

**TOWN OF MANGONIA PARK, FLORIDA**  
**FINANCIAL STATEMENTS WITH INDEPENDENT**  
**AUDITOR'S REPORT THEREON**  
**SEPTEMBER 30, 2023**

TOWN OF MANGONIA PARK, FLORIDA  
SEPTEMBER 30, 2023

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## INDEPENDENT AUDITOR’S REPORT

The Honorable Mayor and  
Members of the Town Council  
Town of Mangonia Park, Florida

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### Report on the Audit of the Financial Statements

#### *Qualified Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Mangonia Park, Florida as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Mangonia Park, Florida’s basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Town of Mangonia Park, Florida, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Qualified Opinions*

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Mangonia Park, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit qualified opinions.

#### Matter Giving Rise to the Qualified Opinions

The Town’s bank reconciliations for the general operating accounts have unreconciled differences and do not appropriately reconcile the bank accounts to the general ledger. We were unable to obtain appropriate audit evidence on the completeness of revenues and expenses/expenditures. The amount by which these items would affect the assets, liabilities, net position/fund balance, revenues, and expenses/expenditures of the governmental activities, the business-type activities, and each major fund could not be determined.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Mangonia Park, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 10 and the required supplementary information on pages and 56 through 61 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of the Town of Mangonia Park, Florida’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Mangonia Park, Florida’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mangonia Park, Florida’s internal control over financial reporting and compliance.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 27, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Mangonia Park, Florida ("Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. Since the Management's Discussion and Analysis (MD&A) is designed to focus on current year's activities and events, please read it in conjunction with the Town's Independent Auditor's Report, basic financial statements, accompanying notes, and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2023, resulting in a net position balance of \$11,359,334. Of this amount, \$6,548,928 is unrestricted net position which may be used to meet the Town's ongoing obligations to citizens and creditors.
- The change in the Town's net position was an increase of \$1,734,204. The key components of the Town's net position and changes in net position are reflected in the table in the government-wide financial analysis section.
- As of September 30, 2023, the Town's General Fund reported ending fund balance of \$7,219,427 an increase of \$1,795,829 in comparison with the prior year. Of the total fund balance, \$5,719,515 is unassigned and available for spending at the Town's discretion.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by property taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, physical environment, and culture and recreation. The business-type activities of the Town include the water and sewer operation.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that has been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

### Proprietary Fund

The Town maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the water and sewer system within the Town.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

### Notes to the Basic Financial Statements

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities and deferred outflows at the close of the most recent fiscal year.

Key components of the Town's net position are reflected in the following table:

	<b>NET POSITION</b>					
	<b>SEPTEMBER 30,</b>					
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 7,613,442	\$ 6,401,747	\$ 2,263,360	\$ 1,854,140	\$ 9,876,802	\$ 8,255,887
Capital assets, net of depreciation	2,466,805	2,509,524	1,483,299	1,615,326	3,950,104	4,124,850
<b>Total assets</b>	<b>10,080,247</b>	<b>8,911,271</b>	<b>3,746,659</b>	<b>3,469,466</b>	<b>13,826,906</b>	<b>12,380,737</b>
Deferred outflows of resources	193,694	221,110	28,943	45,288	222,637	266,398
Current liabilities	217,173	737,230	704,768	518,130	921,941	1,255,360
Long-term liabilities	1,449,966	1,371,050	115,610	130,190	1,565,576	1,501,240
<b>Total liabilities</b>	<b>1,667,139</b>	<b>2,108,280</b>	<b>820,378</b>	<b>648,320</b>	<b>2,487,517</b>	<b>2,756,600</b>
Deferred inflows of resources	196,887	258,045	5,805	7,360	202,692	265,405
<b>Net position</b>						
Net investment in capital assets	1,827,195	1,817,254	1,483,299	1,615,326	3,310,494	3,432,580
Restricted	1,499,912	1,112,265			1,499,912	1,112,265
Unrestricted	5,082,808	3,836,537	1,466,120	1,243,748	6,548,928	5,080,285
<b>Total net position</b>	<b>\$ 8,409,915</b>	<b>\$ 6,766,056</b>	<b>\$ 2,949,419</b>	<b>\$ 2,859,074</b>	<b>\$ 11,359,334</b>	<b>\$ 9,625,130</b>

A portion of the Town's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. They are funds restricted for police education and the building department. The remaining balance of unrestricted net position may be used to meet the Town's other obligations.

The Town's net position increased during the most recent fiscal year. The majority of this increase represents the degree to which revenues have increased and expenses remained constant.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,						
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 592,069	\$ 819,561	\$ 1,427,416	\$ 1,317,146	\$ 2,019,485	\$ 2,136,707
Operating grants and contributions	342,035	739,009			342,035	739,009
Capital grants and contributions				1,894		1,894
General revenues:						
Property taxes	2,624,662	2,385,247			2,624,662	2,385,247
Local option sales tax	201,955	199,947			201,955	199,947
Utility and franchise fees	804,424	693,079			804,424	693,079
Intergovernmental revenue	456,237	447,552			456,237	447,552
Unrestricted investment earnings	217,180	25,419	43,359	3,333	260,539	28,752
Miscellaneous	99,662	67,479			99,662	67,479
Total revenues	5,338,224	5,377,293	1,470,775	1,322,373	6,808,999	6,699,666
Expenses:						
Governmental activities:						
General government	1,239,124	1,030,492			1,239,124	1,030,492
Public safety	1,892,337	1,874,970			1,892,337	1,874,970
Physical environment	376,822	420,715			376,822	420,715
Culture and recreation	179,874	128,767			179,874	128,767
Interest on long-term debt	6,208	6,363			6,208	6,363
Business - type activities:						
Water and sewer utilities			1,380,430	1,241,058	1,380,430	1,241,058
Total expenses	3,694,365	3,461,307	1,380,430	1,241,058	5,074,795	4,702,365
Increase (decrease) in net position	1,643,859	1,915,986	90,345	81,315	1,734,204	1,997,301
Net position, beginning	6,766,056	4,850,070	2,859,074	2,777,759	9,625,130	7,627,829
Net position, ending	\$ 8,409,915	\$ 6,766,056	\$ 2,949,419	\$ 2,859,074	\$ 11,359,334	\$ 9,625,130

### Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023, was \$3,694,365. The majority of the costs of the Town's activities were paid by general revenues. General revenues comprised primarily of property taxes, revenue sharing, and franchise fees. General revenues increased during the current fiscal year primarily due to an increase in property taxes. Operating grants decreased due to the recognition of \$700,000 of American Rescue Plan Act (ARPPA) funding in the prior year and \$300,000 in the current.

### Business-type activities

Business-type activities reflect the operations of the water and sewer facilities within the Town. The costs of operations are covered primarily by charges to customers.

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUND ON THE FUND BASIS

As the Town of Mangonia Park completed the year, the general fund reported a fund balance of \$7,219,427, an increase of \$1,795,829 from the previous fiscal year.

The general fund ended the 2023 fiscal year with \$1,499,912 in restricted fund balance, and \$5,719,515 in unassigned fund balance.

