



TOWN OF LAKE PARK FLORIDA



Comprehensive Annual Financial Report
FISCAL YEAR ENDED
SEPTEMBER 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2019

**Prepared by
Finance Department**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

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INTRODUCTORY SECTION



August 26, 2020

The Honorable Mayor,
Members of the Town Commission and Citizens
Town of Lake Park, Florida

The Comprehensive Annual Financial Report (CAFR) of the Town of Lake Park, Florida, (the “Town”) for the fiscal year ended September 30, 2019, is hereby submitted. Florida law and the Rules of the Auditor General for the State of Florida require every municipality to complete a set of audited financial statements annually within nine months of the close of the fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2019.

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

The Town of Lake Park’s financial statements have been audited by Nowlen, Holt & Miner, P.A., certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Lake Park for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in financial statements; assign the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Lake Park’s financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor’s report is located at the front of the Financial Section of this report on page 1.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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PROFILE OF THE TOWN

Originally incorporated in 1923 as Kelsey City, the city was renamed in 1939 to the Town of Lake Park. The Town of Lake Park is a political subdivision of the State of Florida with a population of 8,505 residents (U.S. Census Bureau, 2018 estimate), ideally located in the southeastern part of the State on the Atlantic Intracoastal Waterway. The Town is primarily residential but has several types of light industry, commercial and retail businesses and shopping centers.

The Town of Lake Park operates under a commission-manager form of government. Policymaking and legislative authority are vested in a governing commission consisting of the Mayor, Vice-Mayor and three Commissioners. The governing body is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the Town Manager and Town Attorney. The Town Manager serves as the Chief Administrative Officer for the Town and is responsible for day-to-day operations, including the hiring, discipline, and firing of all town employees.

In 2008, the Department of Justice of the United States filed a civil action against the Town alleging that the then current at-large method of electing the Commissioners for the Town, enhanced by the use of staggered terms and designated posts, resulted in black citizens of the Town having less opportunity than white citizens to participate in the political process and elect candidates of choice in violation of Section 2 of the Voting Rights Act of 1965. Subsequent to the end of Fiscal Year 2009, as a result of the Department of Justice Consent Decree with the Town, which requires that the Town change the manner in which candidates for Commission seats are elected by imposing a method known as "Limited Voting", an ordinance was adopted to amend the Charter to reflect this change. The seat of Mayor is elected in one election year and the four remaining commissioners are elected in the next election year, with no election occurring in the third year. The Mayor and Commission members are elected on a non-partisan basis. There are no term limits for elected officials.

The Town of Lake Park provides a full range of services, including building inspections, code enforcement, residential and commercial sanitation service, a public library, recreation and cultural events. Police and fire protection are contracted through Palm Beach County. Water and sewer service is provided through the Seacoast Utility Authority.

The Town's financial statements also include the Lake Park Community Redevelopment Agency (CRA); a dependent special district established by the Town, under authority granted by Florida Statute 163, Section III. The Town is financially accountable for the CRA which is included in the Town's financial statements as a blended component unit reported in a governmental (special revenue) fund, the CRA Fund.

The Town is required by State law to adopt an annual budget for the general fund. The annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The Town Manager may transfer resources within a department or fund up to \$10,000. Budgetary transfers require the approval of the Town Commission for any of the following: transfers above \$10,000, transfers between funds, transfers from Unassigned Fund Balance, or transfers from the Town's Contingency Account.

LOCAL ECONOMY

The Town is experiencing the buildout of some of the remaining vacant parcels but does not anticipate any significant changes in the type of development that will occur. It is anticipated that redevelopment and reuse of existing structures will eventually take place and that the Town will continue to diversify its tax base. The decline in both commercial and residential assessments appears to have been reversed.

The decrease in taxable values within the Town totaled peaked at more than \$302 million, now stands at a decrease of more than \$157.2 million. A small increase in the millage was adopted for Fiscal Year 2013-2014 and the millage was held at the same rate for Fiscal Year's 2014-2015, 2015-2016, 2017-2018 and in 2018-2019. For fiscal year 2016 the Town adopted a MSTU for fire services during the year, thus the millage for the Fire Services was not included in the operating millage accounting for a decrease in revenue and expense of \$1,813,451. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less the fire millage of 3.4581). While public safety is paramount to the citizens of the Town, the cost of police services represent 50.3% of the General Fund expenditures and consume in excess of 100% of the ad valorem tax revenue. The operational cuts that were enacted across all departments, excluding public safety, to counter the loss of revenue; it will take years to reverse.

The Town continues to look for ways to provide essential services to the public in the most cost efficient, effective way without the health, safety and welfare of the community being compromised. The use of one time sources of revenue for recurring expenditures is not an option given the modest level of reserves and the threat of hurricanes an annual possibility. Alternative sources of revenue and possibly increased fees will be explored for future budgets.

The Community Redevelopment Agency (CRA) purchased commercial property in 2008, located at 800 Park Avenue, was refurbished and was used as an art studio and gallery for a period in 2010 and 2011. In 2012 the building was leased to The Artists of the Palm Beaches who are to provide free classes, have monthly exhibits, and use the building as the group's base of operations. Improvements have continued for the downtown alleyways; in 2012 completing the alleyway between 7th and 8th streets south of Park Avenue. There are several incentives included in the CRA Plan including; façade improvement grants and limited business development loan programs that continues to be in place. These incentives may be utilized in the future to encourage development of the downtown business district located within the CRA boundaries.

ACCOUNTING AND BUDGETARY CONTROLS

The accounting and financial reporting of the Town's general government operations takes place in four broad categories: the General Fund, Special Revenue Funds, Debt Service Fund, and Insurance Internal Service Fund. The records and reports for these funds are maintained on the modified accrual basis, with revenue being recorded when measurable and available, and expenditures being recorded when the services or goods are received and the liabilities incurred. Accounting records for the Town's enterprise operations and pension trust funds are maintained on the accrual basis.

Management of the government is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP). The internal control is designed to provide reasonable, rather than absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimate and judgments by management.

As a recipient of federal, state and local awards, the Town is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management.

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual budget approved by the government's governing body. Activities of the General Fund, Community Redevelopment Agency, Debt Service Fund and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within the individual fund. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the basic financial statements and schedules included in the financial section of the report, the government continues to meet its responsibility for sound financial management.

MAJOR INITIATIVES

There were three significant initiatives completed during the fiscal year: (1) a CDBG funded grant to provide for an additional code enforcement officer to provide additional services within a specific boundary servicing beneficiaries in low/moderate income range. (2) Lamda Rail project providing updated technology and fiber optic connectivity throughout most of Lake Park. A second phase of the project with include Kelsey and Lake Shore Parks as well as the Lake Park Harbor Marina, (3) Safety and security technology including additional street lights, surveillance cameras, gunshot detection technology and updated communications with law enforcement.

Additionally, during recent years, the Town has devoted a significant amount of time, energy and resources to the continuing growth and redevelopment of the Town. Additional emphasis is being placed on the scheduling of community-wide special events.

ACKNOWLEDGEMENTS

A comprehensive annual financial report of this type and depth, illustrating the results of operations of the entire Town and its various diversified funds and activities, could not have been prepared so completely without the dedication and efficiency of the Chief Accountant, along with the assistance of the entire Finance Department staff. Their dedication and hard work is greatly appreciated. My appreciation is also extended to our independent auditors, Nowlen, Holt & Miner, P.A. for their cooperation and guidance.

Special appreciation is extended to the Mayor, Town Commission, Town Manager, and Department Heads for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Lourdes Cariseo
Finance Director

TOWN OF LAKE PARK

List of Principal Officials

September 30, 2019

Mayor

Michael O'Rourke

Vice Mayor

Kimberly Glas-Castro

Town Commission

Erin Flaherty
Roger Michuad
John Linden

Town Manager

John O. D'Agostino

Town Clerk

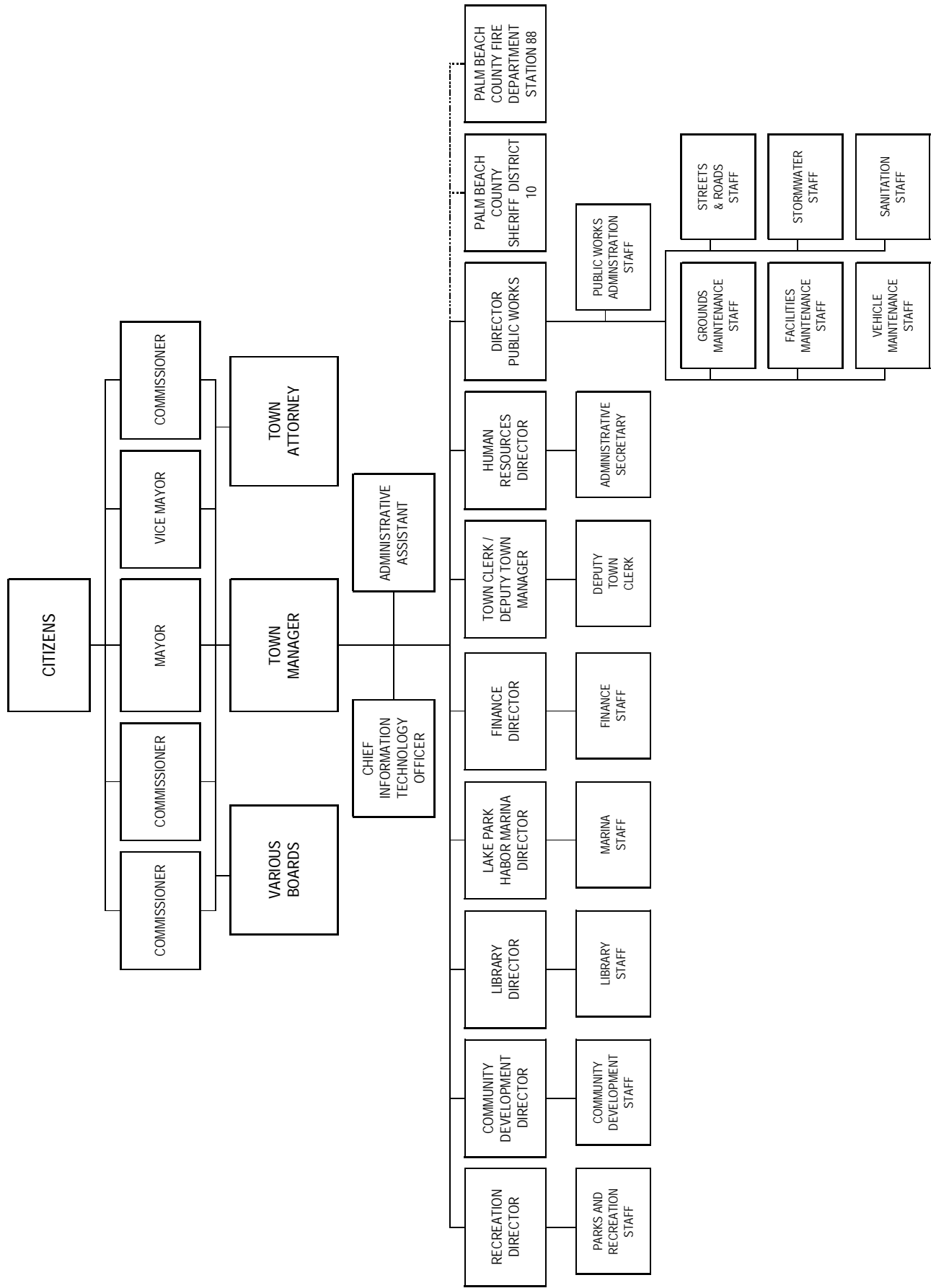
Vivian Mendez

Finance Director

Lourdes Cariseo

Public Works Director
Community Development Director
Library Director
Special Events Director
Harbor Marina Dockmaster
Human Resources Director
Information Technology Director

Richard Scherle
Nadia DiTomasso
Karen Mahnk
Riunite Franks
Bruce Butcher
Bambi McKibbon-Turner
Hoa Hoang



FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
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EDWARD T. HOLT, JR., PFS, CPA
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MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
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WILLIAM C. KISKER, CPA
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INDEPENDENT AUDITOR'S REPORT

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The Honorable Mayor and Members of the Town Commission
Town of Lake Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 Pension and Other Postemployment Benefit trend information on pages 70 through 73, and budgetary comparison information on pages 74 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake Park, Florida's basic financial statements. The introductory section, combining and budgetary statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2020, on our consideration of the Town of Lake 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 Lake 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 Lake Park, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Miner, P.A.

August 26, 2020
West Palm Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Lake Park, Florida (Town) administration offers 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, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter and the accompanying basic financial statements.

The information contained within this Management's Discussion and Analysis (MD&A) is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to the Financial Statements and the Required Supplementary Information that is provided in addition to this MD&A.

Financial Highlights

Government-Wide Financial Statements

- The assets and deferred outflows of the Town of Lake Park exceeded its liabilities and deferred inflows at September 30, 2019 by \$14,822,455. Of this amount, unrestricted net position is \$2,171,320.
- The total net position increased by \$1,473,557 of which an increase of \$1,182,795 was attributed to governmental activities and an increase of \$290,762 was related to business-type activities. The change in net position of the business-type and governmental activities of the Town was primarily due to depreciation expense far exceeding investment in capital assets.

Fund Financial Statements

- As of the close of the 2019 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$2,291,029 an increase of \$188,976 from the prior year. Of the total, \$523,597 is restricted or non-spendable, while \$1,723,974 is unassigned and available for future uses by the Town Commission, an increase of \$217,880 in unassigned fund balance.
- At the end of the 2019 Fiscal Year, the unassigned fund balance for the General Fund represented just less than 21% of total General Fund expenditures or approximately 78 days of available funding.
- Total long-term obligations for the Town increased by \$1,674,771. This was due to a new governmental capital lease of \$1,494,679 and two new Sanitation loans totaling \$567,487.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements that include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the basic financial statements expand upon information reported in the government-wide and governmental fund statements.

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes therein. Net position, assets and deferred outflows less liabilities and deferred inflows, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All of the Town's basic services are considered to be governmental activities, including general government, community development, public safety, public services, library, and recreation. Property taxes, sales taxes, utility taxes, intergovernmental revenue and franchise fees finance most of these activities.
- Proprietary activities/Business-type activities - The Town charges a fee to customers to cover all or most of the cost of the services provided. The Town's Sanitation Fund, Stormwater Fund and Marina Fund are reported in this category.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, management establishes other funds, which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's three kinds of funds, governmental, proprietary, and fiduciary, use different accounting approaches as explained below.

- Governmental funds - Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 18-21 of this report.
- Enterprise funds - The Town has three enterprise funds, Sanitation, Stormwater and Marina, which charge customers for the services they provide. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. These funds are reported using the full accrual basis of accounting; revenues are recognized in the period earned and expenses are recognized in the period that liabilities are incurred. The basic proprietary fund financial statements can be found on pages 22-24 of this report.
- Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-69 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information for pension benefits can be found on page 70-73 of this report.

The Town adopts annual appropriated budgets for the General Fund and CRA. Budgetary comparison schedules for the General Fund and CRA are included as *Required Supplementary Information* on pages 74-81 to demonstrate compliance with the budget.

The Town also adopts an annual budget for the Streets and Roads Fund and Insurance Fund. Budgetary comparison schedules for these funds are also included as Other Supplementary Information section of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information on pages 82-85 of this report.

Government-Wide Financial Analysis

Net Position: 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, governmental activity assets exceeded liabilities and deferred inflows by \$9,302,471. Business-type activity assets exceeded liabilities and deferred inflows by \$5,519,984. The Town-wide total net position was \$14,822,455. at the close of the fiscal year ended September 30, 2019. The Statement of Net Position is on page 15 of this report.

The Town's investment in capital assets (e.g., land, buildings, equipment and vehicles, less any related debt used to acquire those assets that is still outstanding) was \$10,622,607 or over 72% of total net position at September 30, 2019. Capital assets total \$18,216,879 at September 30, 2019, or 75% of all assets, which total \$24,443,613. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$2,028,528 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$2,171,320 may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

Net Position

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 5,144,029	\$ 4,513,944	\$ 1,082,705	\$ 936,149	\$ 6,226,734	\$ 5,450,093
Capital assets	9,048,251	7,373,480	9,168,628	8,681,232	18,216,879	16,054,712
Total assets	14,192,280	11,887,424	10,251,333	9,617,381	24,443,613	21,504,805
Deferred outflows of resources:						
Pension related items	-	-	-	-	-	-
Liabilities:						
Long-term liabilities	487,920	3,102,884	228,911	4,186,318	716,831	7,289,202
Other liabilities	4,164,254	370,220	4,429,184	123,354	8,593,438	493,574
Total liabilities	4,652,174	3,473,104	4,658,095	4,309,672	9,310,269	7,782,776
Deferred inflows of resources:						
Pension related items	7,348	35,736	-	-	7,348	35,736
Deferred gain on bond refunding, net	-	-	73,254	78,487	73,254	78,487
Unearned revenue	230,287	258,908	-	-	230,287	258,908
	237,635	294,644	73,254	78,487	310,889	373,131
Net position:						
Invested in capital assets, net of related debt	5,809,108	5,431,953	4,813,499	4,566,524	10,622,607	9,998,477
Restricted	2,028,528	1,509,135	-	-	2,028,528	1,509,135
Unrestricted	1,464,835	1,178,588	706,485	662,698	2,171,320	1,841,286
Total net position	\$ 9,302,471	\$ 8,119,676	\$ 5,519,984	\$ 5,229,222	\$ 14,822,455	\$ 13,348,898

Governmental Activities: Net position of the governmental activities of the Town have increased \$1,182,795 from 2018. Total assets and deferred outflows of governmental activities have increased by \$2,304,856 and total liabilities and deferred inflows of resources have increased by \$1,122,061. Unrestricted net position is up by \$286,247.

Business Activities: Net position for business activities have increased \$290,762 from 2018. Total assets increased by \$633,952 while total liabilities and deferred inflows have increased by \$343,190. Unrestricted net position has increased by \$43,787.

The following is a summary of the changes in net position for the years ended September 30, 2019 and 2018:

Changes in Net Position						
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,184,072	\$ 1,207,649	\$4,122,461	\$3,940,865	\$ 5,306,533	\$ 5,148,514
Operating grants and contributions	38,579	123,418	76,376	113,709	114,955	237,127
Capital grants and contributions	144,370	348,240	288,999	31,625	433,369	379,865
General revenues:						
Taxes	6,305,416	6,468,790	-	-	6,305,416	6,468,790
Intergovernmental	1,423,061	1,357,344	-	-	1,423,061	1,357,344
Investment earnings	219,825	47,015	11,653	5,720	231,478	52,735
Gain on sale of equipment	49,749	-	-	74,152	49,749	74,152
Total revenues	<u>\$ 9,365,072</u>	<u>\$ 9,552,456</u>	<u>\$4,499,489</u>	<u>\$4,166,071</u>	<u>\$13,864,561</u>	<u>\$13,718,527</u>

Overall total revenues are up by \$146,037. Program revenues increased by \$89,351 and general revenues increased by \$56,683.

