359,562	92.16%	69,707	4,359,562	92.16%
2012	4,663,597	169,382	4,494,215	4,450,447	99.03%	-	4,450,447	99.03%
2013	4,619,314	165,338	4,453,976	4,399,538	98.78%	-	4,399,538	98.78%
2014	4,673,155	168,774	4,504,381	4,457,656	98.96%	-	4,457,655	98.96%
2015	4,864,446	172,879	4,691,567	4,542,817	96.83%	-	4,457,072	95.00%

Source: Broward County, Florida, Department of Revenue Collections  
Note: Penalty charges and interest are not included in total collections.

**Town of Pembroke Park, Florida  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Table 9**

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>Capital Leases</u>	<u>Stormwater Revenue Bonds</u>	<u>Sewer Revenue Bonds</u>			
2006	\$ 39,328	\$ 4,206,258	\$ -	\$ 4,245,586	2.69%	740
2007	23,306	3,926,445	-	3,949,751	2.46%	694
2008	7,919	3,584,286	871,594	4,463,799	2.66%	777
2009	93,896	3,253,793	2,360,000	5,707,689	3.49%	994
2010	75,517	2,939,559	2,360,000	5,375,076	5.60%	879
2011	55,804	2,551,798	2,332,833	4,940,435	5.40%	810
2012	24,434	2,211,371	2,309,000	4,544,805	4.83%	745
2013	8,387	1,824,993	2,281,000	4,114,380	4.08%	672
2014	-	1,422,944	2,252,000	3,674,944	4.00%	591
2015	-	1,004,960	2,222,000	3,226,960	*	*

\* Information for the current year is not available.

(1) See the schedule of Demographic and Economic Statistics on page 70 for personal income and population data

**Town of Pembroke Park, Florida**  
**Ratios of General Bonded Debt Outstanding**

**Table 10**

The Town had no general obligation debt over the last five fiscal years.

**Town of Pembroke Park, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2015**

**Table 11**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Government Unit:</b>			
Debt repaid with property taxes:			
Broward County	\$ 274,813,000	5.48%	\$ 15,060,879
Broward District Schools	163,787,000	5.48%	8,976,199
Subtotal, overlapping debt	-		-
Town direct debt	-	-	-
Total direct and overlapping debt			<u>\$ 24,037,078</u>

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. The applicable percentage was estimated by determining the portion of Broward County's taxable value that is within the Town of Pembroke Park's boundaries and dividing it by the County's total taxable assessed value.

Source: Broward County, Financial Reporting and Accounting Division

The Town Charter does not establish a legal debt margin, nor does the Florida Statutes Chapter 166, which grants home rule authority to municipalities.

**Town of Pembroke Park, Florida  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

**Table 13**

Fiscal Year	Stormwater Revenue Bonds							Coverage
	Utility Service Charges	Public Service Taxes	Less: Operating Expenses	Net Available Revenue	Principal	Interest		
2006	\$ 754,694	\$ 1,668,177	\$ 457,296	\$ 1,965,575	\$ 292,902	\$ 174,691	4.20	
2007	680,217	1,779,628	477,162	1,982,683	279,813	162,787	4.48	
2008	678,075	2,001,846	495,830	2,184,091	342,159	150,428	4.43	
2009	796,844	2,023,694	700,819	2,119,719	330,493	137,100	4.53	
2010	907,181	1,964,622	819,693	2,052,110	344,055	123,539	4.39	
2011	903,010	1,959,500	798,513	2,063,996	357,940	109,653	4.41	
2012	901,771	2,055,574	917,825	2,039,520	340,427	95,572	4.68	
2013	1,045,645	2,064,292	805,634	2,304,303	386,378	80,130	4.94	
2014	1,223,093	2,152,576	877,376	2,498,293	402,049	64,318	5.36	
2015	1,254,594	2,298,290	878,280	2,674,604	417,983	47,901	5.36	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

**Town of Pembroke Park, Florida  
Demographic and Economic Statistics  
Last Ten Calendar Years**

**Table 14**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income thousands of dollars</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate Percentage (1)</u>
2006	5,740	157,701	27,474	3.1%
2007	5,740	162,103	28,241	3.4%
2008	5,740	167,562	29,192	5.4%
2009	5,740	163,389	28,465	10.9%
2010	6,112	99,454	16,272	9.6%
2011	6,102	99,401	14,709	8.6%
2012	6,099	93,973	15,408	7.6%
2013	6,102	100,738	16,455	6.0%
2014	6,220	100,390	16,140	5.3%
2015	*	*	*	*

\* Information for the current year is not available.

(1) Data for the Town is not available. Estimated figures for Broward County were used.

