



TOWN OF LAKE PARK FLORIDA



Comprehensive Annual Financial Report FISCAL YEAR ENDED SEPTEMBER 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2020

**Prepared by
Finance Department**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
List of Principal Town Officials	v
Organization Chart	vi

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position – Pension Trust Fund	25
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	26
Notes to Basic Financial Statements	27

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Changes in Net Pension Liability and Related Ratios	69
Schedules of Contributions and Investment Returns	71
Notes to the Schedule of Contributions	72
Schedule of Changes in Total OPEB Liability	73
Budgetary Comparison Schedule – General Fund	74
Budgetary Comparison Schedule – CRA Fund	79
Notes to the Budgetary Comparison Schedule Required Supplementary Information	80

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

TABLE OF CONTENTS

(Continued)

OTHER SUPPLEMENTARY INFORMATION:

Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	83
Budgetary Comparison Schedule – Streets and Roads Fund	84
Budgetary Comparison Schedule – Insurance Fund	85

STATISTICAL SECTION

Net Position by Component	86
Changes in Net Position	87
Fund Balances of Governmental Funds	91
Changes in Fund Balances of Governmental Funds	92
Governmental Funds Tax Revenue by Source	94
General Government Revenue by Source	95
Assessed Value of Taxable Property	97
Direct and Overlapping Property Tax Rates	98
Principal Property Taxpayers	100
Property Tax Levies and Collections	101
Ratios of Outstanding Debt by Type.....	102
Ratios of General Bonded Debt Outstanding.....	104
Direct and Overlapping Governmental Activities Debt	105
Pledged-Revenue Coverage	106
Demographic and Economic Statistics	107
Principal Employers	108
Full-Time Equivalent Town Government Employees by Function	109
Operating Indicators by Function/Program	110
Capital Asset Statistics by Function/Program	111

OTHER REPORTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	112
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	114
Independent Accountant's Report on Compliance with Section 218.415 Florida Statutes.....	117

INTRODUCTORY SECTION



June 30, 2021

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

The Comprehensive Annual Financial Report of the Town of Lake Park, Florida, (the “Town”) for the fiscal year ended September 30, 2020, 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 twelve months of the close of the fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2020.

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, 2020, 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, 2020, 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.

535 Park Avenue
Lake Park, FL 33403
Phone: (561) 881-3300
Fax: (561) 881-3314

www.lakeparkflorida.gov

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’s economic growth continues to be stymied due to the national recession and collapse of the housing and real estate market. Property values increased dramatically throughout Palm Beach County and the Town of Lake Park between the years of 2002 through 2008. The taxable value of property within the Town decreased 6.3% in 2009, mainly due to the passage of Amendment One (Property Tax Reform), an additional 15.6% in 2010 due to the economic downturn, and values dropped an additional 18.3% in 2011, and 5.5% in 2012. The taxable value has recovered 3.90% in 2013, 7.1% in 2014, 9.1% in 2015, 10.1% in 2016, 8.6% in 2017, 6.14% in 2018, 8.6% in 2019 and 7.3% in 2020. The relationship of commercial assessments compared to residential assessment has historically been around 50/50, but with the decline in the housing market, this relationship has shifted to approximately 54/46.

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 only than \$10 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, 2018-2019 and in 2019-2020. 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 45.03% 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.

With the arrival of Covid in March of 2020, the Town became adept at changing the way it conducted day to day business to cope with the restrictions, quarantine notices and business closures that occurred. Staff from all departments and funds stepped up to the challenge and continued to provide quality service to the Town's residents.

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. Currently, the building is now operating as the Recreation Center for the Town of Lake Park. The building will host various recreation programs including summer camp. 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 for the fiscal year: (1) the Lake Shore Drive improvement project. (2) the second phase of the Lamda Rail project providing updated technology and fiber optic connectivity throughout most of Lake Park, and (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, 2020