Governmental Activities: Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have decreased \$163,374. This is due to a reduction in property taxes of \$371,249 caused by the General Obligation Bonds being paid off. Property values within the Town increased in 2019, 8.6% over 2018. When combined with the loss in value from Amendment One, property tax reform, and the economy changing; property values within the Town's Taxable Value remains more than 10 million dollars below the 2007 value. Increased investments earnings were due to managing cash flows to increase short term investments.

Business Activities: Total revenues for business activities of the Town have increased by \$333,418. This is primarily the result of increased Marina occupancy and increased residential Sanitation fees.

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2018	2019
Expenses:						
General government	\$ 2,233,918	\$ 2,281,971	\$ -	\$ -	\$ 2,233,918	\$ 2,281,971
Public safety	3,890,768	3,769,881	-	-	3,890,768	3,769,881
Physical environment	369,636	243,451	-	-	369,636	243,451
Transportation	627,123	573,583	-	-	627,123	573,583
Culture and recreation	1,139,623	1,017,475	-	-	1,139,623	1,017,475
Economic environmnet	125,707	75,243	-	-	125,707	75,243
Interest on long-term debt	120,502	111,880	-	-	120,502	111,880
Marina	-	-	1,885,821	1,703,023	1,885,821	1,703,023
Sanitation	-	-	1,422,337	1,283,784	1,422,337	1,283,784
Stormwater	-	-	575,569	386,464	575,569	386,464
Total expenses	<u>8,507,277</u>	<u>8,073,484</u>	<u>3,883,727</u>	<u>3,373,271</u>	<u>12,391,004</u>	<u>11,446,755</u>
Transfers In/(Out)	<u>325,000</u>	<u>411,877</u>	<u>(325,000)</u>	<u>(411,877)</u>		
Change in net position	1,182,795	1,890,849	290,762	380,923	1,473,557	2,271,772
Net position - beginning of year	<u>8,119,676</u>	<u>6,228,827</u>	<u>5,229,222</u>	<u>4,848,299</u>	<u>13,348,898</u>	<u>11,077,126</u>
Net position - end of year	<u>\$ 9,302,471</u>	<u>\$ 8,119,676</u>	<u>\$ 5,519,984</u>	<u>\$ 5,229,222</u>	<u>\$ 14,822,455</u>	<u>\$ 13,348,898</u>

Overall net position increased \$1,473,557. The increase in net position is related to the increase in property values combined with cost cutting measures that have been undertaken by the Town and the CRA.

Governmental Activities: Changes in the expenses for 2019 in Public Safety is attributable to a 2% increase in the Sheriff's contract countered by the MSTU effect. The change in the General government is attributable to an average raise of just over 3% for all employees, countered by decreases in expense items result from vacant positions in several departments, other cost saving measures, and continued debt service payments.

Business-type Activities: The increased expenses for the Marina and Sanitation Funds results from filling vacant positions for both funds and increase repairs for the Marina.

Financial Analysis of the Governments' Funds

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

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

At September 30, 2019, the Town's primary operating fund, the General Fund, reported ending fund balance of \$2,291,029 an increase of \$188,976 from the prior year. Of this amount, \$1,723,974 is considered unassigned fund balance and is available for spending at the Town's discretion. However, it is recommended that these funds be maintained at this level in the event of an emergency such as a hurricane. However; \$10,000 is restricted for specific purposes; the Community Improvement Beautification (CIB) Fund and \$43,458 is assigned for current year encumbrances that carry over to the subsequent year. The remainder of fund balance (\$513,597.) is non-spendable to indicate that it is not available for new spending because it has already been committed (1) for inventories and prepaid expenses (\$22,431) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$491,166).

As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents approximately 21 percent (approximately 78 days) of total general fund expenditures, while total fund balance represents 28 percent of that same amount. A sound financial management policy would dictate that the unrestricted, unassigned fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2019 has been constructed to provide an increase in the fund balance at the end of the year, absent significant revenue shortfalls or at least be able to maintain the current level of fund balance in the event of revenue shortfalls.

Enterprise Funds. The Town's enterprise funds are accounted for on an accrual basis, and may be measured year-over-year by the Change in Net Position, a measure of the difference that the year made in the Total Assets less the Total Liabilities.

The Marina Fund has a decrease in Net Position \$296,777 an amount less than as the depreciation expense charged to the fund for the year, bringing the fund's Total Net Position to \$2,599,900.

The Sanitation Fund has an increase in Net Position of \$147,962, bringing the fund's Total Net Position for the fund to \$1,175,427.

The Stormwater Fund has an increase in Net Position of \$433,950, bringing the fund's Total Net Position for the fund to \$1,627,938.

General Fund Budgetary Highlights

The annual General Fund budget is adopted after two public hearings and approval of the Town Commission. Any amendments that would exceed the original budget at the fund level or would require funds to be transferred from contingency would require a formal budget amendment requiring the adoption of a resolution by the Town Commission. The General Fund appropriation was increased from \$8,462,431 to \$8,726,713.

Capital Asset and Debt Administration

Capital assets. The Town's total investment in capital assets at September 30, 2019 was \$17,729,483. (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment and vehicles and infrastructure. The Town's net capital assets at September 30, 2019 and 2018 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,691,891	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,184,223	\$ 5,184,223
Construction in progress	1,657,797	438,062	675,492	417,588	2,333,289	855,650
Buildings	2,278,532	2,471,318	-	-	2,278,532	2,471,318
Equipment and vehicles	579,532	196,953	1,319,322	771,116	1,898,854	968,069
Streets, roads, and sidewalks	1,840,499	1,575,256	4,681,482	5,000,196	6,521,981	6,575,452
Total assets	<u>\$ 9,048,251</u>	<u>\$ 7,373,480</u>	<u>\$ 9,168,628</u>	<u>\$ 8,681,232</u>	<u>\$ 18,216,879</u>	<u>\$ 16,054,712</u>

Capital projects during Fiscal Year 2019 included the following:

- Roadway Improvements
- Lease purchase for the installation and renewal of facility infrastructure
- Purchase and installation of a vehicle license plate recognition system
- Replacement of a stormwater outfall
- Purchase of two sanitation vehicles

Additional information on the Town's capital assets can be found in Note 6 of the Notes to Financial Statements.

Long-term debt. No new governmental debt was incurred during fiscal year 2019. The debt position of the Town is summarized as follows:

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
Loans Payable	\$ 2,136,041	\$ 2,422,491	\$ 4,261,553	\$ 4,014,448	\$ 6,397,594	\$ 6,436,939
Capital lease obligations	1,494,679	-	-	-	1,494,679	-
Claims and settlements	33,334	66,667	-	-	33,334	66,667
Other Post-Emp. Benefits	95,543	86,720	37,282	33,935	132,825	120,655
Net pension liability	200,594	348,937	-	-	200,594	348,937
Compensated absences	204,063	178,069	36,773	37,673	240,836	215,742
Unamortized premium	-	-	93,576	100,260	93,576	100,260
Total	<u>\$ 4,164,254</u>	<u>\$ 3,102,884</u>	<u>\$ 4,429,184</u>	<u>\$ 4,186,316</u>	<u>\$ 8,593,438</u>	<u>\$ 7,289,200</u>

Additional information on the Town's debt can be found in Note 7 of the Notes to Financial Statements.

Economic factors and Next Year's Budgets and Rates

The Town, along with all other surrounding communities, Lake Park saw an increase in the taxable value of the properties for the fourth year. However, prior to this, values dropped within the Town for five consecutive years. The taxable assessed value of homes within the Town remain \$650,000 or .2% of the 2008 level. [Delete the remaining portion of this paragraph]

For the fiscal year 2019-2020 the Town Commission adopted a General Fund budget of \$8,970,345, compared with the budget for the fiscal year 2018-2019 in the amount of \$8,462,431. The Town adopted a MSTU for fire services in 2015, thus the millage for the Fires Services was not included in the operating millage accounting for a decrease in revenue and expense of \$1,694,293. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less fire millage of 3.34581).

The greatest impact on the General Fund expenditures is the contract with the Palm Beach County Sheriff for policing services which represents 35.9% of the total and uses 100% of the Ad Valorem property tax revenue plus an additional \$131,121. of other revenues of the Town. In an effort to off-set some of the impact on the General Fund revenue lost the Town continues to operate with many cuts implemented in prior years across all departments and must continue to limit capital and other projects.

There were no significant rate adjustments for fiscal year 2019-2020.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions concerning information provided in this report or requests for additional financial information should be directed to:

Finance Department
Town of Lake Park
535 Park Avenue
Lake Park, FL 33403
(561) 881-3350

BASIC FINANCIAL STATEMENTS

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TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
September 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 3,980,131	\$ 1,432,212	\$ 5,412,343
Accounts receivable, net	292,020	121,609	413,629
Notes receivable	917		917
Due from other governments	234,080	97,361	331,441
Internal balances	612,770	(612,770)	
Inventory	9,451	20,337	29,788
Prepaid items	14,660	23,956	38,616
Capital assets			
Capital assets not being depreciated	4,349,688	3,167,824	7,517,512
Capital assets being depreciated, net of accumulated depreciation	4,698,563	6,000,804	10,699,367
Total assets	<u>14,192,280</u>	<u>10,251,333</u>	<u>24,443,613</u>
Liabilities			
Accounts payable	174,853	165,918	340,771
Accrued expenses	118,999	35,998	154,997
Accrued interest payable	29,467	7,960	37,427
Deferred revenue	91,175	11,385	102,560
Deposits	73,426	7,650	81,076
Noncurrent liabilities:			
Due within one year	435,849	538,320	974,169
Due in more than one year	3,728,405	3,890,864	7,619,269
Total liabilities	<u>4,652,174</u>	<u>4,658,095</u>	<u>9,310,269</u>
Deferred inflows of resources			
Pension related items	7,348		7,348
Deferred gain on bond refunding, net		73,254	73,254
Unearned revenue	230,287		230,287
Total deferred inflows of resources	<u>237,635</u>	<u>73,254</u>	<u>310,889</u>
Net Position			
Net investment in capital assets	5,809,108	4,813,499	10,622,607
Restricted for:			
Debt service	170,052		170,052
Capital projects	1,243,702		1,243,702
Economic environment	604,774		604,774
Other restrictions	10,000		10,000
Unrestricted	1,464,835	706,485	2,171,320
Total net position	<u>\$ 9,302,471</u>	<u>\$ 5,519,984</u>	<u>\$ 14,822,455</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Charges for Activities
Government:		
Governmental activities		
General government	\$ 2,233,918	\$ 112,775
Public safety	3,890,768	1,033,888
Physical environment	369,636	
Transportation	627,123	
Culture and recreation	1,139,623	37,409
Economic environment	125,707	
Interest on long-term debt	120,502	
Total governmental activities	<u>8,507,277</u>	<u>1,184,072</u>
Business-type activities		
Marina	1,885,821	1,584,076
Sanitation	1,422,337	1,768,552
Stormwater	<u>575,569</u>	<u>769,833</u>
Total business-type activities	<u>3,883,727</u>	<u>4,122,461</u>
Total	<u><u>\$ 12,391,004</u></u>	<u><u>\$ 5,306,533</u></u>

Program Revenues		Net Expense (Revenue) and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$	\$	\$ (2,121,143)	\$	\$ (2,121,143)
		(2,856,880)		(2,856,880)
4,919	33,960	(330,757)		(330,757)
	50,056	(577,067)		(577,067)
33,660	60,354	(1,008,200)		(1,008,200)
		(125,707)		(125,707)
		(120,502)		(120,502)
<u>38,579</u>	<u>144,370</u>	<u>(7,140,256)</u>		<u>(7,140,256)</u>
23,003			(278,742)	(278,742)
43,919			390,134	390,134
9,454	288,999		492,717	492,717
<u>76,376</u>	<u>288,999</u>		<u>604,109</u>	<u>604,109</u>
<u>\$ 114,955</u>	<u>\$ 433,369</u>	(7,140,256)	604,109	(6,536,147)
General Revenues:				
Taxes:				
Property taxes		3,443,832		3,443,832
Infrastructure surtax		644,946		644,946
Franchise fees		634,652		634,652
Utility service taxes		1,037,613		1,037,613
Local option gas taxes		269,924		269,924
Communication services taxes		274,449		274,449
Unrestricted intergovernmental shared revenues		1,423,061		1,423,061
Gain on sale of capital assets		49,749		49,749
Investment earnings - unrestricted		219,825	11,653	231,478
Transfers		325,000	(325,000)	
Total general revenues and transfers		<u>8,323,051</u>	<u>(313,347)</u>	<u>8,009,704</u>
Change in net position		1,182,795	290,762	1,473,557
Net position, beginning of year		<u>8,119,676</u>	<u>5,229,222</u>	<u>13,348,898</u>
Net position, end of year		<u>\$ 9,302,471</u>	<u>\$ 5,519,984</u>	<u>\$ 14,822,455</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2019

	Major Governmental Funds				Total
	General	CRA Fund	Special Projects Fund	Nonmajor Governmental Funds	Governmental Funds
Assets					
Pooled cash and cash equivalents	\$ 2,295,201	\$ 708,604	\$ 548,615	\$ 186,645	\$ 3,739,065
Accounts receivable, net	292,020				292,020
Notes receivable		917			917
Due from other governments	131,338		71,739	31,003	234,080
Due from other funds			291,195	279,489	570,684
Advances to other funds	491,166				491,166
Inventory	9,451				9,451
Prepaid items	12,980	1,680			14,660
Total assets	<u>\$ 3,232,156</u>	<u>\$ 711,201</u>	<u>\$ 911,549</u>	<u>\$ 497,137</u>	<u>\$ 5,352,043</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 92,995	\$ 63,581	\$ 11,383	\$ 6,861	\$ 174,820
Accrued liabilities	114,376			4,623	118,999
Deferred revenue	79,966			11,209	91,175
Due to other funds	291,195				291,195
Advance from other funds		41,166			41,166
Deposits	73,426				73,426
Total liabilities	<u>651,958</u>	<u>104,747</u>	<u>11,383</u>	<u>22,693</u>	<u>790,781</u>
Deferred inflows of resources					
Unavailable revenue	58,882				58,882
Unearned revenue	230,287				230,287
	<u>289,169</u>				<u>289,169</u>
Fund balances					
Nonspendable:					
Inventories and prepaids	22,431	1,680			24,111
Advances to other funds	491,166				491,166
Restricted for:					
Debt service				170,052	170,052
Transportation				316,028	316,028
Infrastructure			911,081		911,081
Capital projects				16,593	16,593
Community improvement	10,000				10,000
Economic environment		604,774			604,774
Assigned to:					
Subsequent years expenditures	43,458				43,458
Unassigned	1,723,974		(10,915)	(28,229)	1,684,830
Total fund balances	<u>2,291,029</u>	<u>606,454</u>	<u>900,166</u>	<u>474,444</u>	<u>4,272,093</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,232,156</u>	<u>\$ 711,201</u>	<u>\$ 911,549</u>	<u>\$ 497,137</u>	<u>\$ 5,352,043</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Governmental Activities
September 30, 2019

Total fund balances - governmental funds \$ 4,272,093

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	\$ 20,780,255	
Less accumulated depreciation	<u>(11,732,004)</u>	9,048,251

Revenue is recognized when earned in the government-wide statements, regardless of activity. Governmental funds report based on modified accrual, i.e., both measurable and available

Current year grant revenues		58,882
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable on long-term debt	(27,801)	
Compensated absences	(204,063)	
Other post employment benefits	(95,543)	
Net pension liability	(200,594)	
Capital lease payable	(1,494,679)	
Loans payable	<u>(2,136,041)</u>	(4,158,721)

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 inflows		(7,348)
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Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

		<u>89,314</u>
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Net position of governmental activities		<u><u>\$ 9,302,471</u></u>
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See notes to the financial statements.

TOWN OF LAKE PARK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2019

	Major Governmental Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	CRA Fund	Special Projects Fund		
Revenues					
Taxes	\$ 5,114,201	\$	\$ 644,946	\$ 1,896	\$ 5,761,043
Licenses and permits	761,108				761,108
Intergovernmental	1,351,658	351,385	132,623	403,995	2,239,661
Charges for services	437,528				437,528
Fines and forfeitures	220,336				220,336
Miscellaneous	391,956	78	31,530		423,564
Total revenues	<u>8,276,787</u>	<u>351,463</u>	<u>809,099</u>	<u>405,891</u>	<u>9,843,240</u>
Expenditures					
Current					
General government	1,983,700	437,665	3,517		2,424,882
Public safety	3,872,115				3,872,115
Physical environment	364,034				364,034
Transportation	249,924			278,784	528,708
Culture and recreation	1,018,902	1,050			1,019,952
Capital outlay	184,115	10,546	2,004,986	48,029	2,247,676
Debt service					
Principal	286,450				286,450
Interest charges	92,701				92,701
Grants and aids		125,707			125,707
Total expenditures	<u>8,051,941</u>	<u>574,968</u>	<u>2,008,503</u>	<u>326,813</u>	<u>10,962,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>224,846</u>	<u>(223,505)</u>	<u>(1,199,404)</u>	<u>79,078</u>	<u>(1,118,985)</u>
Other financing sources (uses)					
Debt proceeds			1,494,679		1,494,679
Transfers in	611,232	647,102			1,258,334
Transfer out	(647,102)	(192,732)		(93,500)	(933,334)
Total other financing sources (uses)	<u>(35,870)</u>	<u>454,370</u>	<u>1,494,679</u>	<u>(93,500)</u>	<u>1,819,679</u>
Net change in fund balances	188,976	230,865	295,275	(14,422)	700,694
Fund balances					
Beginning of year	2,102,053	375,589	604,891	488,866	3,571,399
End of year	<u>\$ 2,291,029</u>	<u>\$ 606,454</u>	<u>\$ 900,166</u>	<u>\$ 474,444</u>	<u>\$ 4,272,093</u>

See notes to the financial statements.

TOWN OF LAKE PARK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ 700,694

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 those assets is depreciated over their estimated useful lives

Expenditures for capital assets	\$ 2,216,295	
Less: current year depreciation	<u>(541,524)</u>	1,674,771

Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

Current year grants	58,882	
Prior year grants	<u>(162,602)</u>	(103,720)

The repayment (issuance) of long-term debt consumes (provides) the current financial resources of governmental funds. However, these transactions do not have any effect on net position of the governmental activities.

Proceeds from term debt:

Capital lease proceeds	(1,494,679)	
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Long term debt repayments:

Loans payable	<u>286,450</u>	(1,208,229)
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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 compensated absences	(25,994)	
Change in other post employment benefits	(8,823)	
Change in net pension liability and related deferred amounts	176,731	
Change in accrued interest	<u>(27,801)</u>	114,113

Internal service funds are used by management to charge the costs of certain activities to individual funds.