Source: Bureau of Economic Analysis, US Department of Commerce

Source: Florida Department of Revenue

**Town of Pembroke Park, Florida  
Principal Employers  
Current Year and Ten Years Ago**

**Table 15**

<b>Employer</b>	<b>2015</b>			<b>2005</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Coca-Cola	800	1	12.90%	530	1	10.00%
WPLG Channel 10	189	2	3.05%	-	-	-
J.W. Lee Inc.	97	3	1.56%	-	-	-
Broward County School Board	90	4	1.45%	134	4	2.00%
The Peninsula	67	5	1.08%	-	-	-
Mohawk Industries, Inc.	64	6	1.03%	160	2	3.00%
Broward Sheriff's Office	46	7	0.74%	115	6	2.00%
Wendy's	30	8	0.48%	-	-	-
HH Gregg Appliances & Electronics	20	9	0.32%	-	-	-
Mastec North America	20	10	0.32%	-	-	-
<b>Total</b>	<b>1,423</b>		<b>22.95%</b>	<b>939</b>		<b>17.00%</b>

Source: Town Planning

**Town of Pembroke Park, Florida**  
**Full Time Equivalent City Government Employees**  
**By Function/Program**  
**Last Ten Fiscal Years**

**Table 16**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Function/Program:</b>										
General government:										
Mayor and Commission	5	5	5	5	5	5	5	5	5	5
Finance and administrative	12	12	12	9	9	9	10	11	11	11
Public safety:										
Protective inspections	2	2	2	2	2	3	3	3	3	3
Physical environment:										
Code enforcement	2	2	2	3	3	2	2	2	2	2
Public works:										
Road and street facilities	4	4	4	4	4	5	5	5	5	5
Sewer	4	4	4	4	4	4	3	3	3	4
Culture and recreation:										
Parks and recreation	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<u>33</u>	<u>33</u>	<u>33</u>	<u>31</u>	<u>31</u>	<u>32</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>34</u>

Source: Finance and Budget Department

**Town of Pembroke Park, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Table 17**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General government:</b>										
Building permits issued	1,622	1,083	1,128	639	243	58	346	1221	718	772
New construction	1,047	44	112	30	10	134	130	153	106	36
Repair/maintenance	436	41	100	130	60	281	373	374	237	297
Alteration/remodeling	5	41	166	125	45	303	156	176	81	118
Demolition	134	41	44	66	20	115	46	123	40	61
Other	-	22	142	288	108	349	706	395	184	359
Business Tax	595	591	649	510	511	513	521	542	619	523
Sign permits	479	423	424	368	353	342	311	311	311	121
Alarm registration	183	171	181	233	251	260	258	256	341	328
Certificate of use	472	470	474	395	390	395	403	421	442	404
<b>Parks and recreation:</b>										
Park rentals	19	54	9	20	32	37	23	29	33	24

Source: Various departments

**Town of Pembroke Park, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Table 18**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other public works:										
Streets (miles)	10	10	10	10	10	10	10	10	10	10
Street lights	34	34	52	52	52	52	52	52	52	52
Parks and recreation:										
Acreage	26	26	26	26	26	26	26	26	26	26
Playgrounds	3	3	3	3	3	3	3	3	3	3
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers	13	13	13	13	13	13	13	13	13	13
Lift stations	30	30	30	30	30	30	30	30	30	30
Stormwater:										
Pump stations	4	4	4	4	4	4	4	4	4	4

Source: Finance and Budget Department

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**OTHER REPORTS OF INDEPENDENT  
AUDITORS AND RELATED SCHEDULES**



INDEPENDENT AUDITOR'S 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  
Pembroke Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Pembroke Park, Florida (the "Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 26, 2016.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

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

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
May 26, 2016

## INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

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

### **Report on the Financial Statements**

We have audited the basic financial statements of Town of Pembroke Park, Florida (the "Town"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 26, 2016.

### **Auditor's Responsibility**

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

### **Other Reports**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated May 26, 2016, 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 significant findings and recommendations made in the preceding annual financial audit report. The status of a prior year finding is discussed in the accompanying Schedule of Findings and Responses on page 90.

### **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 Town of Pembroke Park, Florida was incorporated on June 20, 1959. The Town does not have any component units.

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) 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.c. 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.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, our recommendations to improve financial management are included in the Schedule of Findings and Responses on page 83.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representative, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
May 26, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined Town of Pembroke Park, Florida's (the "Town") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2015. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
May 26, 2016

**Town of Pembroke Park, Florida  
Schedule of Findings and Responses  
September 30, 2015**

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**Current Year Internal Control Comment and Recommendation**

None

**Prior Year Internal Control Comments and Responses**

		<u>STILL APPLICABLE</u>	<u>IMPLEMENTED OR NO LONGER RELEVANT</u>
2014-01	Availability of minutes		X