## FINANCIAL ANALYSIS OF THE PROPRIETARY FUND

Total net position of the water and sewer fund at the end of the fiscal year 2023 was \$2,949,419. The net position of the water and sewer fund has increased \$90,345 from the prior year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the Town pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is at the department level. Actual general fund expenditures were \$713,198 less than the final budget amounts. Revenues were \$1,082,631 more than the final budget amounts. The revenue variance was primarily due to building permits, interest income and the ARPA grant. The decreased expenditures were due to public works and roads and streets expenditures being less than budgeted.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2023, the Town has a total of \$3,950,104 net of accumulated depreciation) invested in capital assets for its government and business-type activities. Additional information on the Town's capital assets can be found in Note 6 in the Notes to the Financial Statements.

### Debt Outstanding

At September 30, 2023, the Town had \$639,610 of long term debt outstanding. The Town entered into a loan agreement with the Florida Department of Environmental Protection under the State Revolving Loan to fund stormwater improvements. Additional information on the Town's long-term debt can be found in Note 7 in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's 2023 fiscal year budget includes items that continue to accomplish the goals of the Town. These goals include enhancing the level of services, increasing the responsiveness of the local government to the needs of the public and enhancing the Town's recreational facilities. General fund revenue projections are comparable to the previous years.

- For 2023 there was a five percent increase to the base water and sewer rates.
- The millage rate stayed consistent at 9.90 mills.

## TOWN-WIDE GOALS AND OBJECTIVES

- The Town is expected to operate in its regular civic-service focused fashion, bringing its residents a variety of services. The Town is constantly expanding existing relationships and continues to look for new opportunities to provide even more services to the public. Additionally, several avenues have been researched for the aesthetic enhancement of the Town's local park, specifically via grant funding from Palm Beach County and the Community Development Block Grant. Future projects will include sewer projects for a portion of the Bryn-Mawr Subdivision; various after-school, summer reading athletic and senior citizen programs. The maintaining of the Park's infrastructure and the renovation of the old fire station, now a community center, has proven to be beneficial, as it brings an extra source of revenue for the Town.
- The Administration is continuing to seek grant funding from the State of Florida, Department of Environmental Protection for storm water drainage improvements.
- The Administration will confirm the collection of all appropriate developer agreement fees related to current and upcoming development within the Town. These fees will supplement the cost of having sufficient and adequate water and sewer capacity at the Town's utility plant.
- The Administration has applied for local, state and federal grants for planned major capital improvements. The proposed capital improvements will improve the Utility Plant's infrastructure; as a result, the Town will experience a significant decrease in expenses for repairs. The Town has been awarded local grants for the installation of sewer on Pioneer Road in the Pioneer Hill Subdivision, Boardman, Jeffery and Sherwood Avenue in the Bryn-Mawr Subdivision.
- The Town Council has approved a capital plan for the use of the Palm Beach County Surtax funding.
- The Town Council will approve an updated overall Five Year Capital Improvement Plan/Program.
- The Town Council will review and solicit citizen input on their 2025 Community Master Plan.

- The Town Council will receive input regarding a potential Parks Master Plan.

#### CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town of Mangonia Park's finances for all of those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ken Metcalf, Town Manager Town of Mangonia Park 1755 East Tiffany Drive, Mangonia Park, Florida 33407.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Net Position**  
**September 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,462,973	\$ 1,584,681	\$ 8,047,654
Investments	695,844	20,504	716,348
Accounts receivable, net	184,211	193,069	377,280
Lease receivable current portion	33,922		33,922
Internal balances	(323,788)	323,788	
Prepays		666	666
Restricted assets			
Cash and cash equivalents		140,652	140,652
Investments	437,996		437,996
Lease receivable	122,284		122,284
Capital assets			
Non-depreciable	109,257	64,679	173,936
Depreciable (net)	2,357,548	1,418,620	3,776,168
Total assets	10,080,247	3,746,659	13,826,906
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	193,694	28,943	222,637
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	37,846	118,102	155,948
Due to other governments	56,531	438,906	495,437
Deposits	4,524	7,108	11,632
Unearned revenue	118,272		118,272
Deposits payable from restricted assets		140,652	140,652
Non-current liabilities			
Due within one year	66,918		66,918
Due in more than one year	1,383,048	115,610	1,498,658
Total liabilities	1,667,139	820,378	2,487,517
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	1,829		1,829
Leases	156,206		156,206
Pension related items	38,852	5,805	44,657
	196,887	5,805	202,692
<b>NET POSITION</b>			
Net investment in capital assets	1,827,195	1,483,299	3,310,494
Restricted for			
Police education	14,977		14,977
Debt service	29,284		29,284
Transportation capital improvements	155,799		155,799
Infrastructure	833,415		833,415
Recreation capital improvements	145,807		145,807
Building capital improvements	107,106		107,106
Administration of the Florida Building Code	213,524		213,524
Unrestricted	5,082,808	1,466,120	6,548,928
Total net position	\$ 8,409,915	\$ 2,949,419	\$ 11,359,334

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**

Function/Program Activities	Expenses	Program Revenues	
		Charges For Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 1,239,124	\$ 126,253	\$ 31,312
Public safety	1,892,337	436,748	310,723
Physical environment	376,822		
Culture and recreation	179,874	29,068	
Interest and service charges on long-term debt	6,208		
Total governmental activities	<u>3,694,365</u>	<u>592,069</u>	<u>342,035</u>
Business-type activities:			
Enterprise-water and sewer utility	1,380,430	1,427,416	
Total business-type activities	<u>1,380,430</u>	<u>1,427,416</u>	
Total government	<u>\$ 5,074,795</u>	<u>\$ 2,019,485</u>	<u>\$ 342,035</u>

General revenues:  
Property taxes  
Local option sales tax  
Utility and franchise fees  
Intergovernmental not restricted to specific programs  
Investment earnings - unrestricted  
Miscellaneous  
Total general revenues

Change in net position

Net position, beginning of year  
Net position, end of year

Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$	\$ (1,081,559)	\$	\$ (1,081,559)
	(1,144,866)		(1,144,866)
	(376,822)		(376,822)
	(150,806)		(150,806)
	(6,208)		(6,208)
	<u>(2,760,261)</u>		<u>(2,760,261)</u>
		46,986	46,986
		46,986	46,986
<u>\$</u>	<u>(2,760,261)</u>	<u>46,986</u>	<u>(2,713,275)</u>
	2,624,662		2,624,662
	201,955		201,955
	804,424		804,424
	456,237		456,237
	217,180	43,359	260,539
	99,662		99,662
	<u>4,404,120</u>	<u>43,359</u>	<u>4,447,479</u>
	1,643,859	90,345	1,734,204
	6,766,056	2,859,074	9,625,130
<u>\$</u>	<u>8,409,915</u>	<u>\$ 2,949,419</u>	<u>\$ 11,359,334</u>

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Balance Sheet**  
**Governmental Fund**  
**September 30, 2023**

	General
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,462,973
Investments	695,844
Investments - restricted	437,996
Accounts receivable, net	184,211
Lease receivable	156,206
Total assets	\$ 7,937,230
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 37,846
Due to other governments	56,531
Due to other funds	323,788
Deposits	4,524
Unearned revenue	118,272
Total liabilities	540,961
 <b>Deferred inflows of resources</b>	
Unavailable revenue	18,807
Leases	156,206
Deferred revenue	1,829
Total deferred inflows of resources	176,842
 <b>Fund balance</b>	
<b>Restricted</b>	
Police education	14,977
Debt service	29,284
Transportation capital improvements	155,799
Infrastructure	833,415
Recreation capital improvements	145,807
Building capital improvements	107,106
Administration of the Florida Building Code	213,524
Unassigned	5,719,515
Total fund balance	7,219,427
Total liabilities, deferred inflows of resources, and fund balance	\$ 7,937,230