Net income allocable to governmental activities		<u>5,166</u>
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Change in net position of governmental activities		<u><u>\$ 1,182,795</u></u>
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See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2019

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Assets					
Current assets					
Pooled cash and cash equivalents	\$ 519,311	\$ 533,748	\$ 379,153	\$ 1,432,212	\$ 241,066
Accounts receivable, net	7,695	109,142	4,772	121,609	
Due from other governments	3,152	3,935	90,274	97,361	
Prepaid items	23,956			23,956	
Inventory	20,337			20,337	
Total current assets	<u>574,451</u>	<u>646,825</u>	<u>474,199</u>	<u>1,695,475</u>	<u>241,066</u>
Noncurrent assets					
Capital assets not being depreciated	2,428,175	64,157	675,492	3,167,824	
Capital assets net of accumulated depreciation	<u>4,164,144</u>	<u>1,227,850</u>	<u>608,810</u>	<u>6,000,804</u>	
Total noncurrent assets	<u>6,592,319</u>	<u>1,292,007</u>	<u>1,284,302</u>	<u>9,168,628</u>	
Total assets	<u>7,166,770</u>	<u>1,938,832</u>	<u>1,758,501</u>	<u>10,864,103</u>	<u>241,066</u>
Liabilities					
Current liabilities					
Accounts payable	46,679	23,789	95,450	165,918	33
Accrued liabilities	14,578	16,431	4,989	35,998	
Deferred revenue	11,385			11,385	
Due to other funds	262,825		16,664	279,489	
Deposits payable - slip rentals	7,650			7,650	
Accrued interest payable		7,960		7,960	1,666
Compensated absences payable, current portion	2,234	3,909	1,211	7,354	
Bonds payable, current maturities	<u>226,870</u>	<u>304,096</u>		<u>530,966</u>	<u>33,334</u>
Total current liabilities	<u>572,221</u>	<u>356,185</u>	<u>118,314</u>	<u>1,046,720</u>	<u>35,033</u>
Long-term liabilities					
Compensated absences payable, less current portion	8,938	15,635	4,846	29,419	
Other post-employment benefits	5,148	24,731	7,403	37,282	
Advance from other funds	450,000			450,000	
Bonds payable, net of unamortized premium and current maturities	<u>3,457,309</u>	<u>366,854</u>		<u>3,824,163</u>	
Total long-term liabilities	<u>3,921,395</u>	<u>407,220</u>	<u>12,249</u>	<u>4,340,864</u>	
Total liabilities	<u>4,493,616</u>	<u>763,405</u>	<u>130,563</u>	<u>5,387,584</u>	<u>35,033</u>
Deferred inflows of resources					
Deferred gain on bond refunding, net	<u>73,254</u>			<u>73,254</u>	
Net position					
Net investment in capital assets	2,908,140	621,057	1,284,302	4,813,499	
Unrestricted	<u>(308,240)</u>	<u>554,370</u>	<u>343,636</u>	<u>589,766</u>	<u>206,033</u>
Total net position	<u>\$ 2,599,900</u>	<u>\$ 1,175,427</u>	<u>\$ 1,627,938</u>	<u>5,403,265</u>	<u>\$ 206,033</u>
Adjustment to reflect consolidation of internal service fund activities				116,719	
Net position of business-type activities				<u>\$ 5,519,984</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2019

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenue					
Charges for services	\$ 1,584,076	\$ 1,765,256	\$ 769,833	\$ 4,119,165	\$ 197,137
Miscellaneous		3,296		3,296	
Total operating revenues	<u>1,584,076</u>	<u>1,768,552</u>	<u>769,833</u>	<u>4,122,461</u>	<u>197,137</u>
Operating expenses					
Personal services	297,891	548,761	216,172	1,062,824	34,015
Operating expenses	933,474	769,417	287,421	1,990,312	150,662
Depreciation	<u>536,789</u>	<u>95,983</u>	<u>72,340</u>	<u>705,112</u>	
Total operating expenses	<u>1,768,154</u>	<u>1,414,161</u>	<u>575,933</u>	<u>3,758,248</u>	<u>184,677</u>
Operating income (loss)	<u>(184,078)</u>	<u>354,391</u>	<u>193,900</u>	<u>364,213</u>	<u>12,460</u>
Nonoperating revenues (expenses)					
Interest revenue		10,056	1,597	11,653	
Interest expense	(120,702)	(10,404)		(131,106)	(1,667)
Operating grant	<u>23,003</u>	<u>43,919</u>	<u>9,454</u>	<u>76,376</u>	
Total nonoperating revenues (expenses)	<u>(97,699)</u>	<u>43,571</u>	<u>11,051</u>	<u>(43,077)</u>	<u>(1,667)</u>
Income (loss) before transfers	<u>(281,777)</u>	<u>397,962</u>	<u>204,951</u>	<u>321,136</u>	<u>10,793</u>
Capital contributions			288,999	288,999	
Transfers					
Transfers out	<u>(15,000)</u>	<u>(250,000)</u>	<u>(60,000)</u>	<u>(325,000)</u>	
Change in net position	<u>(296,777)</u>	<u>147,962</u>	<u>433,950</u>	<u>285,135</u>	<u>10,793</u>
Net position - beginning of year	<u>2,896,677</u>	<u>1,027,465</u>	<u>1,193,988</u>	<u>5,118,130</u>	<u>195,240</u>
Net position - ending	<u>\$ 2,599,900</u>	<u>\$ 1,175,427</u>	<u>\$ 1,627,938</u>	<u>\$ 5,403,265</u>	<u>\$ 206,033</u>
Change in net position				\$ 285,135	
Adjustment to reflect consolidation of internal service fund activities				<u>5,627</u>	
Change in net position of business-type activities				<u>\$ 290,762</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2019

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,596,039	\$ 1,763,494	\$ 769,558	\$ 4,129,091	\$
Operating grants	43,112	98,908	9,454	151,474	
Cash paid to suppliers	(892,904)	(778,063)	(212,221)	(1,883,188)	(184,644)
Cash paid to employees	(295,127)	(550,635)	(216,160)	(1,061,922)	
Payments to other funds	(4,250)			(4,250)	
Payments from other funds			20,925	20,925	197,137
Net cash provided (used) by operating activities	<u>446,870</u>	<u>533,704</u>	<u>371,556</u>	<u>1,352,130</u>	<u>12,493</u>
Cash flows from noncapital financing activities:					
Principal repayments					(33,333)
Interest paid on debt					(3,334)
Transfers (out)	(15,000)	(250,000)	(60,000)	(325,000)	
Net cash provided (used) by noncapital financing activities	<u>(15,000)</u>	<u>(250,000)</u>	<u>(60,000)</u>	<u>(325,000)</u>	<u>(36,667)</u>
Cash flows from capital and related financing activities:					
Loan proceeds		567,487		567,487	
Capital contributions			217,779	217,779	
Acquisition and construction of capital assets		(567,487)	(625,021)	(1,192,508)	
Interest paid on debt	(130,908)	(5,332)		(136,240)	
Principal repayments on revenue bonds	(219,550)	(100,832)		(320,382)	
Net cash provided (used) by capital and related financing activities	<u>(350,458)</u>	<u>(106,164)</u>	<u>(407,242)</u>	<u>(863,864)</u>	
Cash flows from investing activities:					
Interest on investments		10,056	1,597	11,653	
Net cash provided (used) by investing activities		<u>10,056</u>	<u>1,597</u>	<u>11,653</u>	
Net increase (decrease) in cash and cash equivalents	81,412	187,596	(94,089)	174,919	(24,174)
Cash and cash equivalents at beginning of year	437,899	346,152	473,242	1,257,293	265,240
Cash and cash equivalents at end of year	<u>\$ 519,311</u>	<u>\$ 533,748</u>	<u>\$ 379,153</u>	<u>\$ 1,432,212</u>	<u>\$ 241,066</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (184,078)	\$ 354,391	\$ 193,900	\$ 364,213	\$ 12,460
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	536,789	95,983	72,340	705,112	
Operating grant	43,112	98,908	9,454	151,474	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	5,714	(5,058)	(275)	381	
(Increase) decrease in due from other governments					
(Increase) decrease in inventory	11,345			11,345	
(Increase) decrease in prepaid expenses					
Payments from(to) other funds	(4,250)		20,925	16,675	
Increase (decrease) in accounts payable	29,225	(8,646)	75,200	95,779	33
Increase (decrease) in accrued liabilities	12	(1,632)	77	(1,543)	
Increase (decrease) in deposits	(5,136)			(5,136)	
Increase (decrease) in deferred revenue	11,385			11,385	
Increase (decrease) in compensated absences	1,900	(1,958)	(844)	(902)	
Increase (decrease) in other post-employment benefits	852	1,716	779	3,347	
Total adjustments	<u>630,948</u>	<u>179,313</u>	<u>177,656</u>	<u>987,917</u>	<u>33</u>
Net cash provided (used) by operating activities	<u>\$ 446,870</u>	<u>\$ 533,704</u>	<u>\$ 371,556</u>	<u>\$ 1,352,130</u>	<u>\$ 12,493</u>
Noncash activities					
Amortization of premium on bonds	\$ (6,684)	\$	\$	\$ (6,684)	\$
Amortization of refunding gain on bonds	\$ (5,233)	\$	\$	\$ (5,233)	\$

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Fiduciary Net Position
Retired Police Officers' Pension Trust Fund
September 30, 2019

Assets

Cash and cash equivalents	\$ 43,495
Investments:	
Equity exchange traded funds	739,896
Foreign equity exchange traded funds	118,617
Fixed income exchange traded funds	147,921
Real estate exchange traded funds	68,284
Global fixed income mutual funds	212,462
Prepaid retirement benefits	6,595
Total assets	<u>1,337,270</u>

Net position

Held in trust for pension benefits	<u><u>\$ 1,337,270</u></u>
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See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Changes in Fiduciary Net Position
Retired Police Officers Pension Trust Fund
For the Year Ended September 30, 2019

Additions		
Contributions		
Employer	\$	44,708
Investment income		
Net increase fair value of investments		34,936
Interest and dividends		30,258
Total investment income		<u>65,194</u>
Less investment expenses		<u>(1,122)</u>
Net investment income		<u>64,072</u>
Total additions		108,780
Deductions		
Retirement benefits		132,388
Administrative expenses		32,329
Total deductions		<u>164,717</u>
Change in net position		(55,937)
Net position held in trust for pension benefits		
Net position - beginning of year		<u>1,393,207</u>
Net position - end of year	\$	<u><u>1,337,270</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Lake Park, Florida (the “Town”) was incorporated in 1923. The Town’s Charter was approved by the Laws of Florida, Chapter 61-2375. The Town is governed by an elected Mayor and Town Commission which appoints a Town Manager. The Town provides the following services: public safety, recreation, sanitation, streets and roads, planning and zoning, and general administrative services.

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:

- it appoints a voting majority of the organization’s governing board and (1) it 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
- 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 Lake Park has determined that there are two legally separate entities to consider as potential component units. The Town of Lake Park Retired Police Officers’ Pension Fund is a component unit as it is fiscally dependent on and imposes a specific financial burden on the Town. It is reported in the Town’s financial statements as a pension trust fund.

Lake Park Community Redevelopment Agency (the “CRA”) is a dependent special district established by the Town of Lake Park, Florida, under authority granted by Florida Statute 163, Section III. The CRA is included in the Town’s financial reporting entity as a blended component unit reported as a governmental (special revenue) fund, the *Community Redevelopment Fund*. The CRA is a legally separate entity and the governing body of the CRA consists of the Town Commission and the Town handles the management and administration of the CRA’s financial matters. Separate financial statements for the CRA are not prepared.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. As a general rule, the effect of interfund activities has been removed from these statements. An exception to this rule is that interfund services provided and used are not eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenue to be available if it is collected within ninety days of the end of the current fiscal year, except for property taxes, for which the period is 60 days.

Unearned revenue consists primarily of grant funds and occupational licenses and other fees collected in advance of the year to which they relate.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Expenditures are generally recognized in the accounting period in which the fund liability is incurred. Property taxes, intergovernmental revenue, franchise fees, charges for services and investment income are all considered susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be measurable and available only when received in cash by the Town. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

General Fund

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

CRA Fund

The CRA fund is a special revenue fund and is used to account for all financial resources applicable to the promotion of the physical and economic development of certain areas in the Town of Lake Park and is funded from incremental tax revenues within the designated CRA area.

Special Projects Fund

The Special Projects Fund is a capital projects fund used to account for construction and renovation projects.

The Town reports the following major proprietary funds:

Marina Fund

This enterprise fund accounts for the operations of the Town's municipal marina, which are financed primarily by user charges.

Sanitation Fund

This enterprise fund accounts for the operations of the Town's garbage and trash collection services, which are financed primarily by user charges.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account for the charges and related expenses for the Town's stormwater drainage system.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the Town reports the following non-major funds:

Special Revenue Fund

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town has one non-major special revenue fund: the Streets and Roads Fund.

Debt Service Fund

This fund is used to account for resources accumulated and payments made for principal and interest of the Town's general obligation bonds which are payable from ad valorem taxes.

Capital Projects Fund

The Capital Projects Bond Fund is used to account for construction and renovation projects funded with debt proceeds.

Internal Service Fund

Internal service funds account for operations that provide services to other departments on a cost reimbursement basis. The Insurance Fund accounts for the Town's general liability and workers' compensation insurance plans.

Fiduciary Fund

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government; pension trust funds are held under the terms of a formal trust agreement. The fiduciary fund of the Town includes:

Retired Police Officers' Pension Fund - This fund was established in 2004 to receive and invest Town contributions in a defined benefit pension plan and to disburse these monies to Police retirees in accordance with the Pension Plan Ordinance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds 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.

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash, and at the day of purchase, have a maturity date no longer than three months.

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. Investments in “Florida PRIME” of the Local Government Surplus Funds Trust are reported as cash and cash equivalents.

Accounts Receivable

Accounts receivable represent amounts due from local businesses for franchise taxes, utility taxes, delinquent property taxes and other charges in the General Fund, and solid waste disposal fees and marina slip rentals in the Enterprise Funds. The Town does not require collateral for accounts receivable. Accounts receivable are net of allowances for uncollectible accounts determined based on the age of the individual receivable, with age categories ranging from 30 days past due to several years past due. Generally, the allowance includes accounts over 90 days past due. Accounts receivable are written off on an individual basis in the year the Town deems them uncollectible.

Interfund Transactions

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

Transfers and interfund balances totally within governmental activities and those that are totally within business-type activities are eliminated and not presented in the government wide financial statements. Transfers and balances between governmental and business-type activities are presented in the government-wide financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Inventories

Inventories are valued at cost determined on a first-in, first-out basis. Inventories in the General Fund consist of expendable supplies held for consumption. Inventories in the Marina Fund consist of goods for sale to the public. The initial cost is recorded as an asset at the time the individual inventory items are purchased and are charged against operations in the period when used.

Prepaid Items/Expenses

Expenditures/expenses for insurance premiums and other administrative costs extending over more than one accounting period are accounted for as prepaid items and allocated between accounting periods. Prepaid items in governmental funds are accounted for using the consumption method.

Capital Assets and Depreciation

Capital assets, which include property, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The Town defines capital assets as assets with an initial individual cost of \$5,000 or more and an estimated life in excess of one year. In accordance with GASB Statement No. 34, the Town has elected not to record infrastructure assets purchased prior to October 1, 2003 in the accompanying financial statements.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gifts or bequests are recorded at their fair value at the date of acquisition.

Capital assets of the enterprise funds are capitalized in the fund. The valuation basis for enterprise fund capital assets is the same as those used for general capital assets. Additionally, net interest cost is capitalized on enterprise fund projects during the construction period.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets and Depreciation (Continued)

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable fixed assets are as follows:

Buildings and infrastructure	30-50 years
Building improvements	7- 50 years
Equipment and vehicles	5 years
Docks and channels	20 years

Compensated Absences

Unused compensated absences are payable upon separation from service. Vacation is accrued as a liability when the employee earns benefits. This means that the employee has rendered services that give rise to a vacation liability and it is probable that the Town will compensate the employee in some manner, e.g., in cash or paid time-off, now or upon termination or retirement. The Town uses the vesting method in accruing sick leave liability. Under the vesting method, the liability for vacation leave is accrued for employees who are eligible to receive termination payments upon separation. The Town's policy is to allow employees to accumulate vacation leave to a maximum of 480 hours. At the time of retirement or termination all vacation leave up to a maximum of 240 hours is payable at 100% to the employee. Except for liabilities incurred by employment terminations, such benefits are paid only when taken.

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. Benefits that were earned but not used during the current year were accrued at employees' pay rates in effect at September 30, 2019. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the General Fund. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the government-wide financial statements as well as the Enterprise Fund.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Deferred Outflows and Inflows of Resources

The statement of net position includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Currently, the Town has no deferred outflows.

The statement of net position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. The source of the unearned revenue is local business tax revenues collected prior to the date on the statement of net position which are unearned and will be recognized as an inflow of resources in the period that the amounts become available. The Town also has pension related deferred inflows, which are discussed in Note 11.

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.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to bonds payable.

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Net Position

Net position is the residual of all other elements presented in a statement of net position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in following three components:

- 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.
- Restricted net position – Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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.

Fund Equity

Fund balance is the difference between assets, liabilities and deferred inflows of resources reported in governmental funds. There are five components of fund balance:

- Nonspendable fund balance represents amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts that can be spent only for specific purposes stipulated by external providers (e.g. creditors, grantors, contributor, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance represents amounts that can be used only for the specific purposes pursuant to constraints imposed by Town Commission by the adoption of 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 the adoption of an ordinance.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (Continued)

Fund Equity (Continued)

- Assigned fund balance includes spendable fund balance amounts that are intended to be used for specific purposes, that are neither considered restricted or committed. In accordance with the Town's fund balance policy, assignments can be made by the Town Commission or Town Manager.
- Unassigned fund balance is the residual fund balance classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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, and then unassigned amounts.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and deferred outflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include the collectibility of accounts receivable, the use and recoverability of inventory, the useful lives and impairment of tangible assets, and the realization of net pension assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash, and at the day of purchase, have a maturity date no longer than three months.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund and the enterprise funds. All budgets are legally enacted. The annual appropriated budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. Except for budgeting capital expenditures and not budgeting for depreciation, the annual appropriated budgets for the enterprise funds are adopted on a basis consistent with generally accepted accounting principles. For budgeting purposes, current year encumbrances are not treated as expenditures. The other funds with legally adopted budgets include the Community Redevelopment Fund, Streets and Roads Funds, Debt Service Fund, Insurance Fund, Marina Fund, and Sanitation fund.

The procedures for establishing budgetary data are as follows:

- Prior to September 1st, the Town Manager submits a proposed operating budget to the Town Commission for the next fiscal year commencing the following October 1st. The proposed budget includes expenditures and the means of financing them.
- Public hearings are conducted at the Town Hall to obtain taxpayer comments.
- The Town advises the Palm Beach County Tax Collector's office of the proposed millage rate, the rolled back millage rate and the day, time and place of the public hearing for budget acceptance.
- A public hearing is held to obtain taxpayer input and to adopt the final budget and millage rate.
- Upon completion of the public hearings and prior to October 1st, a final operating budget and related millage rates are legally enacted through the passage of an ordinance. Estimated beginning fund balances are considered in the budgetary process. Effective for fiscal year ending September 30, 2019, a final operating budget and related millage rates are legally enacted through the passage of a resolution.
- Changes or amendments to the total budgeted expenditures of the Town must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
- All unencumbered balances lapse on September 30th.

Budgeted amounts are as originally adopted, or as amended by appropriate action. During the year several supplementary appropriations were necessary.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Data (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end are reported as restricted, committed or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Outstanding encumbrances at year end were \$43,458 for the general fund and \$182,824 for the special projects fund.

B. 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 the County Tax Collector. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of State law. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for operating purposes. The tax rate for the Palm Beach County Fire/Rescue Municipal Service Taxing Unit (MSTU) is included in the 10 mills.

The tax levy of the Town is established by the Town Commission prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the Town for the year ended September 30, 2019, was 5.3474 (\$5.3474 for each \$1,000 of assessed valuation).

Taxes may be paid, less a 4% discount, in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are offered for sale for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2019, unpaid delinquent taxes are not material and have not been recorded by the Town.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2019, the carrying amount of deposits (including fiduciary funds) was \$564,357 and the bank balances were \$623,741. The Town also had \$715 of petty cash. 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 other 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 at year end are considered insured for custodial credit risk purposes.

The Town maintains a pooled account for cash and cash equivalents that is available for use by all funds. Each fund's portion of the pooled account is displayed on the financial statements as "Pooled cash and cash equivalents". Interest income from pooled checking accounts is allocated back to the General Fund. Investment income from the pooled SBA accounts is allocated to the following funds based on each fund's relative equity in the pool: General, CRA, Debt Service, Capital Projects, and Sanitation.

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.

Exchange traded funds and mutual funds classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities.

Exchange traded funds are commonly referred to as "ETF". ETFs are funds that trade like other publicly-traded securities and are designed to track an index. Similar to shares of an index mutual fund, each share of the fund represents a partial ownership in an underlying portfolio of securities intended to track a market index. Unlike shares of a mutual fund, which can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV, only authorized participants may purchase or redeem shares directly from the fund at NAV. Also, unlike shares of a mutual fund, the shares of the fund are listed on a national securities exchange and trade in the secondary market at market prices that change throughout the day.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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. 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."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present no such disclosure has been made.

As of September 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2019, the Town held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement Level 1
<u><i>Fiduciary Fund</i></u>			
Global Fixed Income Mutual Funds	N/A	\$ 212,462	\$ 212,462
Equity ETF	N/A	739,896	739,896
Foreign Equity ETF	N/A	118,617	118,617
Fixed Income ETF	N/A	147,921	147,921
Real Estate ETF	N/A	68,284	68,284
		1,287,180	<u>\$ 1,287,180</u>
Investments Reported at			
Amortized Cost:			
<u><i>Governmental and Proprietary Funds</i></u>			
Florida PRIME	37 Days	4,890,766	
Total Investments		<u>\$ 6,177,946</u>	

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The Town limits its exposure to fair value losses resulting from rising interest rates by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements. The Retirement Funds do 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.

Credit risk – For an investment, 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, 2019, Florida PRIME was rated AAA(m) by Standard and Poor's Ratings Services.

Custodial credit risk – For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. At September 30, 2019, all investments were insured or collateralized, except the Town's pension fund, in which the underlying securities are held by counterparty, or by its trust department or agent but not in the Town's name and is uninsured and unregistered. However, all securities are registered in the funds' names.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Foreign Currency Risk – Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

The Town is authorized to invest its funds as follows:

1. Interest-bearing checking or savings accounts in qualified public depositories, as defined in Chapter 280, Florida Statutes;
2. Interest-bearing time deposits in qualified public depositories, as defined in Chapter 280, Florida Statutes;
3. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Chapter 163, Florida Statutes;
4. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
5. Direct obligations of the United States Treasury;
6. Federal agencies and instrumentalities;
7. Securities of, or interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. sections 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;
8. Other investments authorized by law or by ordinance by the Town.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investments of the Retired Police Officers Retirement Fund can consist of the following:

1. A qualified public depository as defined in Section 280, Florida Statutes.
2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.
3. Stocks, bonds or other evidence of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia, provided that the corporation is listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market.
 - a. Investments in equities shall not exceed 70% of the Pension Fund's total assets at cost.
 - b. Not more than then (5) percent of the Pension Fund's assets shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed (5) percent of the outstanding capital stock of that company.
 - c. Not more than five (5) percent of the Fund's fixed income portfolio (at cost) shall be invested in the securities of any single corporate issuer. This limitation does not include issues of any U.S. government agency.
 - d. Bonds and other evidences of indebtedness not rated in one of the four highest classifications by a major rating service shall not exceed 5% of the Pension Fund's total assets at cost.
4. Foreign securities provided they do not exceed 20% of the Pension Fund's assets at cost.
5. Real estate through a security listed on one or more of the recognized national exchanges or other unit investment trust with shares redeemable on demand provided they do not exceed 10% of the Pension Fund's assets at cost.
6. Commingled stock, bond, real estate or money market funds whose investments are restricted to securities meeting the above criteria.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

A reconciliation of deposits and investments as shown on the statement of net position and statement of fiduciary net position for the Town is as follows:

By Category:

Deposits	\$ 564,357
Petty cash	715
Investments	6,177,946
Total deposits and investments	<u>\$ 6,743,018</u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$ 3,980,131
Business-type activities	
Cash and cash equivalents	1,432,212
Total statements of net position	<u>5,412,343</u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	43,495
Investments	1,287,180
Total fiduciary funds	<u>1,330,675</u>
Total deposits and investments	<u>\$ 6,743,018</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 – NOTES RECEIVABLES AND GRANT COMMITMENTS

The CRA has a program to give grants and low interest loans for business development and façade improvements. The loans bear interest at 2% and are payable monthly for terms of five to ten years. The grants are to be repaid if the business is sold within five years and one fifth of the grant is forgiven each year. Both the loans and grants are secured by a lien on the improvements and/or the property of the business. At September 30, 2019, there were \$917 of loans outstanding which are recorded as notes receivable and all of the grants have been forgiven.

On December 20, 2017, the CRA awarded a \$400,000 grant over 5 years to a business to relocate within the CRA. In the current fiscal year \$100,707 was paid leaving a remaining commitment of \$229,050.

NOTE 5 – ACCOUNTS RECEIVABLES

Receivables at September 30, 2019, were as follows:

	<u>General Fund</u>	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>
Accounts receivable	\$ 78,077	\$ 8,175	\$ 115,608	\$ 4,772
Accrued receivables	<u>219,318</u>			
Total receivables	<u>297,395</u>	<u>8,175</u>	<u>115,608</u>	<u>4,772</u>
Less: allowance for uncollectible accounts	<u>(5,375)</u>	<u>(480)</u>	<u>(6,466)</u>	
Accounts receivable, net	<u><u>\$ 292,020</u></u>	<u><u>\$ 7,695</u></u>	<u><u>\$ 109,142</u></u>	<u><u>\$ 4,772</u></u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2019, was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,691,891	\$	\$	\$ 2,691,891
Construction in progress	438,062	1,657,797	(438,062)	1,657,797
Capital assets being depreciated:				
Buildings	7,972,225			7,972,225
Improvements	5,625,432	531,677		6,157,109
Machinery and equipment	2,155,430	464,883	(319,080)	2,301,233
Total at historical cost:	18,883,040	2,654,357	(757,142)	20,780,255
Less accumulated depreciation for:				
Buildings	(5,500,907)	(192,786)		(5,693,693)
Improvements	(4,050,176)	(266,434)		(4,316,610)
Machinery and equipment	(1,958,477)	(82,304)	319,080	(1,721,701)
Total accumulated depreciation	(11,509,560)	(541,524)	319,080	(11,732,004)
Governmental activities capital assets, net	<u>\$ 7,373,480</u>	<u>\$2,112,833</u>	<u>\$ (438,062)</u>	<u>\$ 9,048,251</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 313,706
Public safety	18,768
Physical environment	2,772
Transportation	94,528
Culture and recreation	111,750

Total depreciation expense governmental activities \$ 541,524

Construction Commitments

- \$43,458 for repairs to the mirror ballroom
- \$151,124 for improvements to license plate recognition system

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 – CAPITAL ASSETS (Continued)

The capital asset activity of business-type activities for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,492,332	\$	\$	\$ 2,492,332
Construction in progress	417,588	273,999	(16,095)	675,492
Capital assets being depreciated:				
Improvements	11,366,424	263,212		11,629,636
Machinery and equipment	3,277,589	671,392	(387,545)	3,561,436
Total at historical cost:	17,553,933	1,208,603	(403,640)	18,358,896
Less accumulated depreciation for:				
Improvements	(6,366,228)	(581,926)		(6,948,154)
Machinery and equipment	(2,506,473)	(123,186)	387,545	(2,242,114)
Total accumulated depreciation	(8,872,701)	(705,112)	387,545	(9,190,268)
Business-type activities capital assets, net	<u>\$8,681,232</u>	<u>\$ 503,491</u>	<u>\$ (16,095)</u>	<u>\$9,168,628</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Amount due within one year
<u>Governmental activities:</u>					
Bonds and loans payable	\$ 2,422,491	\$	\$ (286,450)	\$ 2,136,041	\$ 298,080
Capital lease		1,494,679		1,494,679	63,622
Net pension liability (1)	348,937		(148,343)	200,594	
OPEB (see note 12)	86,720	8,823		95,543	
Compensated absences payable	178,069	237,716	(211,722)	204,063	40,813
Claims and settlements	66,667		(33,333)	33,334	33,334
Total	<u>\$ 3,102,884</u>	<u>\$ 1,741,218</u>	<u>\$ (679,848)</u>	<u>\$ 4,164,254</u>	<u>\$ 435,849</u>

(1) See note 11.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Amount due within one year
<u>Business-type activities:</u>					
Loans payable	\$ 4,014,448	\$ 567,487	\$ (320,382)	\$ 4,261,553	\$ 530,966
OPEB (see note 12)	33,935	3,347		37,282	
Compensated absences payable	37,673	53,598	(54,498)	36,773	7,354
Total	<u>\$ 4,086,056</u>	<u>\$ 624,432</u>	<u>\$ (374,880)</u>	4,335,608	<u>\$ 538,320</u>
Unamortized premium				93,576	
				<u>\$ 4,429,184</u>	

Compensated absences and OPEB liabilities for governmental activities are generally liquidated by the General Fund and by the Marina Fund, Sanitation Fund, and Stormwater Fund for business-type activities.

Claims and Settlements: On December 8, 2017, the Town entered into a settlement with RG Towers over the placement of a cell tower on Town property. The amount of the settlement was \$100,000 payable over three years at 5% interest. The liability is recorded in the Insurance Internal Service fund. The required payments are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2020	<u>\$ 33,334</u>	<u>\$ 1,666</u>	<u>\$ 35,000</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Capital Lease

The Town entered into a lease agreement for financing the installation and renewal of facility infrastructure with a purchase price of \$1,494,679 On March 28, 2019. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. There are 18 annual payments required beginning January 1, 2020 with the final payment on January 1, 2037. At September 30, 2019, the net book value of the equipment was \$1,494,679.

The future minimum lease obligations as of September 30, 2019, are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2020	\$ 63,622	\$ 41,702	\$ 105,324
2021	54,044	52,234	106,278
2022	56,999	50,261	107,260
2023	60,094	48,180	108,274
2024	63,331	45,987	109,318
2025-2029	370,656	192,704	563,360
2030-2024	476,912	117,646	594,558
2025-2027	349,021	26,010	375,031
Total	<u>\$ 1,494,679</u>	<u>\$ 574,724</u>	<u>\$ 2,069,403</u>

Revenue Bonds, Series 2016

These bonds were issued September 29, 2016 in the amount of \$3,660,000 to advance refund the Series 2003A Florida Municipal Loan Council Revenue Bonds. The refunded note had an outstanding principal of \$3,575,000 at the refunding date and was called on November 1, 2016. The refunded note was issued in 2003 in the amount of \$4,810,000 for the construction of improvements at the Town's marina. The 2016 Bonds mature serially on October 1 of each year through October 1, 2033 with interest payable semiannually at rates ranging from 2% to 5%. The loan is secured by a covenant to appropriate in the annual budget the amount of non-ad valorem revenues to satisfy repayment. and is not an obligation of the Florida Municipal Loan Council, the State of Florida, or any political subdivision

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds, Series 2016 (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2019, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	3.00	\$ 185,000	\$ 97,213	\$ 282,213
2021	3.00	190,000	91,663	281,663
2022	4.00	200,000	85,962	285,962
2023	2.00	200,000	77,963	277,963
2024	2.00	210,000	73,962	283,962
2025	2.25	215,000	69,762	284,762
2026	2.25	220,000	64,925	284,925
2027	2.50	225,000	59,975	284,975
2028	3.00	225,000	54,350	279,350
2029	5.00	230,000	47,600	277,600
2030	5.00	245,000	36,100	281,100
2031	3.00	260,000	23,850	283,850
2032	3.00	265,000	16,050	281,050
2033	3.00	270,000	8,100	278,100
		<u>\$ 3,140,000</u>	<u>\$ 807,475</u>	<u>\$ 3,497,475</u>

Promissory Note, Series 2008A

On August 28, 2008, the Town executed a tax-exempt note in the principal amount of \$4,928,350 with the Bank of America. Loan proceeds are restricted to finance the settlement of the pension obligation to the Town of Lake Park Firefighters' Pension and for the construction of improvements in the marina. In addition, \$2,420,000 of the governmental loan proceeds were transferred to the CRA as a grant for the acquisition of property and for the construction of improvements within the Town's community redevelopment area in accordance with an interlocal agreement between the Town and the CRA executed on August 20, 2008. The agreement does not require the CRA to repay the grant from the Town; however, if the CRA makes a voluntary payment to the Town, the Town will use the payment to pay debt service on the note.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2008A: (Continued)

Non-ad valorem revenues of the Town secure the promissory note. The Town is required to meet certain minimum financial amounts, debt limitations and reporting requirements. The continued exclusion of interest on the Tax-Exempt Note from gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Sections 103(b)(2) and 148 of the Internal Revenue Code. Interest on the note is payable by the Town semi-annually on April 1 and October 1 and principal payments are due on April 1 with a final maturity date of April 1, 2028. The note bears an annual interest rate of 3.67%, which is subject to adjustment upon the occurrence of a Determination of Taxability.

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 1,684,022
Business-type activities	<u>296,328</u>
	<u><u>\$ 1,980,350</u></u>

Annual debt service requirements to maturity are as follows:

Governmental Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2020	\$ 216,455	\$ 57,832	\$ 274,287
2021	224,399	49,742	274,141
2022	232,634	41,355	273,989
2023	241,172	32,661	273,833
2024	142,985	25,612	168,597
2025-2028	626,377	47,011	673,388
Total	<u><u>\$ 1,684,022</u></u>	<u><u>\$ 254,213</u></u>	<u><u>\$ 1,938,235</u></u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2020	\$ 28,382	\$ 10,354	\$ 38,736
2021	29,423	9,294	38,717
2022	30,503	8,194	38,697
2023	31,623	7,054	38,677
2024	32,783	5,872	38,655
2025-2028	143,614	10,780	154,394
Total	<u><u>\$ 296,328</u></u>	<u><u>\$ 51,548</u></u>	<u><u>\$ 347,876</u></u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2008B

On August 28, 2008, the Town executed a note in the principal amount of \$309,550 with the Bank of America to finance the construction of improvements in the marina and the purchase of recreation vehicles. Non-ad valorem revenues of the Town secure the promissory note. The Town is required to meet certain minimum financial amounts, debt limitations and reporting requirements. Interest on the note is payable by the Town semi-annually on April 1 and October 1 and principal payments are due on April 1 with a final maturity date of April 1, 2028. The note bears an annual interest rate of 6.78%.

Annual debt service requirements to maturity are as follows:

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2020	\$ 12,998	\$ 10,019	\$ 23,017
2021	13,879	9,108	22,987
2022	14,820	8,135	22,955
2023	15,825	7,096	22,921
2024	16,898	5,987	22,885
2025-2028	79,855	11,270	91,125
Total	<u>\$ 154,275</u>	<u>\$ 51,615</u>	<u>\$ 205,890</u>

Promissory Note, Series 2009

On August 7, 2009, the Town executed a note in the principal amount of \$1,475,000 with the Bank of America to finance land acquisition and improvements, the purchase of a sanitation truck, fuel tanks, parking meters, and make roof repairs. Non-ad valorem revenues of the Town secure the promissory note. The Town is required to meet certain minimum financial amounts, debt limitations and reporting requirements. Interest on the note is payable by the Town semi-annually on April 1 and October 1 and principal payments are due on April 1 with a final maturity date of April 1, 2024. The note bears an annual interest rate of 5.11%.

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	<u>\$ 452,020</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2009 (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities:

Year Ending September 30	Principal	Interest	Total Amount
2020	\$ 81,625	\$ 23,098	\$ 104,723
2021	85,795	18,927	104,722
2022	90,180	14,543	104,723
2023	94,789	9,935	104,724
2024	99,631	5,092	104,723
Total	<u>\$ 452,020</u>	<u>\$ 71,595</u>	<u>\$ 523,615</u>

Government Obligation Notes, Series 2016

On January 20, 2016, the Town executed two notes for the purchase of sanitation trucks. The notes are for \$255,629 and \$247,916. The Town is required to appropriate funds annually to pay the current amount due. Principal and interest on the notes is payable by the Town annually on February 15 with a final maturity date of February 15, 2020. The notes bear an annual interest rate of 2.61%.

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2020	<u>\$ 103,464</u>	<u>\$ 2,700</u>	<u>\$ 106,164</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Government Obligation Notes, Series 2019

On January 20, 2016, the Town executed two notes for the purchase of sanitation trucks. The notes are for \$290,422 and \$277,065. The Town is required to appropriate funds annually to pay the current amount due. The first note is payable in five annual payments of \$63,654 and the second is payable in two annual payments of \$143,476. Principal and interest on the notes is payable by the Town annually on October 15 with a final maturity date of October 15, 2023. The notes bear an annual interest rate of 4.214%.

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2020	\$ 200,633	\$ 6,497	\$ 207,130
2021	190,924	16,206	207,130
2022	56,240	7,414	63,654
2023	58,610	5,044	63,654
2024	61,080	2,574	63,654
Total	<u>\$ 567,487</u>	<u>\$ 37,735</u>	<u>\$ 605,222</u>

Pledged Revenues

The Revenues Bonds Series 2016 and the Promissory Notes Series 2008A, 2008B and 2009 are all secured by the non-ad valorem revenues of the Town. The pledged revenues for the fiscal year ended September 30, 2019 were \$9,933,115 and the related debt service was \$720,644. Total principal and interest to maturity to be paid from pledged revenues is \$6,513,091.