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Reconciliation of the Balance Sheet - Governmental Fund**  
**to the Statement of Net Position**  
**Governmental Activities**  
**September 30, 2023**

Fund balances - total governmental funds \$ 7,219,427

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 5,479,531	
Less accumulated depreciation	<u>(3,012,726)</u>	
		2,466,805

Revenues earned but not collected within 60 days are not current financial resources and therefore, are not reported in the governmental fund

Unavailable revenue		18,807
---------------------	--	--------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Pension related deferred outflows	193,694	
Pension related deferred inflows	<u>(38,852)</u>	
		154,842

Long-term liabilities, including loans payable and compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year end consist of:

Loan payable	(639,610)	
Net pension liability	(773,699)	
Claims and settlements	(9,799)	
Compensated absences	<u>(26,858)</u>	
		<u>(1,449,966)</u>

Net position of governmental activities \$ 8,409,915

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Governmental Fund**  
**For the Year Ended September 30, 2023**

	General
Revenues	
Taxes	\$ 2,826,617
Permits and fees	490,958
Utility and franchise fees	804,424
Intergovernmental	766,960
Fines and forfeitures	34,557
Interest income	217,180
Miscellaneous	197,528
Total revenues	5,338,224
Expenditures	
Current	
General government	1,075,910
Public safety	1,892,337
Physical environment	279,642
Culture and recreation	147,913
Capital outlay	87,725
Debt service	
Principal	52,660
Interest	6,208
Total expenditures	3,542,395
Net change in fund balances	1,795,829
Fund balance, beginning of year	5,423,598
Fund balance, end of year	\$ 7,219,427

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance of the Governmental Fund to the Statement of Activities**  
**For the Year Ended September 30, 2023**

Net change in fund balances - total governmental funds \$ 1,795,829

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for capital assets	\$ 100,507	
Gain or loss on disposal of assets	(2,166)	
Less: current year depreciation	<u>(141,060)</u>	(42,719)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Repayment of debt principal 52,660

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

Change in net pension liability and related deferred amount	(168,399)	
Change in long-term compensated absences	<u>6,488</u>	<u>(161,911)</u>

Change in net position \$ 1,643,859

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2023**

	Water and Sewer Utility
Assets	
Current assets	
Cash and cash equivalents	\$ 1,584,681
Investments	20,504
Accounts receivable, net	193,069
Due from other funds	323,788
Prepaid expense	666
Restricted assets	
Cash and cash equivalents	140,652
Total current assets	2,263,360
Non-current assets	
Capital assets	
Non depreciable	64,679
Depreciable (net)	1,418,620
Total non-current assets	1,483,299
Total assets	3,746,659
Deferred outflows of resources	
Pension related items	28,943
Liabilities	
Current liabilities	
Accounts payable	118,102
Due to other governments	438,906
Deposits	7,108
Payable from restricted assets	
Deposits	140,652
Total current liabilities	704,768
Non-current liabilities	
Net pension liability	115,610
Total liabilities	820,378
Deferred inflows of resources	
Pension related items	5,805
Net Position	
Net investment in capital assets	1,483,299
Unrestricted	1,466,120
Total net position	\$ 2,949,419

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended September 30, 2023**

	Water and Sewer Utility
Operating revenue	
Charges for services	\$ 1,377,702
Other miscellaneous	49,714
Total operating revenues	1,427,416
Operating expenses	
Personal services	178,787
Professional services	140,608
Operations	700,604
Utilities and communications	58,321
Repairs and maintenance	135,376
Depreciation and amortization	166,734
Total operating expenses	1,380,430
Operating income	46,986
Nonoperating revenues (expenses)	
Investment earnings	43,359
Total nonoperating revenues (expenses)	43,359
Change in net position	90,345
Net position - beginning	2,859,074
Net position - ending	\$ 2,949,419

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended September 30, 2023**

	Water and Sewer Utility
Cash flows from operating activities:	
Receipts from customers	\$ 1,465,480
Payments to suppliers for goods or services	(896,011)
Payments to employees for services	(178,577)
Net cash provided (used) by operating activities	390,892
Cash flows from non-capital financing activities:	
Payments from (to) other funds	(181,357)
Net cash provided (used) by non-capital financing activities	(181,357)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,966)
Contributed capital	12,450
Net cash provided (used) by capital and related financing activities	9,484
Cash flows from investing activities:	
Purchase of investments	(961)
Interest and dividends on investments	43,359
Net cash provided (used) by investing activities	42,398
Net increase (decrease) in cash and cash equivalents	261,417
Cash and cash equivalents at beginning of year	1,463,916
Cash and cash equivalents at end of year	\$ 1,725,333
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income	\$ 46,986
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	166,734
Change in net pension liability and related deferred amounts	210
Change in assets and liabilities	
(Increase) decrease in accounts receivable	22,065
Increase (decrease) in accounts payable	138,897
Increase (decrease) in deposits	16,000
Total adjustments	343,906
Net cash provided by operating activities	\$ 390,892
Cash and cash equivalents:	
Unrestricted	\$ 1,584,681
Restricted	140,652
Total	\$ 1,725,333

See notes to the financial statements

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Mangonia Park, Florida (the “Town”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

*Reporting Entity*

The Town of Mangonia Park, Florida, was initially chartered in 1947. In 1971 the Charter was abolished and reestablished by Chapter 71-762 Laws of Florida. The Town is governed by an elected Mayor, Vice Mayor, and Town Council, which appoint a Town Manager. The Town provides the following services to its residents: public safety, sanitation, road and street facilities, parks, planning and zoning, general administrative services, and water and sewer utilities. The Town Council is responsible for legislative and fiscal control of the Town.

As required by generally accepted accounting principles, these financial statements include the Town (the primary government) and its component units. Component units are legally separate entities for which the Town is financially accountable. The Town is financially accountable if:

- a) the Town appoints a voting majority of the organization’s governing board and (1) the Town is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town, or
- b) the organization is fiscally dependent on the Town and (1) there is a potential for the organization to provide specific financial benefits to the Town or (2) impose specific financial burdens on the Town.

Organizations for which the Town is not financially accountable are also included when doing so is necessary in order to prevent the Town’s financial statements from being misleading.

Based upon application of the above criteria, the Town of Mangonia Park has determined that there are no legally separate entities to consider as potential component units.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Government-Wide and Fund Financial Statements*

The basic financial statements include both 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 on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

*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 recorded when a liability is incurred, regardless of the timing of related cash flows. The Town does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which levied, and since the Town consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Governmental Funds*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough afterwards to pay liabilities of the current period. The Town considers revenues collected within 60 days of the year end to be available to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments are recorded only when payment is due.

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

The Town reports the following major governmental fund:

The General Fund is the general operating fund of the Town, and it is used to account for all financial resources except those required to be accounted for in another fund.

*Proprietary Funds*

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses report on the costs to maintain the proprietary systems, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major proprietary fund:

The Water and Sewer Fund was established to account for the operations of the water and sewer utility services to Town residents.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Property Taxes*

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide.