Annual Maturities

The aggregate maturities for all long-term debt of the Town with scheduled maturities (excluding compensated absences and claims and settlements), are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2020	\$ 925,512	\$ 251,081	\$ 1,176,593
2021	788,464	247,174	1,035,638
2022	681,376	215,864	897,240
2023	702,113	187,933	890,046
2024	626,708	165,087	791,795
2025-2029	2,335,504	558,376	2,893,880
2030-2034	1,516,912	201,746	1,718,658
2025-2037	349,019	26,012	375,031
Total	<u>\$ 7,925,608</u>	<u>\$ 1,853,273</u>	<u>\$ 9,778,881</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8 – LEASES

The Town is committed under various noncancelable operating leases, primarily for vehicles (principally in the General Fund). Future minimum operating lease commitments are as follows:

<u>Year Ending September 30</u>	
2020	\$ 116,973
2021	116,285
2022	113,504
2023	80,737
2024	<u>12,775</u>
Total	<u>\$ 440,274</u>

Payments were \$115,232 for the fiscal year ending September 30, 2019.

NOTE 9 – DEFERRED COMPENSATION PLAN ASSETS

Employees of the Town may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Town. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. A third party administers the deferred compensation plan.

In 1999, the Town adopted GASB-32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Town modified its Deferred Compensation Plan to conform with the changes in the Internal Revenue Code brought about by the Small Business Job Protection Act of 1996 (the “Act”). The Act requires that eligible deferred compensation plans established and maintained by governmental employers be amended to provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. As a result of this change, these plan assets are no longer property of the Town and will no longer be subject to the claims of the Town’s general creditors.

Because the Town has little administrative involvement and does not perform the investing function for funds in the Plan, the Town’s activities do not meet the criteria for inclusion in the fiduciary funds of a government.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN

The General Employees Retirement Plan is a defined contribution pension plan established by the Town to provide benefits at retirement for all current employees. Defined contribution plans have terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of these contributions, and forfeitures of other participants' benefits that will be allocated to the participant's account. The Town does not hold or administer resources of the Plan. Consequently, the Plan does not meet the requirements for inclusion in the Town's financial statements as a fiduciary fund. The Plan does not issue a stand-alone financial report. Plan provisions are established and may be amended only by the Town Commission.

The Town is required to contribute 7.5% of the plan members' annual compensation and match 50% of the employees' voluntary contributions under the deferred compensation plan, up to a maximum of 2.5% of participants' annual compensation. For the year ended September 30, 2019, the Town had pension expense of \$239,431, and there were forfeitures of \$3,189. The Town had \$9,326 of contributions payable at September 30, 2019.

Vesting of the Town's contributions in the 401(a) plan commences after two years of service, with 25% vesting in year two and 25% each year thereafter until fully vested after five years. If an employee terminates before becoming fully vested, forfeited amounts will be reallocated to accounts of remaining participants as an additional employer contribution. Year of service begins upon an eligible employee successfully completing one year of service and having reached age 18. A year of service is a computation period during which an employee is credited with at least 1,000 hours of service.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

The Town administers one single employer defined benefit pension plan that covers no current Town employees. The Retired Police Officers' Pension Fund (RPOPF) covers certain police retirees. The plan was established by the Town and administered by a separate board of trustees. The Board of Trustees consist of five members, the Town Manager, the Town Finance Director, two plan participants and a Town Citizen appointed by the other four members. The plan does not issue stand-alone financial reports.

Basis of Accounting. All pension fund financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The plan's fiduciary net position has been determined on the same basis used by the pension plan.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Administrative Expenses: Liability for future non-investment related expenses is the present value of the future anticipated expenses over 15 years based on expenses paid in the year preceding the valuation date.

Investments Concentrations. There were no investments representing concentrations of 5% or more of net plan assets in investments that are not issued or guaranteed by the U.S. government.

Effective October 1, 2001, the Palm Beach County Sheriff's Office (PBSO) was contracted to provide police services for the Town. In connection with the transfer of Town police services to the PBSO, the active plan members of the plan were eligible for a lump sum payout. Effective November 20, 2002, the Town terminated the Municipal Police Officers' Retirement Trust Fund and distributed lump sum payouts to the vested participants. On October 15, 2003, the Town established the Retired Police Officers' Pension Fund for the retirees covered by the original plan and transferred substantially all remaining assets of the original plan to the new plan in April 2004.

The plan is a substituted trust established on October 1, 2003 by Town Ordinance No. 13-2003 to provide the retired members of the previous defined benefit pension plan with the monthly retirement benefits that were accrued under the prior plan. Accordingly, the Retired Police Officers' Pension Fund covers only retirees and has no active plan members or employees of the Town that are eligible to participate and the provisions of the Retired Police Officers' Pension Fund as established by Town ordinance, do not address any provisions related to vesting, eligibility for retirement, future retirement benefits, other benefits, or employee contributions. Administrative expenses are financed as part of the unfunded actuarial accrued liability.

The Town is required to contribute actuarially determined amounts sufficient to fund the plan. At October 1, 2018, the date of the latest actuarial valuation, the RPOPF included three service retirees, two disability retirees and one survivor receiving death benefits.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2019, is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	71%
Fixed Income	29
Cash	<u>0</u>
Total	<u>100%</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Rate of Return. For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 4.78 percent adjusted for the changing amounts actually invested.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to the September 30, 2019, measurement period.

Inflation	2.0%
Salary increases	N/A
Investment rate of return	7.50%
Mortality	Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.60%
Fixed Income	0.67%
Cash	0.00%

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

The components of the net pension liability of the Town at September 30, 2019, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 1,742,144	\$ 1,393,207	\$ 348,937
Changes due to:			
Interest	125,696		125,696
Differences between expected and actual experience	(197,588)		(197,588)
Change of assumptions			
Employer contributions		44,708	(44,708)
Benefit payments and refunds	(132,388)	(132,388)	
Net investment income		64,072	(64,072)
Administrative expenses		(32,329)	32,329
Total changes	(204,280)	(55,937)	(148,343)
Balances at September 30, 2019	<u>\$ 1,537,864</u>	<u>\$ 1,337,270</u>	<u>\$ 200,594</u>

The Plan fiduciary net position was 86.96% of the total pension liability as of September 30, 2019.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liabilities of the Town, calculated using the discount rates above, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town's net pension liability	<u>\$ 290,412</u>	<u>\$ 200,594</u>	<u>\$ 122,338</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense and deferred outflows and inflows of resources. For the fiscal year ended September 30, 2019, the Town recognized pension expense of \$(138,023). In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 7,348</u>
Total	<u><u>\$ 7,348</u></u>

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

<u>Year ended September 30:</u>	<u>Amount</u>
2020	\$ (14,060)
2021	(4,738)
2022	4,266
2023	7,184
2024	
Thereafter	<u><u>\$ (7,348)</u></u>

At September 30, 2019, the Town did not have any payables to the plan for outstanding contributions.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town provides a single employer defined benefit postemployment health care benefit plan to all of its employees. The plan allows its employees and their beneficiaries to continue to obtain health benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which is the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Contributions

The Town does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the Town for active employees by its healthcare provider. However, the Town's actuaries in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the Town or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

Plan Membership

The following table provides a summary of the participants in the plan as of October 1, 2017, the latest valuation date:

Active plan members	49
Inactive plan members or beneficiaries currently receiving benefits	
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	<hr/>
	<hr/> <hr/> 49

Discount Rate

The Town does not have a dedicated trust to pay retiree healthcare benefits. For plans that do not have assets held in a dedicated trust, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. As of the measurement date of September 30, 2019, the rate was 4.18% based on the high-quality municipal bond rate based on the week closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corporation's AA rating. The discount rate as of the beginning of the measurement year was 3.58%.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2019, the Town reported a total OPEB liability of \$132,825. For the fiscal year ended September 30, 2019, the Town recognized OPEB expense of \$21,881. As of September 30, 2019, the Town did not report any deferred outflows of resources or deferred in flows of resources related to OPEB.

Actuarial Methods and Assumptions

The total OPEB liability was calculated using the Alternative Measurement Method in accordance with the GASB No. 75 methodology.

Significant methods and assumptions were as follows:

Valuation date	October 1, 2017
Measurement date	September 30, 2019
Actuarial cost method	Entry Age Cost Method
Inflation	2.50%
Discount rate	3.58%
Retirement rates	100% at age 61
Mortality tables	RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA
Healthcare cost trend rates	Initially 8.50% trending to 4.00% in 56 years
Marital status	80% married with male spouses 3 years older than female spouses
Healthcare participation	20% participation with 50% electing spouse coverage

Changes in Assumptions

The discount rate was changed from 4.18% as of the beginning of the measurement period to 3.58% as of September 30, 2019. This change is reflected in the schedule of changes in total OPEB liability. There were no benefit changes during the year.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The components of the total OPEB liability as of September 30, 2019 were as follows:

	Total OPEB Liability
Balance at September 30, 2018	\$ 120,655
Changes for the Year:	
Service Cost	9,008
Interest Cost	5,252
Changes of Assumptions and Other Inputs	6,021
Differences Between Expected and Actual Experience	
Benefit Payments	(8,111)
Net Change in Total OPEB Liability	12,170
Balance at September 30, 2019	\$ 132,825

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the Town calculated using the single discount rate of 3.58% as well as what the Town's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate.

	1.0% Decrease (2.58%)	Discount Rate (3.58%)	1.0% Increase (4.58%)
Total OPEB Liability	\$ 143,874	\$ 132,825	\$ 123,015

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following table presents the total OPEB liability of the Town calculated using the assumed trend rates (8.50% decreasing to 4.00%) as well as what the Town's total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the assumed trend rates.

	1.0% Decrease (7.5% decreasing to 3%)	Healthcare cost Trend Rates (8.5% decreasing to 4%)	1.0% Increase (9.5% decreasing to 5%)
Total OPEB Liability	\$ 120,250	\$ 132,825	\$ 147,352

NOTE 13 – JOINTLY GOVERNED ORGANIZATION

The Town, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority ("Seacoast") which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast's governing board is comprised of one member from each participating entity. Seacoast is an Independent Authority organized under the laws of the State of Florida, and the Town has no participating equity ownership in Seacoast. The Town paid \$66,235 to Seacoast during the fiscal year for water and sewer service.

NOTE 14 – 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 through the Florida League of Cities, Inc., a statewide commercial insurance program. The policy for comprehensive property, casualty and liability insurance provides coverage with a deductible of \$5,000 for property and casualty and \$25,000 for liability claims per occurrence, with a combined annual cap of \$2 million. The Town does not retain any risk of loss under this policy.

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. There have been no significant reductions in insurance coverage in the prior year. No settlements exceeded insurance coverage for the past three years.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 14 – RISK MANAGEMENT (Continued)

The Town has established a risk management program for workers' compensation where premiums are paid from each department to the Florida League of Cities who fully insures all claims to a statutory level. The Town does not retain any risk of loss under this policy. There were no significant reductions in insurance coverage from the prior year. The amount of insurance settlements has not exceeded the Town's insurance coverage in any of the prior three fiscal years.

The Town currently reports all of its risk management activities in the Insurance Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally Palm Beach County, the U.S. Department of Housing and Urban Development and the State of Florida. Any disallowed claims, including amounts already received, might constitute a liability of the Town for the return of those funds.

Litigation

The Town is a defendant in various lawsuits arising in the ordinary course of normal operations. Although the ultimate outcome of some of these lawsuits cannot be determined at the present time, it is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined for all claims at this time.

NOTE 15 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS

The General Fund provides the other funds with various management services. Administrative costs totaling \$73,000 for the CRA Fund, \$62,000 for the Marina Fund, \$145,000 for the Sanitation Fund, and \$62,000 for the Stormwater Utility Fund were charged for 2019.

NOTE 16 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

In governmental accounting, interfund loans are reported as interfund receivables in lender funds and interfund payables in borrower funds. There is no net effect in the governmental-wide financial statements. The current portion of the interfund loan is reported in the governmental funds as Due to and Due from other funds and the non-current portion is reported as Advance to and Advance from other funds.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 16 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The composition of interfund balances at September 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to/from</u>	<u>Advance</u>	<u>Total</u>
General Fund	Marina Fund	\$	\$ 450,000	450,000
Special Projects Fund	General Fund	291,195		291,195
Nonmajor Governmental	Marina Fund	262,825		262,825
General Fund	CRA Fund		41,166	41,166
Nonmajor Governmental	Stormwater Fund	16,664		16,664

The payable to the General Fund from the CRA Fund of \$41,166 was for the purpose of land acquisitions and improvements in the CRA.

All other payables and receivables were for cash flow purposes.

Interfund transfers during the year ended September 30, 2019, are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 192,732	
CRA Fund		192,732
General Fund	93,500	
Nonmajor Governmental		93,500
General Fund	15,000	
Marina Fund		15,000
General Fund	60,000	
Stormwater Fund		60,000
General Fund	250,000	
Sanitation Fund		250,000
CRA Fund	647,102	
General Fund		647,102

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 16 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The transfer of \$192,732 from the CRA Fund to the General Fund was for principal and interest payments that the CRA Fund agreed to reimburse the General Fund if the CRA Fund has sufficient available resources.

The transfer of \$647,102 from the General Fund to the CRA Fund was for the 2019 incremental tax obligation.

The remaining transfers were used to make payments in lieu of taxes and franchise fees to the General Fund.

NOTE 17 – INTER-LOCAL AGREEMENTS

Fire Protection and Emergency Medical Services

The Town has opted into the County’s Fire-Rescue Municipal Services Taxing Unit (“MSTU”) for the provision of fire rescue, fire protection, and related services from the County commencing on October 1, 2015. The tax for the MSTU is included in the maximum 10 mills the Town is legally allowed to assess. On September 30, 2019, the MSTU millage rate was 3.4581 mills.

Palm Beach County Sheriff’s Office Inter-Local Agreement

On April 11, 2006, the Town and the Palm Beach County Sheriff’s Office entered into an agreement for law enforcement services beginning October 1, 2005. The fifteenth addendum to the contract extended the term of service from October 1, 2019, thru September 30, 2020, and the Town will pay \$3,047,476 in equal monthly installments.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent to year end the Town Commission approved the following items:

- Playground improvements \$38,096
- Stormwater repairs at Kalmia Drive and Flagler Blvd. \$59,902
- Outfall pipe repair at Marina \$41,878
- Shotspotter service \$65,000

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 18 – SUBSEQUENT EVENTS (Continued)

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Town could be significantly adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

NOTE 19 – NEW ACCOUNTING STANDARDS

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

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2021.

In May 2017 the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2022.

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for the fiscal year ending September 30, 2020.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 19 – NEW ACCOUNTING STANDARDS (Continued)

In January 2020 the GASB issued Statement No. 92, *Omnibus 2020*. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements are effective for the fiscal year ending September 30, 2022.

In May 2020 the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 84, 87, 88, and 92 discussed above. The effective dates presented above are the extended effective dates in accordance with Statement No. 95.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

FIDUCIARY FUNDS

Pension Trust Funds

Retired Police Officers' Pension Trust Fund

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
September 30, 2019

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 126,439	\$ 124,182	\$ 116,219	\$ 132,596	\$ 131,746	\$ 125,696
Differences between expected and actual experience		(73,829)	206,781	8,574	(71,972)	(197,588)
Change of assumptions			51,891			
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)	(132,388)
Net change in total pension liability	(30,090)	(106,176)	218,362	(15,359)	(88,708)	(204,280)
Total pension liability - beginning	1,764,115	1,734,025	1,627,849	1,846,211	1,830,852	1,742,144
Total pension liability - ending (a)	<u>\$ 1,734,025</u>	<u>\$ 1,627,849</u>	<u>\$ 1,846,211</u>	<u>\$ 1,830,852</u>	<u>\$ 1,742,144</u>	<u>\$ 1,537,864</u>
Plan fiduciary net position						
Contributions - employer	\$ 52,328	\$ 39,097	\$ 75,932	\$ 80,380	\$ 71,508	\$ 44,708
Net investment income	170,788	(3,080)	141,510	142,541	114,653	64,072
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)	(132,388)
Administrative expenses	(15,671)	(35,380)	(26,578)	(29,853)	(34,266)	(32,329)
Net change in plan fiduciary net position	50,916	(155,892)	34,335	36,539	3,413	(55,937)
Plan fiduciary net position - beginning	1,423,896	1,474,812	1,318,920	1,353,255	1,389,794	1,393,207
Plan fiduciary net position - ending (b)	<u>\$ 1,474,812</u>	<u>\$ 1,318,920</u>	<u>\$ 1,353,255</u>	<u>\$ 1,389,794</u>	<u>\$ 1,393,207</u>	<u>\$ 1,337,270</u>
Net pension liability (a) - (b)	<u>\$ 259,213</u>	<u>\$ 308,929</u>	<u>\$ 492,956</u>	<u>\$ 441,058</u>	<u>\$ 348,937</u>	<u>\$ 200,594</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.05%</u>	<u>81.02%</u>	<u>73.30%</u>	<u>75.91%</u>	<u>79.97%</u>	<u>86.96%</u>

Change of Assumptions

For September 30, 2016, the assumed rates of mortality were changed to the assumptions used by the Florida Retirements System for special risk employees, and the inflation rate was changed from 3% to 2%.

NOTE: The Town implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
September 30, 2019

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)
2014	\$ 52,328	\$ 52,328	\$
2015	39,097	39,097	
2016	75,932	75,932	
2017	80,380	80,380	
2118	71,508	71,508	
2019	44,708	44,708	

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual money weighted rate of return net of investment expenses
2014	12.44%
2015	-0.22%
2016	11.24%
2017	11.04%
2018	8.72%
2018	4.78%

NOTE: The Town implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
Notes to the Schedule of Contributions
September 30, 2019

Methods and assumptions used in calculations of determined contributions.

The actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Valuation Date	10/01/2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount
Remaining Amortization Period	15
Asset Valuation Method	Market
Inflation	N/A
Salary increases	N/A
Investment Rate of Return	7.50%
Mortality	Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

OTHER POST-EMPLOYMENT BENEFITS

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
Schedule of Changes in Total OPEB Liability
September 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB liability - beginning	\$ 119,471	\$ 120,655
Changes for the year:		
Service cost	9,362	9,008
Interest	4,555	5,252
Changes of assumptions	(5,275)	6,021
Benefit payments	(7,458)	(8,111)
Net change in total OPEB liability	<u>1,184</u>	<u>12,170</u>
Total OPEB liability - ending	<u>\$ 120,655</u>	<u>\$ 132,825</u>
Covered Employee Payroll	<u>\$ 2,388,729</u>	<u>\$ 2,448,447</u>
Total OPEB Liability as a percentage of Covered Employee Payroll	<u>5.05%</u>	<u>5.42%</u>

Change in Assumptions

The discount rate was changed from 3.64% as of September 30, 2017 to 4.18% as of September 30, 2018.

As of September 30, 2019 the discount rate changed to 3.58.

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

GENERAL FUND

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes				
General property taxes	\$ 3,391,206	\$ 3,391,206	\$ 3,441,936	\$ 50,730
Franchise taxes				
Electricity	578,000	578,000	572,928	(5,072)
Gas	12,000	12,000	8,458	(3,542)
Solid Waste	36,000	36,000	53,266	17,266
Utility taxes				
Electricity	795,677	795,677	804,256	8,579
Water	180,000	180,000	186,535	6,535
Gas	47,609	47,609	46,822	(787)
Total taxes	<u>5,040,492</u>	<u>5,040,492</u>	<u>5,114,201</u>	<u>73,709</u>
Licenses and permits				
Building permits	263,300	279,665	305,738	26,073
Alarm permits	16,000	16,000	15,125	(875)
Signage permits	10,000	10,000	7,600	(2,400)
Business tax receipts	335,000	335,000	323,299	(11,701)
Business tax confirmation	13,000	13,000	49,796	36,796
Rental property inspections			12,525	12,525
Reinspection fees	3,100	3,100	3,435	335
Cost recovery	30,000	30,000	41,090	11,090
Special event fees	1,000	1,000	2,250	1,250
Contractors fees	4,200	4,200	250	(3,950)
Total licenses and permits	<u>675,600</u>	<u>691,965</u>	<u>761,108</u>	<u>69,143</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	711,915	711,915	712,327	412
Local communication services taxes	285,000	285,000	274,449	(10,551)
State revenue sharing	264,912	264,912	269,707	4,795
Alcoholic beverage licenses	8,744	8,744	9,971	1,227
Motor fuel tax refund	5,500	5,500	4,417	(1,083)
County shared revenues				
County business tax	14,000	14,000	23,685	9,685
Grant revenues				
FEMA grant			15,950	15,950
Community development block grant	25,590	25,590		(25,590)
State grant ballroom doors			33,960	33,960
State aid to libraries	11,125	11,125	7,192	(3,933)
Total intergovernmental revenues	<u>\$ 1,326,786</u>	<u>\$ 1,326,786</u>	<u>\$ 1,351,658</u>	<u>\$ 24,872</u>

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 145,000	\$ 145,000	\$ 145,000	\$
CRA	73,000	73,000	73,000	
Stormwater utility	62,000	62,000	62,000	
Marina	62,000	62,000	62,000	
Plan review fees	20,000	20,000	24,620	4,620
Bank registration fees	1,000	1,000	300	(700)
Parks and recreation	36,200	36,200	35,677	(523)
Other charges for services	25,810	25,810	34,931	9,121
Total charges for services	425,010	425,010	437,528	12,518
Fines and forfeitures				
Court fines	21,000	21,000	29,244	8,244
Code violations	132,000	249,000	160,779	(88,221)
Code violations - administrative cost	13,000	13,138	21,524	8,386
Alarm violations	5,200	5,200	8,100	2,900
Library fines	1,000	1,000	689	(311)
Total fines and forfeitures	172,200	289,338	220,336	(69,002)
Miscellaneous revenue				
Interest earnings	41,712	41,712	131,682	89,970
Interest earnings - tax collector			5,262	5,262
Rent	50,179	50,179	49,172	(1,007)
Sale of capital assets		49,749	49,749	
Sale of scrap material	100	100	345	245
Fuel reimbursement from Sheriff	7,000	7,000	2,663	(4,337)
Reimbursement from Stormwater utility	32,448	32,448	32,448	
Miscellaneous revenues	11,900	92,930	120,635	27,705
Total miscellaneous revenues	143,339	274,118	391,956	117,838
Total revenues	\$ 7,783,427	\$ 8,047,709	\$ 8,276,787	\$ 229,078
				(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,309	\$ 52,080	\$ 51,918	\$ 162
Operating expenditures	83,475	80,894	74,524	6,370
Total legislative	134,784	132,974	126,442	6,532
Town manager				
Personal services	281,001	266,353	274,564	(8,211)
Operating expenditures	56,385	85,184	81,062	4,122
Total town manager	337,386	351,537	355,626	(4,089)
Personnel				
Personal services	146,777	142,762	157,175	(14,413)
Operating expenditures	51,589	71,644	71,644	
Total personnel	198,366	214,406	228,819	(14,413)
Town clerk				
Personal services	155,088	157,411	166,559	(9,148)
Operating expenditures	47,544	48,831	49,020	(189)
Total town clerk	202,632	206,242	215,579	(9,337)
Finance				
Personal services	469,036	447,156	444,975	2,181
Operating expenditures	109,393	85,765	87,031	(1,266)
Total finance	578,429	532,921	532,006	915
Legal				
Operating expenditures	161,000	164,018	164,018	
Total legal	161,000	164,018	164,018	
Information technology				
Personal services	111,137	115,572	115,782	(210)
Operating expenditures	93,835	112,194	93,929	18,265
Capital outlay		50,000	47,772	2,228
Total information technology	204,972	277,766	257,483	20,283
Non-departmental				
Personal services	151,677	44,708	72,183	(27,475)
Operating expenditures	109,268	79,317	79,316	1
Debt service	379,152	379,152	379,151	1
Total non-departmental	640,097	503,177	530,650	(27,473)
Total general government	2,457,666	2,383,041	2,410,623	(27,582)
Public Safety				
Law enforcement				
Operating expenditures	2,997,187	3,062,470	3,064,985	(2,515)

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures (Continued)				
Public Safety(Continued)				
Disaster				
Operating expenditures	\$ 1,000	\$ 14,238	\$ 6,238	\$ 8,000
Total disaster	1,000	14,238	6,238	8,000
Community development				
Personal services	525,472	441,988	447,175	(5,187)
Operating expenditures	99,142	393,220	353,717	39,503
Total community development	624,614	835,208	800,892	34,316
Total public safety	3,622,801	3,911,916	3,872,115	39,801
Physical environment				
Public works- administration				
Personal services	181,727	142,463	136,727	5,736
Operating expenditures	12,500	30,629	30,541	88
Total Public works- administration	194,227	173,092	167,268	5,824
Vehicle maintenance				
Personal services	81,267	99,139	100,310	(1,171)
Operating expenditures	94,044	95,956	96,456	(500)
Total vehicle maintenance	175,311	195,095	196,766	(1,671)
Total physical environment	369,538	368,187	364,034	4,153
Transportation				
Facility maintenance				
Personal services	108,116	66,303	65,466	837
Operating expenditures	167,368	184,322	184,458	(136)
Capital outlay	53,056	116,315	115,972	343
Total facility maintenance	328,540	366,940	365,896	1,044
Total transportation	328,540	366,940	365,896	1,044
Culture and recreation				
Library				
Personal services	308,640	311,774	311,147	627
Operating expenditures	77,571	75,590	78,976	(3,386)
Capital outlay		3,486		3,486
Total library	386,211	390,850	390,123	727
Recreation				
Personal services	148,267	163,479	167,885	(4,406)
Operating expenditures	78,483	89,267	91,817	(2,550)
Capital outlay		3,640		3,640
Total recreation	226,750	256,386	259,702	(3,316)

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures (Continued)				
Public works - ground maintenance				
Personal services	\$ 330,808	\$ 302,376	\$ 293,644	\$ 8,732
Operating expenditures	68,390	71,682	75,433	(3,751)
Capital outlay		20,371	20,371	
Total public works - ground maintenance	399,198	394,429	389,448	4,981
Total culture and recreation	1,012,159	1,041,665	1,039,273	2,392
Total expenditures	7,790,704	8,071,749	8,051,941	19,808
Excess (deficiency) of revenues				
over (under) revenues	(7,277)	(24,040)	224,846	248,886
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads	93,500	93,500	93,500	
Transfer from CRA	260,504	260,504	192,732	(67,772)
Transfer from Marina	15,000	15,000	15,000	
Transfer from Stormwater	60,000	60,000	60,000	
Transfer from Sanitation	250,000	250,000	250,000	
Total transfers in	679,004	679,004	611,232	(67,772)
Transfers out				
Transfer out CRA	(571,727)	(571,727)	(647,102)	(75,375)
Total transfers out	(571,727)	(571,727)	(647,102)	(75,375)
Contingency, reserves and unappropriated	(100,000)	(83,237)		83,237
Total other financing sources (uses)	7,277	24,040	(35,870)	(59,910)
Net change in fund balance	\$	\$	\$ 188,976	\$ 188,976

See notes to the budgetary comparison schedules.

CRA FUND

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
Budgetary Comparison Schedule -
Community Redevelopment Fund
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 351,385	\$ 351,385	\$ 351,385	\$
Miscellaneous revenue	2,700	2,700	78	(2,622)
Transfer from General Fund	647,102	647,102	647,102	
Total revenues	<u>1,001,187</u>	<u>1,001,187</u>	<u>998,565</u>	<u>(2,622)</u>
Expenditures				
General government	540,683	530,244	437,665	92,579
Culture and recreation			1,050	(1,050)
Capital outlay		10,439	10,546	(107)
Grants and aids	200,000	200,000	125,707	74,293
Transfers	260,504	260,504	192,732	67,772
Total expenditures	<u>1,001,187</u>	<u>1,001,187</u>	<u>767,700</u>	<u>233,487</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 230,865</u>	<u>\$ 230,865</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2019**

NOTE A - BUDGETARY ACCOUNTING

An appropriated budget has been legally adopted for the General Fund and Community Redevelopment Fund on the same modified-accrual basis used to reflect revenue and expenditures.

The Town follows these procedures in establishing the annual budget:

1. Prior to September 1, the Town Manager submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.
3. The Town advises the Palm Beach County Tax Collector's office of the proposed millage rate, the rolled back millage rate and the day, time and place of the public hearing for budget acceptance.
4. A public hearing is held to obtain taxpayer input and to adopt the final budget and millage rate.
5. A final operating budget and related millage rates are legally enacted through the passage of a resolution.
6. Changes or amendments to the total budgeted expenditures of funds the must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
7. All unencumbered balances lapse at the end of each fiscal year.

TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2019

NOTE A - BUDGETARY ACCOUNTING (Continued)

The reported budgetary data represents the final appropriated budget after amendments adopted by the Town Commission. An appropriated budget is legally required and has been legally adopted for the General Fund, Community Redevelopment Special Revenue Fund, Streets and Roads Special Revenue Fund, and the Insurance Internal Service Fund on the same modified-accrual basis used to reflect actual revenues and expenditures. The operations of the Town's other funds are non-budgeted financial activities, which are not legally required to adopt budgets. Budgetary comparison schedules for the Roads Special Revenue Fund, a non-major fund, and the Insurance Internal Service Fund, a proprietary fund, are not required to be presented and may be found in Other Supplementary Information.

NOTE B – EXPENDITURES OVER APPROPRIATIONS

There were no expenditures in excess of appropriations.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Special Revenue Funds
Streets and Roads Fund

Capital Projects Funds
Capital Projects Fund
Special Projects Fund

TOWN OF LAKE PARK, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Debt Service Fund	Special Revenue Fund Streets & Roads Fund	Capital Projects Fund Capital Projects Bond Fund	Total Nonmajor Governmental Funds
Assets				
Pooled cash and cash equivalents	\$ 170,052	\$	\$ 16,593	\$ 186,645
Due from other governments		31,003		31,003
Due from other funds		279,489		279,489
Total assets	<u>\$ 170,052</u>	<u>\$ 310,492</u>	<u>\$ 16,593</u>	<u>\$ 497,137</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$	\$ 6,861	\$	\$ 6,861
Accrued items		4,623		4,623
Deferred revenue		11,209		11,209
Total liabilities		<u>22,693</u>		<u>22,693</u>
Fund balances				
Restricted for:				
Debt service	170,052			170,052
Transportation		316,028		316,028
Capital projects			16,593	16,593
Unassigned		(28,229)		(28,229)
Total fund balances	<u>170,052</u>	<u>287,799</u>	<u>16,593</u>	<u>474,444</u>
Total liabilities and fund balances	<u>\$ 170,052</u>	<u>\$ 310,492</u>	<u>\$ 16,593</u>	<u>\$ 497,137</u>

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2019

	Debt Service Fund	Special Revenue Fund Streets & Roads Fund	Capital Projects Fund Capital Projects Bond Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 1,896	\$	\$	\$ 1,896
Intergovernmental		403,995		403,995
Total revenues	<u>1,896</u>	<u>403,995</u>		<u>405,891</u>
Expenditures				
Current				
Transportation		278,784		278,784
Capital outlay		48,029		48,029
Total expenditures		<u>326,813</u>		<u>326,813</u>
Excess of revenues over (under) expenditures	<u>1,896</u>	<u>77,182</u>		<u>79,078</u>
Other financing sources (uses)				
Transfers out		(93,500)		(93,500)
Total other financing sources (uses)		<u>(93,500)</u>		<u>(93,500)</u>
Net changes in fund balances	1,896	(16,318)		(14,422)
Fund balances - beginning	<u>168,156</u>	<u>304,117</u>	<u>16,593</u>	<u>488,866</u>
Fund balances - ending	<u>\$ 170,052</u>	<u>\$ 287,799</u>	<u>\$ 16,593</u>	<u>\$ 474,444</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 379,022	\$ 403,772	\$ 403,995	\$ 223
Balance brought forward		19,470		(19,470)
Total revenues	<u>379,022</u>	<u>423,242</u>	<u>403,995</u>	<u>(19,247)</u>
Expenditures				
Transportation	255,522	306,311	278,784	27,527
Capital outlay	30,000	23,431	48,029	(24,598)
Transfer to General fund	<u>93,500</u>	<u>93,500</u>	<u>93,500</u>	
Total expenditures	<u>379,022</u>	<u>423,242</u>	<u>420,313</u>	<u>2,929</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (16,318)</u>	<u>\$ (16,318)</u>

PROPRIETARY FUNDS

Internal Service Fund

Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Contributed revenue	\$ 210,628	\$ 210,628	\$ 197,137	\$ (13,491)
Balance brought forward	36,667	36,667		(36,667)
Total revenues	247,295	247,295	197,137	(50,158)
Expenditures				
Personal services	29,963	29,963	34,015	(4,052)
Operating expenses	217,332	217,332	150,662	66,670
Total expenditures	247,295	247,295	184,677	62,618
Operating income (loss)			12,460	12,460
Nonoperating revenues (expenses)				
Interest expense			(1,667)	1,667
Net change in net position - budgetary basis	\$	\$	\$ 10,793	\$ 10,793

STATISTICAL SECTION

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STATISTICAL SECTION

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

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Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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Capital Asset Statistics by Function/Program	111

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF LAKE PARK, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	\$ 2,204,432	\$ 2,225,160	\$ 2,400,557	\$ 1,778,341	\$ 2,837,379
Restricted	86,902	241,509	267,633	304,159	364,900
Unrestricted	2,531,305	1,817,156	1,720,723	233,468	(195,039)
Total governmental activities net position	\$ 4,822,639	\$ 4,283,825	\$ 4,388,913	\$ 2,315,968	\$ 3,007,240
Business-type activities					
Net investment in capital assets	\$ 3,809,874	\$ 5,690,265	\$ 5,205,987	\$ 4,902,259	\$ 4,662,043
Restricted			99,592	37,338	
Unrestricted	(1,332,901)	(1,599,465)	(2,077,983)	731,212	607,291
Total business-type activities net position	\$ 2,476,973	\$ 4,090,800	\$ 3,227,596	\$ 5,670,809	\$ 5,269,334
Primary government					
Net investment in capital assets	\$ 6,014,306	\$ 7,915,425	\$ 7,606,544	\$ 6,680,600	\$ 7,499,422
Restricted	86,902	241,509	367,225	341,497	364,900
Unrestricted	1,198,404	217,691	(357,260)	964,680	412,252
Total primary government net position	\$ 7,299,612	\$ 8,374,625	\$ 7,616,509	\$ 7,986,777	\$ 8,276,574

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 3,142,197	\$ 3,205,414	\$ 3,862,515	\$ 5,431,953	\$ 5,809,108
Restricted	404,094	506,653	1,029,677	1,509,135	2,028,528
Unrestricted	419,594	1,010,808	1,356,118	1,178,588	1,464,835
Total governmental activities net position	\$ 3,965,885	\$ 4,722,875	\$ 6,248,310	\$ 8,119,676	\$ 9,302,471
Business-type activities					
Net investment in capital assets	\$ 4,909,675	\$ 4,690,541	\$ 4,506,945	\$ 4,566,524	\$ 4,813,499
Restricted					
Unrestricted	350,817	535,262	347,918	662,698	706,485
Total business-type activities net position	\$ 5,260,492	\$ 5,225,803	\$ 4,854,863	\$ 5,229,222	\$ 5,519,984
Primary government					
Net investment in capital assets	\$ 8,051,872	\$ 7,895,955	\$ 8,369,460	\$ 9,998,477	\$ 10,622,607
Restricted	404,094	506,653	1,029,677	1,509,135	2,028,528
Unrestricted	770,411	1,546,070	1,704,036	1,841,286	2,171,320
Total primary government net position	\$ 9,226,377	\$ 9,948,678	\$ 11,103,173	\$ 13,348,898	\$ 14,822,455

TOWN OF LAKE PARK, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 2,543,961	\$ 2,371,297	\$ 1,938,137	\$ 1,543,348	\$ 1,608,593
Public safety	5,723,360	4,910,050	4,726,961	4,578,728	4,749,126
Physical environment	349,637	333,799	286,687	289,172	268,706
Transportation	600,669	662,871	619,207	565,936	564,501
Culture and recreation	987,778	1,022,770	846,998	919,506	815,290
Economic environment	32,063	49,637	3,458	1,921	39,905
Interest on long-term debt	430,289	388,633	354,828	316,601	276,467
Total governmental activities expenses	10,667,757	9,739,057	8,776,276	8,215,212	8,322,588
Business-type activities:					
Marina	2,005,435	1,856,283	1,632,308	1,591,055	1,600,962
Sanitation	1,412,372	1,464,491	1,396,191	1,396,551	1,152,304
Stormwater	313,994	353,584	384,366	414,106	402,905
Total business-type activities expenses	3,731,801	3,674,358	3,412,865	3,401,712	3,156,171
Total primary government expenses	\$ 14,399,558	\$ 13,413,415	\$ 12,189,141	\$ 11,616,924	\$ 11,478,759
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 58,700	\$ 69,481	\$ 70,516	\$ 79,381	\$ 82,406
Public safety	768,338	743,715	795,284	754,094	778,395
Physical environment					
Transportation	40,396	41,964	35,608	29,015	31,056
Culture and recreation	75,384	96,576	57,038	69,116	46,549
Operating contributions and grants:					
General government		2,100	3,259		
Public safety					
Physical environment				5,000	3,517
Transportation					
Culture and recreation	15,926	12,608	20,165	11,371	9,024
Capital contributions and grants:					
General government					
Public safety	3,379	1,311			
Physical environment					
Transportation	16,180	16,665	17,910	18,141	18,642
Culture and recreation	43,250	77,506	117,533	36,580	45,416
Total governmental activities program revenues	1,021,553	1,061,926	1,117,313	1,002,698	1,015,005
Business-type activities:					
Charges for services:					
Marina	1,166,201	1,149,451	890,305	801,716	1,105,139
Sanitation	1,510,419	1,496,006	1,468,553	1,459,636	1,445,086
Stormwater	514,865	516,126	503,251	505,271	489,396
Operating contributions and grants:					
Marina					
Sanitation					
Stormwater					
Capital contributions and grants:					
Marina		2,400,000			
Stormwater	4,246				
Total business-type activities program revenues	3,195,731	5,561,583	2,862,109	2,766,623	3,039,621
Total primary government program revenues	\$ 4,217,284	\$ 6,623,509	\$ 3,979,422	\$ 3,769,321	\$ 4,054,626