The tax levy of the Town is established by the Town Council prior to October 1 of each year, and the Palm Beach County Property Appraiser incorporates the Town's millages into the total tax levy, which includes Palm Beach County and Palm Beach County School Board tax requirements.

All property is reassessed according to its fair market value on January 1 of each year, which is also the lien date. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of state statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After the sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

*Cash and Cash Equivalents*

Cash and cash equivalents include amounts on deposit in demand accounts and money market accounts. For the purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Investments*

Investments are reported at fair value as required by generally accepted accounting principles. The fair value of an investment is the amount that the Town could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. The Town categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurement and Application.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Restricted Assets*

Restricted assets in the General Fund consist of amounts restricted for debt service payments and impact fees restricted for transportation capital expenditures. Restricted assets in the enterprise fund consist of customer utility deposits.

*Accounts Receivable*

Accounts receivable of the General Fund and the Water and Sewer Fund consists of billed and unbilled receivables. An allowance for doubtful accounts has not been provided for accounts receivables because the Town feels all receivables are collectible.

*Inventory*

Inventories are valued at cost determined on a first-in, first-out basis. For governmental funds the Town accounts for inventories using the consumption method, under which expenditures are recognized only when inventory items are used. Inventories were determined to be immaterial.

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

*Capital Assets*

Capital assets, which include plant, property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks) are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements. Capital assets are defined by the government as assets with an estimated life in excess of one year and an initial cost of more than \$1,000. Purchased capital assets are recorded at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The Town is a Phase 3 government under GASB 34 and has elected not to report major general infrastructure assets retroactively. Depreciation has been provided over the useful lives using the straight line method.

The estimated useful lives are as follows:

Buildings	30 years
Equipment	3-10 years
Roadway improvements	30 years
Building and park improvements	5-10 years
Water and wastewater infrastructure	40 years

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Capital Assets* (Continued)

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

*Deferred Outflow of Resources*

In addition to assets, the statement of net 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 assets that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows for pension items in connection with its participation in the Florida Retirement System in the government-wide, business-type activities and water and sewer fund statements of net position. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods.

*Deferred Inflow of Resources*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Business tax receipts that are received by the Town prior to the period for which the taxes are levied are reported as deferred inflows on both the government-wide statement of net position and on the governmental funds balance sheet. Deferred lease revenues receivable are reported as deferred inflows on both the government-wide statement of net position and on the governmental funds balance sheet. Pension items in connection with the Town's participation in the Florida Retirement System are reported in the government-wide, business-type activities and water and sewer fund statements of net position. These deferred pension charges are amortized in a systematic and rational method as pension expense in future periods.

*Unearned Revenue*

The Town reports unearned revenue on its statements of net position and governmental funds balance sheet. Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Unavailable Revenue*

The Town reports unavailable revenue on its governmental funds balance sheet for resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered available.

*Other Post Employment Benefits (OPEB)*

The Town has implement Governmental Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The Town has determined that it does not provide any benefits that qualify as other post-employment benefits under GASB 75.

*Compensated Absences*

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

*Long-Term Obligations*

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

*Interest Cost*

Interest costs in governmental funds are charged to expenditures as incurred

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Interfund Transactions*

Transactions between funds consist of loans, services provided, reimbursements, or transfers. The current portion of interfund loans are reported in the fund financial statements as “due from other funds” and “due to other funds” while the non-current portion of interfund loans are reported as “advances to other funds” and “advances from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Services deemed to be reasonably equivalent in value, are treated as revenue and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. All other interfund transactions are presented as transfers.

*Fund Balance*

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

1. Nonspendable fund balance represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. The Town’s nonspendable fund balance is for inventories and prepaid items.
2. Restricted fund balance – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by an ordinance, the Town’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
4. Assigned fund balance – Includes amounts intended to be used by the Town for specific purposes, but are neither restricted nor committed. In accordance with the Town’s fund balance policy, intent shall be expressed by the Town Council.
5. Unassigned fund balance – Includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Fund Balance* (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the Town's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Town's policy to reduce committed amounts first, followed by assigned amounts, then unassigned amounts.

*Net Position*

Equity in the government-wide statement of net position and the proprietary fund is classified as net position and displayed in the following three components:

1. 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 bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by: a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions of enabling legislation.
3. Unrestricted net position – Consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

*Leases*

Lease contracts that provide the Town with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as an intangible right to use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term.

Lease contracts that provide an external entity with control of the Town's non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased receivable with a related lease deferred inflow of resources. The lease receivable is recorded at the present value of future lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The lease deferred inflow of resources is recorded for the same amount as the related lease receivable less any lease incentives. Leased deferred inflow of resources are amortized over the lease term. The lease receivable is reduced for lease payments made, less the interest portion of the lease payment.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – BUDGETARY INFORMATION**

The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end. The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. Each year the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1.
- b. Public hearings are conducted to obtain public comments.
- c. Prior to October 1, the budget is legally adopted by the Town Council.
- d. Any changes at the department level of the budget must be approved by the Town Council.
- e. The budgets are adopted on a basis consistent with generally accepted accounting principles. Unused appropriation for annually budgeted funds lapse at the end of the year.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

*Deposits*

As of September 30, 2023, the carrying amount of the Town's deposits was \$8,188,306 and the bank balances totaled \$8,496,018. Town deposits include checking accounts and money market accounts.

In addition to insurance provided by the Federal Depository Insurance Corporation, 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 another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Town's deposits are considered insured for custodial credit risk purposes.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

*Investments*

In 2016, the Town implemented GASB Statement No. 72, Fair Value Measurement and Application issued in February 2015. The Town categorizes its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs.

The State Board of Administration (SBA) administers the Florida PRIME investment pool, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME.

The investment in Florida PRIME is reported at amortized cost in accordance with GASB Statement No. 79, Accounting and Financial Reporting for Certain Investments and for External Investment Pools (GASB 79) and is exempt from reporting under the fair value hierarchy of GASB 72. The investment in the Florida PRIME is not insured by FDIC or any other governmental agency. GASB 79 requires that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost, it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 3 – DEPOSITS AND INVESTMENTS** (Continued)

*Investments* (Continued)

If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

As of September 30, 2023, the Town had \$1,154,344 invested in Florida PRIME and the average maturity was 35 days.