Fiscal Year				
2015	2016	2017	2018	2019
\$ 1,622,346	\$ 2,119,258	\$ 2,379,266	\$ 2,281,971	\$ 2,233,918
4,927,037	3,460,558	3,616,758	3,769,881	3,890,768
279,885	313,900	337,601	243,451	369,636
589,970	566,643	572,008	573,583	627,123
842,876	859,896	937,507	1,017,475	1,139,623
1,429	3,925		75,243	125,707
233,655	191,384	147,633	111,880	120,502
8,497,198	7,515,564	7,990,773	8,073,484	8,507,277
1,728,929	1,664,332	1,854,387	1,703,023	1,885,821
1,163,127	1,205,728	1,365,725	1,282,784	1,422,337
335,711	392,237	364,367	386,464	575,569
3,227,767	3,262,297	3,584,479	3,372,271	3,883,727
\$ 11,724,965	\$ 10,777,861	\$ 11,575,252	\$ 11,445,755	\$ 12,391,004
\$ 89,112	\$ 111,930	\$ 109,601	\$ 123,425	\$ 112,775
762,073	873,864	1,068,425	1,048,644	1,033,888
27,680	290			
52,827	16,995	26,740	35,577	37,409
2,470	4,951	3,980	71,845	4,919
9,230	7,116	24,221	51,573	33,660
				33,960
19,245	19,822	23,997	25,007	50,056
9,065	56,726	251,920	323,233	60,354
971,702	1,091,694	1,508,884	1,679,304	1,367,021
1,357,287	1,340,328	1,403,726	1,475,452	1,584,076
1,672,392	1,707,491	1,691,438	1,696,560	1,768,552
487,537	487,878	505,642	768,853	769,833
			23,261	23,003
			79,162	43,919
			11,286	9,454
			31,625	288,999
3,517,216	3,535,697	3,600,806	4,086,199	4,487,836
\$ 4,488,918	\$ 4,627,391	\$ 5,109,690	\$ 5,765,503	\$ 5,854,857

TOWN OF LAKE PARK, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Net (expense) revenue					
Governmental activities	\$ (9,628,204)	\$ (8,677,131)	\$ (7,658,963)	\$ (7,212,514)	\$ (7,307,583)
Business-type activities	(536,070)	1,887,225	(550,756)	(635,089)	(116,550)
Total primary government net expense	<u>\$ (10,164,274)</u>	<u>\$ (6,789,906)</u>	<u>\$ (8,209,719)</u>	<u>\$ (7,847,603)</u>	<u>\$ (7,424,133)</u>
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	\$ 5,448,106	\$ 4,730,840	\$ 4,434,500	\$ 4,315,899	\$ 4,554,358
Infrastructure surtax					
Franchise fees	569,868	572,846	545,895	493,884	651,664
Utility service taxes	771,384	796,663	804,467	849,228	926,495
Local option gas taxes	236,960	230,060	229,780	230,639	236,922
Communication sales tax	464,184	414,748	375,003	356,437	324,291
Intergovernmental, unrestricted	1,144,701	1,072,929	1,012,470	1,033,832	1,093,000
Gain on sale of surplus property	174			2,043	
Miscellaneous revenue					
Investment earnings	54,473	36,181	37,586	26,307	12,705
Transfers	281,801	284,050	324,350	(2,168,700)	199,420
Total governmental activities	<u>8,971,651</u>	<u>8,138,317</u>	<u>7,764,051</u>	<u>5,139,569</u>	<u>7,998,855</u>
Business-type activities					
Investment earnings	16,780	10,652	11,902	11,214	814
Gain on sale of equipment	8,355			18,388	
Miscellaneous revenues				880,000	
Transfers	(281,801)	(284,050)	(324,350)	2,168,700	(199,420)
Total business-type activities	<u>(256,666)</u>	<u>(273,398)</u>	<u>(312,448)</u>	<u>3,078,302</u>	<u>(198,606)</u>
Total primary government	<u>\$ 8,714,985</u>	<u>\$ 7,864,919</u>	<u>\$ 7,451,603</u>	<u>\$ 8,217,871</u>	<u>\$ 7,800,249</u>
Changes in net position					
Governmental activities	\$ (656,553)	\$ (538,814)	\$ 105,088	\$ (2,072,945)	\$ 1,182,795
Business-type activities	(792,736)	1,613,827	(863,204)	2,443,213	290,762
Total primary government	<u>\$ (1,449,289)</u>	<u>\$ 1,075,013</u>	<u>\$ (758,116)</u>	<u>\$ 370,268</u>	<u>\$ 1,473,557</u>

Fiscal Year				
2015	2016	2017	2018	2019
\$ (7,525,493)	\$ (6,423,870)	\$ (6,481,889)	\$ (6,394,177)	\$ (7,140,256)
289,469	273,400	16,327	712,928	604,109
<u>\$ (7,236,024)</u>	<u>\$ (6,150,470)</u>	<u>\$ (6,465,562)</u>	<u>\$ (5,681,249)</u>	<u>\$ (6,536,147)</u>

\$ 4,839,895	\$ 3,496,377	\$ 3,791,642	\$ 3,644,561	\$ 3,443,832
		389,411	620,736	644,946
598,424	605,622	627,219	632,237	634,652
952,772	975,706	1,006,475	1,025,980	1,037,613
251,894	257,756	269,595	266,361	269,924
315,322	286,682	276,237	278,915	274,449
1,196,655	1,222,771	1,282,459	1,357,344	1,423,061
320,000				49,749
20,104	25,946	54,286	47,015	219,825
303,078	310,000	310,000	411,877	325,000
<u>8,798,144</u>	<u>7,180,860</u>	<u>8,007,324</u>	<u>8,285,026</u>	<u>8,323,051</u>
4,767	1,911	3,609	5,720	11,653
			74,152	
(303,078)	(310,000)	(310,000)	(411,877)	(325,000)
<u>(298,311)</u>	<u>(308,089)</u>	<u>(306,391)</u>	<u>(332,005)</u>	<u>(313,347)</u>
<u>\$ 8,499,833</u>	<u>\$ 6,872,771</u>	<u>\$ 7,700,933</u>	<u>\$ 7,953,021</u>	<u>\$ 8,009,704</u>
\$ 1,272,651	\$ 756,990	\$ 1,525,435	\$ 1,890,849	\$ 1,182,795
(8,842)	(34,689)	(290,064)	380,923	290,762
<u>\$ 1,263,809</u>	<u>\$ 722,301</u>	<u>\$ 1,235,371</u>	<u>\$ 2,271,772</u>	<u>\$ 1,473,557</u>

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TOWN OF LAKE PARK, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
<i>Pre GASB 54</i>					
General fund					
Reserved	\$ 2,526,148	\$	\$	\$	\$
Unreserved					
Designated	32,424				
Undesignated	510,773				
<i>Post GASB 54</i>					
General fund					
Nonspendable		2,582,849	3,045,989	435,992	367,260
Restricted		118,164	54,100	33,929	33,826
Assigned					
Subsequent year's expenditures		84,887		70,648	
Unassigned		277,015	20,643	198,722	544,245
Total general fund	<u>\$ 3,069,345</u>	<u>\$ 3,062,915</u>	<u>\$ 3,120,732</u>	<u>\$ 739,291</u>	<u>\$ 945,331</u>
<i>Pre GASB 54</i>					
All other governmental funds					
Reserved	\$ 241,608	\$	\$	\$	\$
Unreserved					
Undesignated, reported in:					
Special revenue funds	842,342				
Capital projects fund	42,786				
<i>Post GASB 54</i>					
All other governmental funds					
Nonspendable		4,022		1,640	
Restricted		123,345	213,533	270,230	331,074
Assigned					
Subsequent year's expenditures		181,592			
Special revenue funds		8,374			
Capital projects funds		24,863	18,458	26,915	21,418
Unassigned			(236,283)	(224,590)	(253,889)
Total all other governmental funds	<u>\$ 1,126,736</u>	<u>\$ 342,196</u>	<u>\$ (4,292)</u>	<u>\$ 74,195</u>	<u>\$ 98,603</u>
	Fiscal Year				
	2015	2016	2017	2018	2019
<i>Post GASB 54</i>					
General fund					
Nonspendable	\$ 755,709	\$ 700,452	\$ 647,423	\$ 580,059	\$ 513,597
Restricted	10,316	10,000	10,000	10,000	10,000
Assigned					
Subsequent year's expenditures	36,458	65,355	47,786	5,900	43,458
Unassigned	563,362	881,030	1,179,607	1,509,094	1,723,974
Total general fund	<u>\$ 1,365,845</u>	<u>\$ 1,656,837</u>	<u>\$ 1,884,816</u>	<u>\$ 2,105,053</u>	<u>\$ 2,291,029</u>
<i>Post GASB 54</i>					
All other governmental funds					
Nonspendable	\$	\$	\$ 395	\$ 1,283	\$ 1,680
Restricted	414,536	509,239	1,023,816	1,499,135	2,018,528
Assigned					
Subsequent year's expenditures		7,500	70,954	73,977	
Special revenue funds		206,196	301,084	10,004	
Capital projects funds	253,325				
Unassigned	(105,427)	(58,769)	(247,851)	(115,053)	(39,144)
Total all other governmental funds	<u>\$ 562,434</u>	<u>\$ 664,166</u>	<u>\$ 1,148,398</u>	<u>\$ 1,469,346</u>	<u>\$ 1,981,064</u>

Note: The Town implemented GASB 54, *Fund Balance Reporting and Government Fund Definitions*, in 2011.

TOWN OF LAKE PARK, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) Unaudited

	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 7,825,211	\$ 6,100,349	\$ 5,784,862	\$ 5,659,011	\$ 6,132,517
Licenses and permits	529,487	467,389	470,844	502,279	537,298
Intergovernmental	2,198,263	1,833,846	1,765,296	1,718,020	1,742,766
Charges for services	293,756	467,931	431,057	418,675	347,788
Fines and forfeitures	213,105	132,963	183,345	185,451	167,991
Miscellaneous	184,381	310,590	291,484	167,701	144,617
Total revenues	11,244,203	9,313,068	8,926,888	8,651,137	9,072,977
Expenditures					
General government	2,361,396	2,382,504	1,915,421	1,429,575	1,459,677
Public safety	5,413,894	4,906,546	4,725,084	4,578,945	4,754,459
Physical environment	287,322	292,967	256,855	267,232	269,391
Transportation	553,392	533,475	517,457	471,465	488,139
Culture and recreation	1,087,407	870,465	697,998	776,567	718,737
Economic environment		49,637	3,458	1,921	39,905
Capital outlay	2,369,922	153,252	234,513	70,763	122,795
Debt service					
Principal	746,625	801,042	827,516	865,224	904,943
Interest	397,670	398,200	361,607	323,700	283,903
Other debt service charges	19,450				
Total expenditures	13,237,078	10,388,088	9,539,909	8,785,392	9,041,949
Excess of revenues over (under) expenditures	(1,992,875)	(1,075,020)	(613,021)	(134,255)	31,028
Other financing sources (uses)					
Transfers in	1,392,713	1,109,374	986,222	866,943	846,898
Transfers out	(1,180,159)	(825,324)	(661,872)	(3,035,643)	(647,478)
Proceeds from sale of assets					
Bonds issued					
Loan proceeds	1,209,449				
Capital lease obligations					
Total other financing sources (uses)	1,422,003	284,050	324,350	(2,168,700)	199,420
Net change in fund balances	<u>\$ (570,872)</u>	<u>\$ (790,970)</u>	<u>\$ (288,671)</u>	<u>\$ (2,302,955)</u>	<u>\$ 230,448</u>
Debt service as a percentage of non-capital expenditures	<u>10.55%</u>	<u>11.72%</u>	<u>12.78%</u>	<u>13.64%</u>	<u>13.33%</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 6,391,091	\$ 5,077,705	\$ 5,814,747	\$ 5,923,514	\$ 5,761,043
622,763	732,567	727,048	820,631	761,108
1,827,646	1,821,757	1,971,076	2,469,253	2,239,661
408,911	345,977	365,978	411,005	437,528
80,929	100,810	290,900	159,231	220,336
470,381	162,649	187,875	193,236	423,564
<u>9,801,721</u>	<u>8,241,465</u>	<u>9,357,624</u>	<u>9,976,870</u>	<u>9,843,240</u>
1,610,692	1,812,849	2,285,666	2,364,160	2,424,882
4,926,858	3,458,641	3,612,914	3,769,659	3,872,115
277,727	307,054	329,059	241,094	364,034
477,058	480,458	472,046	509,351	528,708
709,111	701,248	803,814	913,563	1,019,952
1,429	3,925		75,243	125,707
111,467	222,166	338,565	1,113,065	2,247,676
915,002	948,039	982,074	646,531	286,450
241,454	199,556	156,080	116,019	92,701
<u>9,270,798</u>	<u>8,133,936</u>	<u>8,980,218</u>	<u>9,748,685</u>	<u>10,962,225</u>
530,923	107,529	377,406	228,185	(1,118,985)
1,304,254	993,767	1,084,848	1,167,729	1,258,334
(950,832)	(683,767)	(774,848)	(857,729)	(933,334)
				<u>1,494,679</u>
<u>353,422</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>1,819,679</u>
<u>\$ 884,345</u>	<u>\$ 417,529</u>	<u>\$ 687,406</u>	<u>\$ 538,185</u>	<u>\$ 700,694</u>
<u>12.63%</u>	<u>14.50%</u>	<u>13.17%</u>	<u>8.83%</u>	<u>4.35%</u>

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TOWN OF LAKE PARK, FLORIDA
Governmental Funds Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting) Unaudited

Fiscal Year	Property Taxes	Franchise Fees	Utility Service Taxes	Communication Services Taxes	Sales Tax	Totals
2010	5,698,210	569,868	771,384	464,184	559,351	8,062,997
2011	4,894,342	572,846	796,663	414,748	579,262	7,257,861
2012	4,434,500	545,895	804,467	375,003	533,602	6,693,467
2013	4,315,899	493,884	849,228	356,437	563,688	6,579,136
2014	4,554,358	651,664	926,495	324,291	605,562	7,062,370
2015	4,839,895	598,424	952,772	315,322	650,565	7,356,978
2016	3,496,377	605,622	975,706	286,682	673,639	6,038,026
2017	3,791,642	627,219	1,006,475	276,237	1,067,305 (1)	6,768,878
2018	3,644,561	632,237	1,025,980	278,915	1,320,225	6,901,918
2019	3,441,936	634,652	1,037,613	274,449	1,357,273	6,745,923

(1) In 2017 the Infrastructure Surtax started, which is an additional locally approved sales tax.

TOWN OF LAKE PARK, FLORIDA
General Governmental Revenue by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) Unaudited

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services
2010	6,030,552	526,201	1,299,144	352,993
2011	5,315,754	467,389	1,253,538	420,027
2012	5,784,862	470,844	1,765,296	431,057
2013	5,659,011	502,279	1,718,020	418,675
2014	6,132,517	537,298	1,742,766	347,788
2015	6,391,091	622,763	1,827,646	408,911
2016	5,077,705	732,567	1,821,757	345,977
2017	5,814,747	727,048	1,971,076	365,978
2018	5,923,514	820,631	2,469,253	411,005
2019	5,761,043	761,108	2,239,661	437,528

<u>Fiscal Year</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Other Financing Sources</u>	<u>Total</u>	<u>Annual Percentage Increase (Decrease)</u>
2010	120,890	294,946	665,080	9,289,806	(25.4) %
2011	132,963	302,661	755,494	8,647,826	(6.9) %
2012	183,345	291,484	324,350	9,251,238	7.0 %
2013	185,451	167,701	376,907	9,028,044	(2.4) %
2014	167,991	144,617	251,300	9,324,277	3.3 %
2015	80,929	470,381	353,422	10,155,143	8.9 %
2016	100,810	162,649	310,000	8,551,465	(15.8) %
2017	290,900	187,875	310,000	9,667,624	13.1 %
2018	159,231	193,236	310,000	10,286,870	6.4 %
2019	220,336	423,564	1,819,679	11,662,919	13.4 %

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TOWN OF LAKE PARK, FLORIDA
Assessed Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Tax Year	Real Property		Personal Property	Centrally Assessed Property	Assessed Value for Operations	Total Direct Tax Rate	Total Taxable Value (1)
	Residential	Commerical					
2010	177,057,371	251,733,749	43,531,640	1,200,814	473,523,574	10.2163	473,523,574
2011	179,035,832	229,986,440	37,217,462	1,257,953	447,497,687	10.3283	447,497,687
2012	168,646,621	227,349,266	33,926,821	1,236,975	431,159,683	10.2920	431,159,683
2013	180,958,234	232,119,848	33,942,130	910,919	447,931,131	10.5455	447,931,131
2014	199,990,131	244,391,470	34,480,712	1,079,128	479,941,441	10.4705	479,941,441
2015	225,062,210	262,052,591	34,999,307	1,271,593	523,385,701	10.3455	523,385,701
2016	247,734,289	290,478,840	36,381,709	1,404,468	575,999,306	10.2335	575,999,306
2017	271,762,954	318,484,359	34,296,329	1,494,679	626,038,321	9.4730	626,038,321
2018	290,066,574	339,045,111	34,962,598	1,568,074	665,642,357	8.8055	665,642,357
2019	316,637,931	365,505,348	39,530,880	1,556,194	723,230,353	8.8055	723,230,353

(1) Florida state law requires all property to be assessed at current fair market value. Accordingly, the estimated actual value is equal to the Total Assessed Value.

Source: Palm Beach County Property Appraiser

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Rate per \$1,000 of Assessed Value
Unaudited

Town of Lake Park Property Tax Rates				Overlapping Property Tax Rates - (1)			
Tax Year	(2)			Palm Beach County			
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage
2010	8.5163	1.7000	10.2163	4.3440	0.2174		4.5614
2011	8.5083	1.8200	10.3283	4.7815	0.2110		4.9925
2012	8.5000	1.7920	10.2920	4.7815	0.2087		4.9902
2013	8.8055	1.7400	10.5455	4.7815	0.2037		4.9852
2014	8.8055	1.6650	10.4705	4.7815	0.1914		4.9729
2015	5.3474	1.5400	6.8874	4.7815	0.1462	3.4581	4.9277
2016	5.3474	1.4280	6.7754	4.7815	0.1327	3.4581	8.3723
2017	5.3474	0.6675	6.0149	4.7815	0.1208	3.4581	8.3604
2018	5.3474	-	5.3474	4.7815	0.1165	3.4581	8.3561
2019	5.3474	-	5.3474	4.7815	0.1165	3.4581	8.3561

Note: All millage rates are based on \$1 for every \$1000 of assessed value

Source: Notice of Ad Valorem Taxes and Non-Ad Valorem Assessments

(1 Overlapping rates are those of local and county governments that apply to property owners within the Town of Lake Park. Not all overlapping rates apply to all Town property owners (i.e. The rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.)