*Credit Risk*

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill their obligations. The Town’s investment policies limit its investments to high quality investments to control credit risk. At September 30, 2023, Florida PRIME was rated “AAA(m) by Standard.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

*Authorized Investments*

The Town has not adopted a written investment policy. Florida Statutes authorize units of local government electing not to adopt a written investment policy to invest in the following instruments:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest-bearing time deposits or savings accounts in qualified public depositories.
- d. Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 4 – ACCOUNTS RECEIVABLE**

Receivables at September 30, 2023, for the Town’s major funds are as follows:

	<u>General Fund</u>	<u>Water and Sewer Fund</u>
Accounts – billed	\$ 18,807	\$ 143,269
Special assessment		49,800
Due from other governments	36,330	
Utility and franchise fees	129,074	
Subtotal	<u>184,211</u>	<u>193,069</u>
Less: allowance		
Net receivable	<u>\$ 184,211</u>	<u>\$ 193,069</u>

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

*Due to/from other funds*

The composition of interfund receivables and payables at September 30, 2023, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and Sewer	General	\$ 328,788

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity governmental-type activities for the fiscal year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 109,257	\$	\$	\$ 109,257
Construction in process				
Total capital assets, not being depreciated	<u>109,257</u>			<u>109,257</u>
Capital assets, being depreciated				
Municipal complex	1,668,963	12,520	(7,436)	1,674,047
Roadway improvements	2,520,138			2,520,138
Park and community center	670,403		(3,423)	666,980
Equipment	<u>421,122</u>	<u>87,987</u>		<u>509,109</u>
Total capital assets, being depreciated	5,280,626	100,507	(10,859)	5,370,274
Less accumulated depreciation for:				
Municipal complex	(1,464,059)	(13,823)	7,436	(1,470,446)
Roadway improvements	(602,304)	(84,621)		(686,925)
Park and community center	(445,307)	(29,795)	1,257	(473,845)
Equipment	<u>(368,689)</u>	<u>(12,821)</u>		<u>(381,510)</u>
Total accumulated depreciation	<u>(2,880,359)</u>	<u>(141,060)</u>	<u>8,693</u>	<u>(3,012,726)</u>
Total capital assets, being depreciated, net	<u>2,400,267</u>	<u>(40,553)</u>	<u>(2,166)</u>	<u>2,357,548</u>
Governmental activities, capital assets, net	<u>\$ 2,509,524</u>	<u>\$ (40,553)</u>	<u>\$ (2,166)</u>	<u>\$ 2,466,805</u>

Depreciation was allocated as follows:

General government	\$ 13,823
Physical environment	97,442
Culture and recreation	<u>29,795</u>
	<u>\$ 141,060</u>

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 6 – CAPITAL ASSETS** (Continued)

Capital asset activity business-type activities for the fiscal year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 32,938	\$	\$	\$ 32,938
Construction in process		31,741		31,741
Total capital assets, not being depreciated	<u>32,938</u>	<u>31,741</u>		<u>64,679</u>
Capital assets, being depreciated				
Buildings	27,249			27,249
Improvements other than buildings	1,098,255			1,098,255
Utility plant and improvements	2,237,793	2,966		2,240,759
Utility equipment	1,283,232			1,283,232
Total capital assets, being depreciated	<u>4,646,529</u>	<u>2,966</u>		<u>4,649,495</u>
Less accumulated depreciation for:				
Buildings	(27,249)			(27,249)
Improvements other than building	(269,164)	(62,401)		(331,565)
Utility plant and improvements	(1,938,913)	(27,631)		(1,966,544)
Utility equipment	(828,815)	(76,702)		(905,517)
Total accumulated depreciation	<u>(3,064,141)</u>	<u>(166,734)</u>		<u>(3,230,875)</u>
Total capital assets, being depreciated, net	<u>1,582,388</u>	<u>(163,768)</u>		<u>1,418,620</u>
Business-type activities, capital assets, net	<u>\$ 1,615,326</u>	<u>\$ (132,027)</u>	<u>\$</u>	<u>\$ 1,483,299</u>

**NOTE 7 – LONG-TERM LIABILITIES**

**Loan Agreement SW 501410**

The Town was approved for a construction loan of \$1,144,000, with an interest rate of .87%, by the Florida Department of Environmental Protection under the State Revolving Fund Loan Program. The amount outstanding as of September 30, 2023, was \$639,610. According to the loan agreement as amended, 40 semi-annual payments of principal and interest commence on September 15, 2015. The amended amount payable is \$29,284 semi-annually. The loan will be paid from the General Fund and gross revenues less operating and maintenance expenses of the Utility Fund are Pledged Revenues for the loan.

The loan agreement requires that Pledged Revenues be 1.15 times the loan payments due. For the year ended September 30, 2023, Pledged Revenues were \$213,720 and were \$146,367 more than the required coverage of \$67,353.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

*Claims and Settlements* - As of September 30, 2012, there was a governmental liability of \$58,051 due to the City of West Palm Beach for the Consumer Price Index adjustment over the prior five years on the comprehensive fire services contract. The settlement is due in five equal annual installments of \$11,610 beginning October 1, 2012. As of September 30, 2023, balance outstanding was \$9,799.

Changes in long-term liability activity for the fiscal year ended September 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Loan Payable	\$ 692,270	\$	\$ (52,660)	\$ 639,610	\$ 53,119
Claims and Settlements	9,799			9,799	9,799
Net Pension Liability (1)	635,635	138,064		773,699	
Compensated absences	33,346		(6,488)	26,858	4,000
Total	<u>\$1,371,050</u>	<u>\$ 138,064</u>	<u>\$ (59,148)</u>	<u>\$1,449,966</u>	<u>\$ 66,918</u>
<b>Business-type Activities</b>					
Net Pension Liability (1)	\$ 130,190		\$ 14,580	\$ 115,610	\$
Total	<u>\$ 130,190</u>	<u>\$</u>	<u>\$ 14,580</u>	<u>\$ 151,180</u>	<u>\$</u>

(1) See Note 9.

Debt service requirements to amortize the loan payable are as follows:

Year Ended September 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 53,119	\$ 5,449	\$ 58,568
2025	53,582	4,986	58,568
2026	54,049	4,519	58,568
2027	54,520	4,048	58,568
2028	54,995	3,573	58,568
2029-2033	282,255	10,585	292,840
2034-2035	87,090	759	87,849
	<u>\$ 639,610</u>	<u>\$ 33,919</u>	<u>\$ 673,529</u>

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 8 – LESSOR LEASE**

The Town has entered into a lease agreement with CBS Outdoor, Inc. which allows the use of the Town’s land for the purpose of operating and maintaining advertising signs. The term of the lease is for monthly payments starting December 1, 2007 for twenty years. There are no renewal terms for the lease and the rents increase 3% annually. The General Fund is reporting a lease receivable of \$156,206 at September 30, 2023. For the fiscal year ended September 30, 2023, the general fund reported lease revenue of \$31,828 and interest revenue of \$5,208. The General Fund’s amortization of lease payments receivable as of September 30, 2023, are as follows:

Year Ended September 30	Principal	Interest	Total
2024	\$ 33,922	\$ 4,225	\$ 38,147
2025	36,114	3,177	39,291
2026	38,408	2,062	40,470
2027	40,807	877	41,684
2028	6,955	26	6,981
	<u>\$ 156,206</u>	<u>\$ 10,367</u>	<u>\$ 166,573</u>

**NOTE 9 – FLORIDA RETIREMENT SYSTEM**

Effective October 1, 2015, the Town terminated the defined contribution plan and all active employees became enrolled in the Florida Retirement System.

*General Information*

All full-time employees participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

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 calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site [www.dms.myflorida.com](http://www.dms.myflorida.com).

*Significant Accounting Policies*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Pension Plan***

*Plan Description*

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Senior Management Service Class

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

Benefits Provided

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

Benefits Provided (Continued)

Special Risk Class

Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Senior Management Service Class	2.00%

Senior Management Service Class

2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 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 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

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 by job class for the fiscal year ended September 30, 2023 were as follows:

Class	10/01/22 through 06/30/23	07/01/2 through 09/30/23
Regular Class	11.91%	13.57%
Senior Management Service Class	31.57%	34.52%
Special Risk Class	27.83%	32.67%
DROP	18.60%	21.13%

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

Contributions

Except for the DROP, the employer contribution rates include a 1.66% HIS Plan subsidy. The rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2023, the Town made contributions of \$66,560 to the Pension Plan and the Town's employees made contributions of \$12,098, for total contributions of \$78,657.