(2 Starting with tax year 2015, rather than paying for fire services the Town entered into a Municipal Services Taxing Unit (MTSU) with Palm Beach County Fire/Rescue who will receive the taxes directly.

Overlapping Property Tax Rates - (1)

Palm Beach County School District			Palm Beach	
Operating Millage	General Obligation Debt Service	Total School Millage	County Special Districts	Total
7.983	-	7.983	2.4934	25.2541
8.180	-	8.180	2.3433	25.8441
7.778	-	7.778	2.3154	25.3756
7.586	-	7.586	2.2280	25.3447
7.594	-	7.594	2.1732	25.2106
7.512	-	7.512	2.0974	21.4245
7.070	-	7.070	1.9453	24.1630
6.769	-	6.769	1.7818	22.9261
6.572	-	6.572	1.6920	21.9675
7.164	-	7.164	1.6873	22.5548

TOWN OF LAKE PARK, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

2019				
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Mariners Key Owners, LLC	\$ 33,215,357	\$ 177,616	1	4.59%
Wal Mart Stores East LP	19,035,394	101,790	2	2.63%
SC Lake Park Associates, LLLP	15,953,833	85,312	3	2.21%
Mullinax Ford of PBC, LLC	14,808,941	77,785	4	2.06%
Earl Stewart LLC	14,445,901	77,248	5	1.64%
Florida Power & Light Co.	13,269,007	8,607	6	0.22%
Lake Park Square Joint Venture	12,231,794	65,408	7	1.69%
Kelsey Industrial, LLC	11,083,933	57,091	8	1.48%
Northlake Square East LLC	10,322,964	56,154	9	1.45%
Trust Lake Park LTD	7,200,000	36,210	10	0.78%
Totals	<u>\$ 151,567,124</u>	<u>\$ 743,221</u>		<u>18.75%</u>

Source: Palm Beach County Property Appraiser.

2010				
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owners LLC	\$ 18,204,896	\$ 155,038	1	2.69%
Walmart Stores East LP	14,711,613	125,289	2	2.18%
Congress Ave Properties LTD	13,742,029	117,031	3	2.03%
SC Lake Park Associates LLLP	11,442,526	97,478	4	1.69%
Lake Park Square Joint Venture	11,000,012	93,679	5	1.63%
Mullinax Ford of PBC, LLC	8,907,793	75,861	6	1.32%
Trust Lake Park, LTD	8,500,000	72,359	7	1.26%
Northlake Square East, LLC	7,159,545	60,973	8	1.06%
Earl Stewart, LLC	7,056,135	60,092	9	1.04%
Twin Cities Investors, Inc.	6,823,514	58,111	10	1.01%
Totals	<u>\$ 107,548,063</u>	<u>\$ 915,911</u>		<u>15.91%</u>

Source: Palm Beach County Property Appraiser.

Note: Assessed values are established by the Palm Beach County Property Appraiser's office as of January 1st of each year.

TOWN OF LAKE PARK, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Tax Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Current Taxes Collected (1)	Amount of Delinquent Taxes Collected
2010	5,754,637	5,391,827	93.7 %	12,057
2011	4,822,342	4,638,001	96.1 %	113,182
2012	4,621,891	4,409,912	95.4 %	42,039
2013	4,723,657	4,272,897	90.5 %	55,412
2014	5,025,228	4,550,477	90.6 %	8,107
2015	3,604,768	2,577,893	71.5 %	411
2016	3,905,670	3,460,856	88.6 %	48,873
2017	3,767,181	3,720,816	98.8 %	37,598
2018	3,559,456	3,633,065	102.1 %	11,806
2019	3,867,402	3,436,942	88.9 %	13,066

Tax Year	Total Collected for the Year	Ratio of Total Taxes Collected to Current Levy	Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Current Levy
2010	5,403,884	93.9 %	-	- %
2011	4,751,183	98.5 %	-	- %
2012	4,451,951	96.3 %	-	- %
2013	4,328,309	91.6 %	-	- %
2014	4,558,584	90.7 %	-	- %
2015	2,578,304	71.5 %	-	- %
2016	3,509,729	89.9 %	-	- %
2017	3,758,414	99.8 %	-	- %
2018	3,644,871	102.4 %	-	- %
2019	3,450,008	89.2 %	-	- %

(1) Includes discount taken for early payment of property taxes.

Source: Palm Beach County Property Appraiser

TOWN OF LAKE PARK, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Governmental Activities						
Fiscal Year	General Obligation Bonds	Capital Lease Obligations	Loans Payable	Total Governmental Activities	Percentage of Taxable Value of Property	Per Capita
2010	4,804,644	9,767	4,498,425	9,312,836	2.08%	1129.10
2011	4,254,912		4,256,908	8,511,820	1.97%	1023.79
2012	3,679,109	-	4,005,195	7,684,304	1.72%	919.18
2013	3,076,238	-	3,742,842	6,819,080	1.42%	931.60
2014	2,444,756	-	3,469,381	5,914,137	1.13%	684.51
2015	1,782,535	-	3,216,600	4,999,135	0.87%	578.60
2016	1,088,763	-	2,962,333	4,051,096	0.65%	468.61
2017	371,249	-	2,697,456	3,068,705	0.46%	356.62
2018	-	-	2,422,491	2,422,491	0.36%	281.52
2019	-	1,494,679	2,136,041	3,630,720	0.50%	426.89

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

Business-type Activities				Primary Government			
<u>Marina Revenue Bonds</u>	<u>Loans Payable</u>	<u>Capital Lease Obligations</u>	<u>Total Business- type Activities</u>	<u>Total Primary Government</u>	<u>Population</u>	<u>Percent Of Average Household Income</u>	<u>Per Capita</u>
\$ 4,270,000	1,482,147	2,403	5,754,550	5,754,550	8,732	1.40%	659.02
4,170,000	1,308,383	-	5,478,383	14,791,219	8,155	3.83%	1,813.76
4,065,000	1,426,473	-	5,491,473	14,003,293	8,248	3.55%	1,697.78
3,950,000	1,192,615	-	5,142,615	12,826,919	8,314	3.51%	1,542.81
3,830,000	948,963	-	4,778,963	11,598,043	8,360	2.85%	1,387.33
3,705,000	757,064	-	4,462,064	10,376,201	8,448	2.68%	1,228.24
3,575,000	1,070,087	-	4,645,087	9,644,222	8,640	2.18%	1,116.23
3,490,000	885,400	-	4,375,400	8,426,496	8,645	2.11%	974.72
3,320,000	694,447	-	4,014,447	7,083,152	8,605	1.61%	823.14
3,140,000	1,121,553	-	4,261,553	6,684,044	8,505	1.46%	785.90

TOWN OF LAKE PARK, FLORIDA
Ratios of General Bonded Debt Outstanding
As of September 30, 2019

Unaudited

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	4,804,644	86,902	4,717,742	1.00%	537
2011	4,254,912	106,753	4,148,159	0.93%	509
2012	3,679,109	123,385	3,555,724	0.82%	431
2013	3,076,238	106,624	2,969,614	0.66%	357
2014	2,444,756	90,898	2,353,858	0.49%	282
2015	1,782,535	94,030	1,688,505	0.32%	200
2016	1,088,763	106,900	981,863	0.17%	114
2017	371,249	146,225	225,024	0.04%	26
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2019

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated (1) Percentage Applicable to Town of Lake Park</u>	<u>Estimated (1) Share of Direct and Overlapping Debt</u>
Overlapping debt:			
Direct debt - Town of Lake Park			
General obligation bonds	\$ -	100.0%	\$ -
Loans and capital lease payable	3,630,720	100.0%	3,630,720
	<u>3,630,720</u>		<u>3,630,720</u>
Other debt			
Palm Beach County	61,115,000	1.038%	634,374
Palm Beach County School Board	8,542,000	1.038%	88,666
	<u>69,657,000</u>		<u>723,040</u>
Total direct and overlapping debt			4,353,760
Estimated town population			<u>8,505</u>
Total per capita			<u>\$ 511.91</u>

(1) Estimates based on ratio of assessed taxable values.

Source: Finance Department, Town of Lake Park, Florida
Palm Beach County Property Appraiser
School Board of Palm Beach County

TOWN OF LAKE PARK, FLORIDA
Pledged-Revenue Coverage
Last Ten Fiscal Years
Unaudited

Marina Revenue Bonds					
Fiscal Year	Gross Revenue	Operating Expense (1)	Net Revenue Available for Debt Service	Debt Service (2)	Coverage
2010	1,184,628	1,271,621	(86,993)	313,050	(0.28)
2011	1,168,626	1,127,092	41,534	313,300	0.13
2012	880,405	923,846	(43,441)	318,050	(0.14)
2013	806,493	890,456	(83,963)	317,013	(0.26)
2014	1,157,019	940,047	216,972	315,713	0.69
2015	1,357,287	974,610	382,677	315,713	1.21
2016	1,340,329	911,991	428,338	314,150	1.36
2017	1,403,726	1,157,953	245,773	317,325	0.77
2018	1,475,452	1,028,588	446,864	279,513	1.60
2019	1,607,079	1,231,365	375,714	284,412	1.32

(1) Expense is exclusive of depreciation.

(2) Includes principal and interest of revenue bonds only.

TOWN OF LAKE PARK, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Population (1)	Per Capita Personal Income (1)	Average Household Income (1)	Median Age (1)	Education Level in Years of Formal Schooling	School Enrollment (3)	Unemploy- ment Rate (4)
2010	8,783	20,185	47,108	36	N/A	374	11.7%
2011	8,155	16,898	47,375	34	N/A	366	10.9%
2012	8,248	18,885	47,813	36	N/A	343	9.0%
2013	8,314	20,978	44,014	37	N/A	323	7.1%
2014	8,360	22,071	48,691	37	N/A	341	6.0%
2015	8,448	18,774	45,780	37	N/A	350	4.9%
2016	8,640	20,984	51,182	38	N/A	348	5.3%
2017	8,645	20,160	46,175	36	N/A	352	4.1%
2018	8,605	20,999	51,186	40	N/A	368	3.4%
2019	8,505	20,799	53,659	37	N/A	368	3.2%

Data Sources:

- (1) The Population for 2013, 2014, 2015, 2016, 2017, 2018, 2019 was obtained from the US Census Bureau Fact Finder. Per Capita, Avg Household Income & Median Age was obtained from the US Census Bureau Fact F
- (3) Lake Park Elementary
- (4) Unemployment rate was obtained from the US Dept of Labor
Local Area Unemployment Statistics

TOWN OF LAKE PARK, FLORIDA
Principal Employers
Current Year and Nine Years Ago
Unaudited

	2019			2010		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Employer						
Palm Beach County School District	21,200	1	N/A	21,718	1	N/A
Tenet Coastal Division PBC	6,136	2	N/A	5,127	2	N/A
Palm Beach County	5,928	3	N/A	11,381	3	N/A
Next Era Energy (Parent Co, FPL)	4,021	4	N/A	3,658	5	N/A
HCA Palm Beach Hospitals	3,550	5	N/A	4,150	4	N/A
Boca Raton Regional Hospital	2,800	6	N/A	2,200	10	N/A
Florida Atlantic University	2,761	7	N/A	2,776	7	N/A
Veterans Health Admininstration	2,468	6	N/A	2,205	9	N/A
Bethesda Health Inc	2,200	8	N/A	2,300	8	N/A
Office Depot	2,034	9	N/A	N/A	N/A	N/A
The Breakers	2,000	10	N/A	N/A	N/A	N/A
Florida Crystals	2,000	10	N/A	N/A	N/A	N/A
Wackenhut	N/A		N/A	3,000	6	N/A
Totals	<u>57,098</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

Source: Business Development Board of Palm Beach County. Data is for the West Palm Beach to Boca Raton metropolitan area.

N/A: Not available.

TOWN OF LAKE PARK, FLORIDA
Full-Time Equivalent Town Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Town Manager	3	3	2	2	2	2	2	3	2	3
Personnel	1	1	1	2	2	2	2	2	2	2
Town Clerk	2	2	2	2	1	1	2	2	2	2
Finance	4	4	4	4	4	5	5	5	6	5
Information technology	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	-	-	-	-	-	-	-	-		
Fire	-	-	-	-	-	-	-	-		
Community Development	5	5	5	6	6	6	6	6	5	7
Physical Environment										
Public works	7	8	9	8	8	8	8	8	5	7
Vehicle maintenance	1	1	1	1	1	1	2	2	2	2
Transportation										
Transportation	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Library	2	2	4	4	5	5	5	5	5	6
Park maintenance	5	5	5	6	6	6	5	6	6	6
Recreation	1	1	1	1	1	1	1	3	3	3
Marina	3	2	3	3	3	3	3	4	4	5
Sanitation	<u>11</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>6</u>
Total	<u><u>48</u></u>	<u><u>47</u></u>	<u><u>50</u></u>	<u><u>50</u></u>	<u><u>50</u></u>	<u><u>51</u></u>	<u><u>52</u></u>	<u><u>56</u></u>	<u><u>52</u></u>	<u><u>57</u></u>

TOWN OF LAKE PARK, FLORIDA
Operating Indicators by Function/Program
Last Ten Fiscal Years
Unaudited

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Community development										
Code violations	638	636	396	385	503	451	723	651	703	891
Building permits issued	590	555	566	564	581	663	830	792	990	683
Value of permits (in thousands)								9,871	33,464	12,203
Transportation										
Street resurfacing (miles)	-	-	-	-	-	-	-	-	1	-
Pot holes repaired	232	253	140	215	127	450	441	512	585	429
Culture and Recreation										
Library										
Circulation	23,316	27,656	26,942	27,240	27,360	27,010	29,790	27,300	8,790	4,700
Programs offered	434	280	942	1,283	1,282	1,314	1,300	980	1,015	821
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	7	7	3	3	3	3	-	1	7	7
Recreation program attendance	315	305	136	75	825	825	-	880	134	283
Youth athletic participants	150	140	21	-	-	-	-	-	74	173
Marina										
Available slips	103	103	112	112	112	112	112	112	112	112
Sanitation										
Residential customers	3,645	3,666	3,666	3,666	3,666	3,666	3,666	3,666	3,397	3,689
Commercial customers	264	259	264	268	375	375	375	288	293	303
Refuse collected (tons)	9,293	8,466	8,598	9,056	8,970	9,385	9,827	10,246	10,362	10,686
Recyclables collected (tons)	627	666	670	424	392	398	391	361	377	319

Sources: Town departments

N/A: Not available

TOWN OF LAKE PARK, FLORIDA
*Capital Asset Statistics by **Function/Program***
Last Ten Fiscal Years
Unaudited

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety (contracted to Palm Beach County)										
Police Station - County	1	1	1	1	1	1	1	1	1	1
Fire Station - County	1	1	1	1	1	1	1	1	1	1
Transportation										
Roads & Streets										
Street Lights	340	340	340	340	340	340	340	340	340	345
Lane Miles	64	64	64	64	64	64	64	64	64	64
Culture and Recreation										
Marina										
Wet Slips	103	103	112	112	112	112	112	112	112	112
Library										
Books	33,710	36,119	35,611	34,676	35,435	35,000	37,000	37,695	42,340	34,780
Leisure Services										
Ballfields - lighted	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Parks	6	7	7	7	7	7	7	7	7	7
Sanitation										
Garbage Trucks	13	13	13	13	13	13	14	14	14	14
Water /Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Provided by Seacoast Utility)										

N/A: Not applicable

Source: Town Departments, Town of Lake Park, Florida

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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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 Commission
Town of Lake Park, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lake Park, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated August 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lake Park, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lake Park, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Lake 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Lake 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Nowlen, Holt & Mimer, P.A.

August 26, 2020
West Palm Beach, Florida



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

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The Honorable Mayor and Members of the Town Commission
Town of Lake Park, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated August 26, 2020.

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 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 August 26, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Findings 2017-1 and 2017-2 still apply in the current year and were in the prior two years' reports. Corrective actions have been taken to address all other prior year findings.

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 Lake Park, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Town of Lake Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of Lake Park, Florida. It is management's responsibility to monitor the Town of Lake 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 have the recommendations noted below.

Finding 2017-1 Fund Reimbursements and Administrative Fees

Condition: The Town uses administrative fees, wage reclassifications, and transfers to apportion cost between funds. Transfers are also used for operating purposes between funds. The Town has not recently reviewed and updated these charges for accuracy or consistency in what is allocated and the process of how it is allocated.

Recommendation: We recommend that the Town update and review the allocations used and consider using administrative fees or wage reclassification for apportioning costs and transfers for operating purposes to simplify the process and reduce duplication of charges.

Finding 2017-2 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, 2019 were 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

Finding 2019-1 Budget Amendments

Criteria: FS 166.241(4) requires that budget amendments be made within 60 days following the end of the fiscal year.

Condition: We noted that the Town made budget amendments subsequent to 60 days following the end of the fiscal year and also that there were errors in recording the budget and amendments to the General Ledger. The budget amendments made subsequent to the statutory deadline were adjusting amounts between departments and did not affect total appropriations. The errors recording the budgets and amendments did not include the General or CRA Funds.

Effect: Noncompliance with Florida Statutes and errors in the budgetary numbers in the general ledger.

Recommendation: We recommend that the budget in the general ledger be reviewed for proper postings and that all budget amendments be made timely.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to 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, 2019, and was not required to have a federal single audit or a state single audit.

Response to Management Letter

The Town of Lake Park, Florida's responses to the findings identified in our audit are described in the attached letter dated August 28, 2020. We did not audit Town of Lake Park, Florida's responses and, accordingly, we express no opinion on them.

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 state awarding agencies and pass-through agencies, the Town Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mims, P.A.

August 26, 2020
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

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

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The Honorable Mayor and Members of the Town Commission
Town of Lake Park, Florida

We have examined the Town of Lake Park, Florida's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. Management of the Town of Lake Park, Florida is responsible for the Town of Lake Park, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the Town of Lake Park, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town of Lake 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 Lake 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 risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Town of Lake Park, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2019.

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 Commission, 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
August 26, 2020



Finance
Department

August 28, 2020

The Honorable Mayor, Vice-Mayor,
Town Commissions and Town Manager

RE: Response to the Report on Audit Findings
Management Letter required by the Rules of the
Auditor General for the State of Florida for the Fiscal
Year ended September 30, 2019.

2017-1 Fund Reimbursements and Administrative Fees

The Town will update and review the allocations used and use administrative fees or wage reclassification for apportioning costs and transfers for operating purposes to simplify the process and reduce duplication of charges. Effective 2019/2020 an indirect cost allocation methodology has replaced the administrative fees, wages reclassified and transfers.

2017-2 Annual Financial Report

The Town's Finance Department instituted a monthly review of all accounts and funds to facilitate the financial reporting and timely preparation of reports. The 2020 Annual Financial Report will be filed with the Florida Department of Financial Services by March 31, 2021.

2019-1 Budget Amendments

The Town will review the budget and general ledger for proper postings to ensure all budget amendments are made timely.

Should you have any questions or concerns about the above response, please contact me directly.

Sincerely,

Lourdes Cariseo
Finance Director

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