Pension Liabilities and Pension Expense

At September 30, 2023, the Town reported a liability of \$620,228 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Town's proportionate share of the net pension liability was based on the Town's 2022-23 plan year contributions relative to the 2022-23 plan year contributions of all participating members. At June 30, 2023, the Town's proportionate share was 0.001556530 percent, which was a decrease of 0.000040913 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$142,124 related to the Plan.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

*Deferred Outflows and Inflows of Resources Related to Pensions*

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	\$ 58,234	\$
Change of assumptions	40,432	
Net difference between projected and actual earnings on Pension Plan investments	25,902	
Change in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	33,856	12,377
Pension Plan contributions subsequent to the measurement date	22,432	
Total	<u>\$ 180,856</u>	<u>\$ 12,377</u>

The deferred outflows of resources related to the Pension Plan, totaling \$22,432 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 22,981
2025	250
2026	109,150
2027	11,554
2027	2,112
Thereafter	<u>\$ 146,047</u>

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age

For the July 1, 2023 valuation date, the investment rate of return remained at 6.70%.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on investments is 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.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Pension Plan* (Continued)

Actuarial Assumptions (Continued)

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>	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	<u><u>100.0%</u></u>			
Assumed Inflation - Mean			2.40%	1.40%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. 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.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Pension Plan*** (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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Proportionate share of the net pension liability	<u>\$ 1,059,476</u>	<u>\$ 620,228</u>	<u>\$ 252,745</u>

*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.

*Payables to the Pension Plan*

At September 30, 2023, the Town did not have a payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2023.

***Retiree Health Insurance Subsidy (HIS) Program***

*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.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

**Benefits Provided**

For the fiscal year ended September 30, 2023, 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, 2023, the HIS contribution was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town's contributions to the HIS Plan totaled \$11,868 for the fiscal year ended September 30, 2023.

**Pension Liabilities and Pension Expense**

At September 30, 2023, the Town reported a liability of \$269,081 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

The Town's proportionate share of the net pension liability was based on the Town's 2022-23 plan year contributions relative to the 2022-23 plan year contributions of all participating members. At June 30, 2023, the Town's proportionate share was 0.001694325 percent, which was a decrease of 0.000075608 percent from its proportionate share measured as of June 30, 2022.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

***Pension Liabilities and Pension Expense*** (Continued)

For the fiscal year ended September 30, 2023, the Town recognized pension expense of \$117,471.

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

In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 3,939	\$ 632
Difference between expected and actual experience	7,074	23,317
Net difference between projected and actual earnings on HIS Plan investments	139	
Change in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	27,402	8,331
HIS Plan contributions subsequent to the measurement date	3,227	
Total	<u>\$ 41,781</u>	<u>\$ 32,280</u>

The deferred outflows of resources related to the HIS Plan, totaling \$3,227 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 subsequent fiscal year.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

***Deferred Outflows and Inflows of Resources Related to Pensions*** (Continued)

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>Fiscal Year Ending</u> <u>September 30:</u>	<u>Amount</u>
2024	\$ 3,330
2025	1,362
2026	735
2027	52
2028	568
Thereafter	229
	<u>\$ 6,276</u>

**Actuarial Assumptions**

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65%
Long-term expected rate of return	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age

For the July 1, 2022 valuation date, the municipal bond rate changed from 3.54% to 3.65%.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 3.65%. 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.

*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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65)	Discount Rate (3.65)	1% Increase (4.65)
Proportionate share of the net pension liability	\$ 306,980	\$ 269,081	\$ 237,666

*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.

*Payables to the Pension Plan*

At September 30, 2023, the Town did not have a payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2023.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Summary Data***

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2023.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 3,520,936	\$ 280,634	\$ 3,801,570
Proportionate share of plan fiduciary net position	2,900,708	11,553	2,912,261
Proportionate share of net pension liability	620,228	269,081	889,309
Proportionate share of deferred outflows of resources	180,856	41,781	222,637
Proportionate share of deferred inflows of resources	12,377	32,280	44,657
Pension expense	142,124	117,471	259,595

***Investment Plan***

**Plan Description**

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

***Investment Plan*** (Continued)

**Funding Policy**

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the defined benefit Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the Town’s employees for the fiscal year ended September 30, 2023, are as follows:

Class	10/01/22 through 06/30/23	07/01/23 through 09/30/23
Regular Class	11.91%	13.57%
Senior Management Service Class	31.57%	34.52%
Special Risk Class	27.83%	32.67%
DROP	18.60%	21.13%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 9 – FLORIDA RETIREMENT SYSTEM** (Continued)

*Investment Plan* (Continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Town's Investment Plan pension expense totaled \$27,229 for the fiscal year ended September 30, 2023, and as of the fiscal year end, the Town did not have payable for outstanding contributions to the Investment Plan.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

Contingency

The Town is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

Interlocal Agreements

City of West Palm Beach

On October 1, 2012, the Town renewed their Interlocal Service Agreement with the City of West Palm Beach (the City) for comprehensive fire services within the municipal boundaries of the Town. Under the agreement, the City will provide full fire protection and incidental emergency medical services for a term of five years, expiring September 30, 2017. Town is currently paying under the terms of this agreement. The fee is payable in monthly installments and is subject to annual adjustments based on the Consumer Price Index not to exceed five percent in any year. The Town paid \$362,250 for these services for the fiscal year ended September 30, 2023. Effective October 1, 2021, the Town entered into an interim agreement with the City for the fiscal years ending September 30, 2021, 2022 and 2023. Effective October 1, 2023, the Town entered into a new agreement with the City for the fiscal years ending September 30, 2024 through 2028. The agreement may be extended an additional two years to negotiate a replacement agreement. The annual fee under the new agreement is \$333,313 with a 5% annual increase.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 10 – COMMITMENTS AND CONTINGENCIES** (Continued)

Palm Beach County Sheriff's Office

The Town renewed their agreement with the Palm Beach County Sheriff's Office (PBSO) to provide law enforcement services. The fee is payable in monthly installments and is subject to annual renewals. The Town paid \$1,477,802 to the PBSO for law enforcement services during the fiscal year ended September 30, 2023. The contract has been extended through September 30, 2024 for \$1,522,136.

City of Riviera Beach

The Town has an agreement with the City of Riviera Beach for sewer service and to provide water if there is a problem with the Town wells. In October 2017 the sewer charge increased to a billed rate of \$5.82 per 1,000 gallons. When the Town inquired about the increase in the rate the City informed them that a rate study was in process to set the rate. The rate study was accepted by the City of Riviera Beach in February of 2018 with a rate of \$5.11 per 1,000 gallons. The Town's interpretation of the meeting was the new rate would start immediately whereas the City is contending it would start when the contract is renewed. On May 14, 2021, the Town and the City settled with the Town paying \$50,000 as full payment for all disputed amounts. Effective on the date of the settlement, the rate shall be \$6.09 per \$1,000 gallons for 24 months while they negotiate a new agreement. As of September 30, 2023 a new agreement has not been agreed to.

Palm Beach County

The Town entered into a lease agreement with Palm Beach County for certain property which shall be used for the operation of the Palm Beach County Sheriff's substation. The lease is for a term not to exceed 20 years but provides for earlier termination. Rent for the use and occupancy of the premises shall be an annual gross rental of \$1.00.

Subsequent Events

On November 19, 2024, the Town awarded the contract for the Bryn-Mawr Septic to sewer project in phases 11a and 11b for an amount not to exceed \$1,823,171.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 11 – 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 for which the Town carries commercial insurance. The Town has not significantly reduced insurance coverage from the prior year, and there were no settled claims which exceeded insurance coverage during the past three fiscal years.

Florida Statutes limit the Town's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

**NOTE 12 – RECENT ACCOUNTING PRONOUNCEMENTS**

Implementation of Accounting Pronouncements

The Town implemented the following Governmental Accounting Standards Board Statement during the current fiscal year.

GASB Statement No 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Recently Issued Accounting Pronouncements

A brief description of the new accounting pronouncements that might have a significant impact on the Town's financial statements are presented below. Management is currently evaluating the impact of adoption of these statements in the Town's financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years ending September 30, 2024, and all reporting periods thereafter.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2023**

**NOTE 12 – RECENT ACCOUNTING PRONOUNCEMENTS** (Continued)

Recently Issued Accounting Pronouncements (Continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years ending September 30, 2025, and all reporting periods thereafter.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to government's financial condition. The requirements of this Statement are effective for fiscal years ending September 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for the fiscal year ending September 30, 2026. Earlier application is encouraged.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for the fiscal year ending September 30, 2025. Earlier application is encouraged.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2023**

	General Fund			Variance With Final Budget Positive (Negative)
	Original Adopted Budget	Final Revised Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 2,771,455	\$ 2,771,455	\$ 2,826,617	\$ 55,162
Licenses and permits	178,500	178,500	490,958	312,458
Franchise fees	699,032	699,032	804,424	105,392
Intergovernmental	426,224	426,224	766,960	340,736
Fines and forfeitures	21,000	21,000	34,557	13,557
Grants	14,695	14,695		(14,695)
Interest income	6,000	6,000	217,180	211,180
Miscellaneous	138,687	138,687	197,528	58,841
Total revenues	<u>4,255,593</u>	<u>4,255,593</u>	<u>5,338,224</u>	<u>1,082,631</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government</b>				
Legislative	107,371	107,371	103,747	3,624
Administration	1,119,824	1,119,824	1,059,888	59,936
Total general government	<u>1,227,195</u>	<u>1,227,195</u>	<u>1,163,635</u>	<u>63,560</u>
<b>Public safety</b>				
Law enforcement	1,483,050	1,483,050	1,479,065	3,985
Fire service	362,250	362,250	328,206	34,044
Building/code enforcement/engineering	95,600	95,600	85,066	10,534
Total public safety	<u>1,940,900</u>	<u>1,940,900</u>	<u>1,892,337</u>	<u>48,563</u>
<b>Physical environment</b>				
Public works	392,738	392,738	236,525	156,213
Solid waste	9,020	9,020	5,177	3,843
Road/streets	352,050	352,050	96,808	255,242
Total physical environment	<u>753,808</u>	<u>753,808</u>	<u>338,510</u>	<u>415,298</u>
<b>Culture and recreation</b>				
Parks	283,490	283,490	147,913	135,577
Reserves (contingency)	50,200	50,200		50,200
Total expenditures	<u>4,255,593</u>	<u>4,255,593</u>	<u>3,542,395</u>	<u>713,198</u>
Excess (deficiency) of revenues over (under) expenditures			<u>1,795,829</u>	<u>1,795,829</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$</u>	<u>\$</u>	1,795,829	<u>\$ 1,795,829</u>
Fund balance, beginning of year			5,423,598	
Fund balance, end of year			<u>\$ 7,219,427</u>	

**TOWN OF MANGONIA PARK, FLORIDA**  
**Notes to the Budgetary**  
**Required Supplementary Information (RSI)**  
**General Fund**  
**September 30, 2023**

**Note 1 - Budgets and Budgetary Accounting**

As required by GASB Statement No. 34, a budgetary comparison schedule is presented for the General Fund. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are described in Note 2 to the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed within the accounting system as a management control device. Appropriations are legally controlled at the department level and expenditures may not legally exceed budgeted appropriations at that level.

**Note 2 - Excess of expenditures over appropriations**

For the year ended September 30, 2023, there were no departments with expenditures in excess of appropriations:

**TOWN OF MANGONIA PARK, FLORIDA**  
**Required Supplemental Information**  
**Schedule of Employer Contributions**  
**Florida Retirement System - Pension Plan**

**Last Ten Fiscal Years**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required FRS contribution	\$ 23,822	\$ 37,140	\$ 38,399	\$ 39,500	\$ 42,835
FRS contributions in relation to the contractually required contribution	<u>(23,822)</u>	<u>(37,140)</u>	<u>(38,399)</u>	<u>(39,500)</u>	<u>(42,835)</u>
FRS contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's covered payroll	\$ 263,451	\$ 401,660	\$ 393,132	\$ 370,564	\$ 364,199
FRS contributions as a percentage of covered payroll	9.04%	9.25%	9.77%	10.66%	11.76%
	<u>2021</u>	<u>2022</u>	<u>2023</u>		
Contractually required FRS contribution	\$ 49,435	\$ 59,529	\$ 66,560		
FRS contributions in relation to the contractually required contribution	<u>(49,435)</u>	<u>(59,529)</u>	<u>(66,560)</u>		
FRS contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>		
Town's covered payroll	\$ 372,921	\$ 429,545	\$ 421,150		
FRS contributions as a percentage of covered payroll	13.26%	13.86%	15.80%		

This schedule is intended to present data for 10 years. The Town enrolled in the Plan in 2016. Additional years will be presented as they become available.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Required Supplemental Information**  
**Schedule of Proportinate Share of Net Pension Liability**  
**Florida Retirement System - Pension Plan**

**Last Ten Fiscal Years**

	2016	2017	2018	2019	2020
Proportion of the FRS net pension liability	0.0006885%	0.0014443%	0.0014647%	0.0014017%	0.0013996%
Proportionate share of the FRS net pension liability	\$ 173,853	\$ 427,220	\$ 441,179	\$ 482,722	\$ 606,603
Town's covered payroll	\$ 161,404	\$ 390,340	\$ 404,825	\$ 378,147	\$ 370,691
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	107.71%	109.45%	108.98%	127.65%	163.64%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	83.89%	84.26%	82.61%	78.85%
	2021	2022	2023		
Proportion of the FRS net pension liability	0.0014346%	0.0015974%	0.0015557%		
Proportionate share of the FRS net pension liability	\$ 108,350	\$ 594,377	\$ 620,228		
Town's covered payroll	\$ 372,921	\$ 421,627	\$ 398,084		
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	29.05%	140.97%	155.80%		
FRS Plan fiduciary net position as a percentage of the total pension liability	96.40%	82.89%	82.38%		

Changes in Assumptions

The discount rate changed as follows

2015	7.65%
2016	7.60%
2017	7.10%
2018	7.00%
2019	6.90%
2020	6.80%
2022	6.70%

This schedule is intended to present data for 10 years. The Town enrolled in the Plan in 2016. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Required Supplemental Information**  
**Schedule of Employer Contributions**  
**Florida Retirement System**  
**Retiree Health Insurance Subsidy Program**

**Last Ten Fiscal Years**

<b>Retiree Health Insurance Subsidy Program</b>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required HIS contribution	\$ 5,631	\$ 8,305	\$ 8,185	\$ 9,666	\$ 8,437
HIS contributions in relation to the contractually required contribution	<u>(5,631)</u>	<u>(8,305)</u>	<u>(8,185)</u>	<u>(9,666)</u>	<u>(8,437)</u>
HIS contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's covered payroll	\$ 339,196	\$ 500,290	\$ 493,055	\$ 582,289	\$ 508,246
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%
 <b>Retiree Health Insurance Subsidy Program</b>	 <u>2021</u>	 <u>2022</u>	 <u>2023</u>		
Contractually required HIS contribution	\$ 8,142	\$ 10,262	\$ 11,868		
HIS contributions in relation to the contractually required contribution	<u>(8,142)</u>	<u>(10,262)</u>	<u>(11,868)</u>		
HIS contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>		
Town's covered payroll	\$ 490,465	\$ 618,168	\$ 680,330		
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.74%		

This schedule is intended to present data for 10 years. The Town enrolled in the Plan in 2016. Additional years will be presented as they become available.

**TOWN OF MANGONIA PARK, FLORIDA**  
**Required Supplemental Information**  
**Schedule of Proportinate Share of Net Pension Liability**  
**Florida Retirement System**  
**Retiree Health Insurance Subsidy Program**

**Last Ten Fiscal Years**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Proportion of the HIS net pension liability	0.0006809%	0.0015145%	0.0015650%	0.0015291%	0.0014967%
Proportionate share of the HIS net pension liability	\$ 79,360	\$ 161,936	\$ 165,638	\$ 171,093	\$ 182,740
Town's covered payroll	\$ 210,211	\$ 487,951	\$ 505,929	\$ 511,401	\$ 519,446
Town's proportionate share of the HIS net pension liability as a percentage of it covered payroll	37.75%	33.19%	32.74%	33.46%	35.18%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	1.64%	1.64%	2.63%	3.01%
	<u>2021</u>	<u>2022</u>	<u>2023</u>		
Proportion of the HIS net pension liability	0.0011408%	0.0016187%	0.0016943%		
Proportionate share of the HIS net pension liability	\$ 171,834	\$ 171,448	\$ 269,081		
Town's covered payroll	\$ 495,928	\$ 596,505	\$ 654,805		
Town's proportionate share of the HIS net pension liability as a percentage of it covered payroll	34.65%	28.74%	41.09%		
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	4.81%	4.12%		

Changes in Assumptions

The discount rate changed as follows

2015	3.80%
2016	2.85%
2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%



# NOWLEN, HOLT & MINER, P.A.

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## 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*

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The Honorable Mayor and  
Members of the Town Council  
Town of Mangonia 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, and each major fund of the Town of Mangonia Park, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Mangonia Park, Florida's basic financial statements and have issued our report thereon dated March 27, 2025. Our opinions on the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Mangonia Park, Florida were qualified because the Town's bank reconciliations for the general operating accounts have unreconciled differences and do not appropriately reconcile the bank accounts to the general ledger.

### Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency in internal control described below to be a material weakness.

**Finding: 2022-1 Policies and Procedures**

**Condition:** In the prior year the Town approved the Policies and Procedures Manual. Due to changes in personnel, accounting vacancies and the policies and procedures being in transition many of the procedures are not being timely performed

**Criteria:** Following the approved policies and procedures will ensure that all similar transactions are treated consistently, that accounting principles used are proper, that proper segregation duties are maintained, and that records are produced in the form desired by management.

**Effect:** In the current fiscal year we noted the following:

- The Town’s bank reconciliations for the general operating accounts have unreconciled differences and do not appropriately reconcile the bank accounts to the general ledger.
- Entries were not recorded in the correct fund.
- Interfund receivables and payables were not being timely reconciled.
- Some year end reconciliations and adjusting/closing entries were not made and others were not timely made.
- Due to delays and errors in the bank reconciliation process payroll taxes were not timely paid.
- The payments for the Florida Department of Environmental Protection loan were not timely paid.
- The Town had difficulties locating invoices and other supporting documentation that were selected for testing.

**Recommendation:** We recommend that management follow the Policies and Procedures Manual and make sure employees are appropriately trained and supervised in the procedures.

**Management Response:** Compliance with all Federal, State, County and local laws and ordinances along with following sound municipal accounting practices is a priority for Town Management. Management will be seeking “management counterpart” input and searching for best “industry standards” to meet this obvious need. Moving forward, it should be noted that the Town has placed an emphasis on better delegation and separation of duties. Management hired a bookkeeper in November 2021 who proved to be effective once he was trained on the town's software and processes. Unfortunately, this individual left the town's employment due to relocation. A new trainee was hired in 2024 but decided not to stay beyond his probationary period. The town contracted with an accountant in August 2024 to be present as the Internal Auditor. This process has worked well as the town is advertising for a new Bookkeeper.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mangonia Park, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described below.

### Finding 2018-01 Annual Financial Report

**Condition:** We noted that the audit report and the Annual Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2023 was not filed timely.

**Recommendation:** We recommend the Town review the financial reporting process and make any changes required to facilitate the timely preparation of financial reports.

**Management Response:** Management will work to provide timely preparation and review for the audited financial statements.

### Town of Mangonia Park, Florida's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Mangonia Park, Florida's response to the findings identified in our audit and described above. The Town of Mangonia Park, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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.

West Palm Beach, Florida  
March 27, 2025

*Nowlen, Holt & Mimer, P.A.*



# NOWLEN, HOLT & MINER, P.A.

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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

MARK J. BYMASTER, CFE, CPA  
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Members of the Town Council  
Town of Mangonia Park, Florida

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### Report on the Financial Statements

We have audited the financial statements of the Town of Mangonia Park, Florida, as of and for the year ended September 30, 2023, and have issued our report thereon dated March 27, 2025. Our opinions on the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Mangonia Park, Florida were qualified because the Town's bank reconciliations for the general operating accounts have unreconciled differences and do not appropriately reconcile the bank accounts to the general ledger.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 27, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted below.

Finding 2022-01 is a prior year comment that continues to apply and Finding 2018-01 is a prior year comment that continues to apply and was included in the audit report for the prior two years.

### **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. This information is disclosed in Note 1 to the financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Mangonia Park, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town of Mangonia Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2023.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town of Mangonia Park, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes.

Based on the application of criteria in publications cited in Section 10.553, Rules of the Auditor General, there are no special district component units of the Town of Mangonia Park, Florida.

**Additional Matters**

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

**Single Audits**

The Town expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2023, and was not required to have a federal or state single audit.

**Purpose of this Letter**

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and Members of the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Mimes, P.A.*

West Palm Beach, Florida  
March 27, 2025



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## INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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We have examined the Town of Mangonia Park, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management of the Town of Mangonia Park, Florida is responsible for the Town of Mangonia Park, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town of Mangonia Park, Florida’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town of Mangonia Park, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town of Mangonia Park, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Town of Mangonia Park, Florida’s compliance with the specified requirements.

In our opinion, the Town of Mangonia Park, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, applicable management, and the Town Council, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 27, 2025