Mayor

Michael O'Rourke

Vice Mayor

Kimberly Glas-Castro

Town Commission

Erin Flaherty
Roger Michaud
John Linden

Town Manager

John O. D'Agostino

Town Clerk

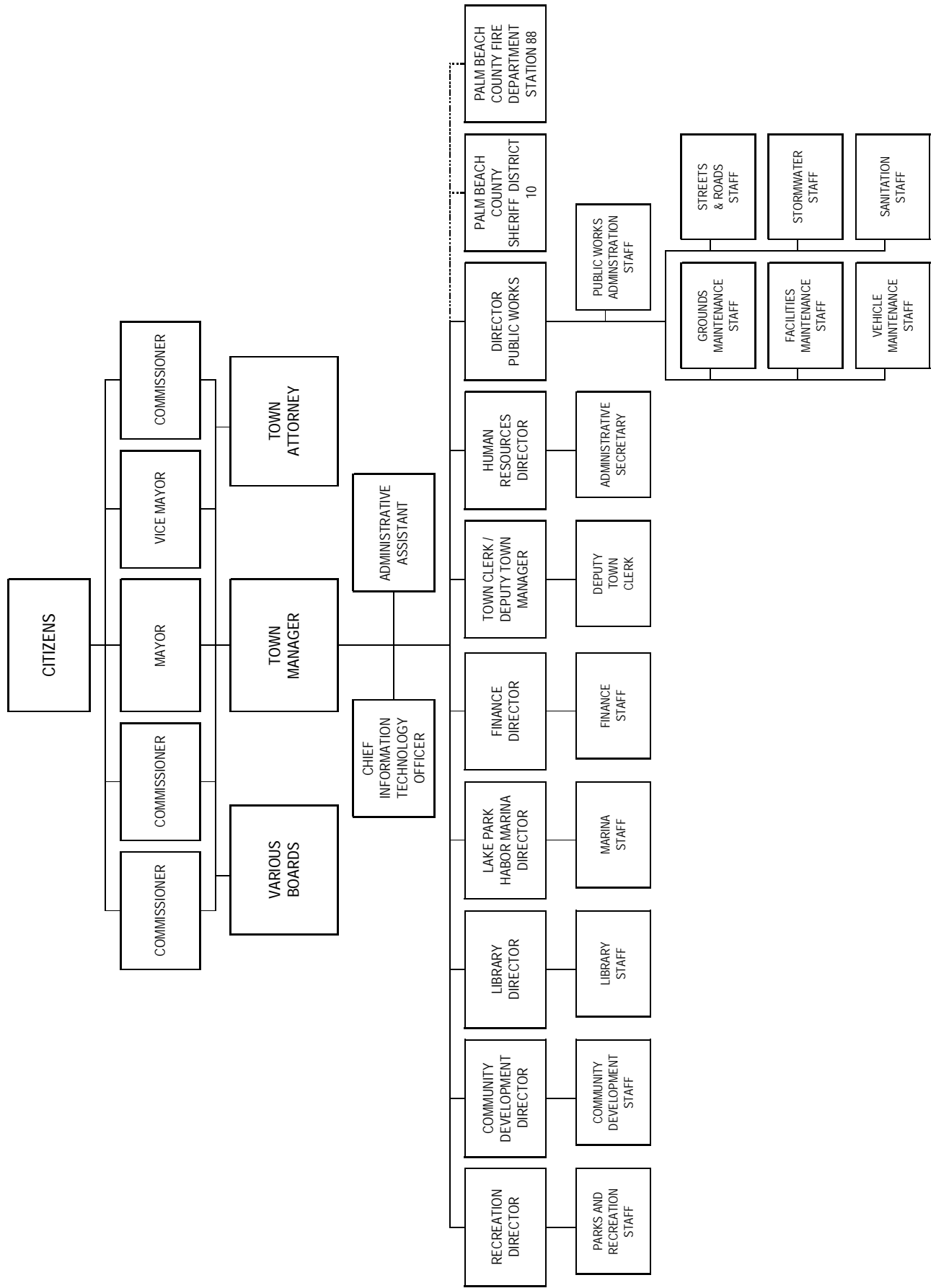
Vivian Mendez

Finance Director

Lourdes Cariseo

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

Dwayne Bell, Sr.
Nadia DiTomasso
Judith Cooper
Riunite Franks
Stephen Bogner
Bambi McKibbon-Turner
Hoa Hoang



FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

INDEPENDENT AUDITOR'S REPORT

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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, 2020, 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, 2020, 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 69 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 June 29, 2021, 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.

June 29, 2021
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, 2020. 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, 2020 by \$17,393,916. Of this amount, unrestricted net position is \$2,292,631.
- The total net position increased by \$2,571,461 of which an increase of \$2,536,583 was attributed to governmental activities and an increase of \$34,878 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 2020 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$2,265,374 a decrease of \$25,655 from the prior year. Of the total, \$977,730 is assigned, restricted or non-spendable, while \$1,287,644 is unassigned and available for future uses by the Town Commission, a decrease of \$436,330 in unassigned fund balance.
- At the end of the 2020 Fiscal Year, the unassigned fund balance for the General Fund represented just less than 15% of total General Fund expenditures or approximately 53 days of available funding.
- Total long-term obligations for the Town increased by \$259,871 for a new Stormwater capital lease.

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 15-21 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 27-68 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 69 -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 \$11,839,054. Business-type activity assets exceeded liabilities and deferred inflows by \$5,554,862. The Town-wide total net position was \$17,393,916 at the close of the fiscal year ended September 30, 2020. 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 \$10,589,401 or over 61% of total net position at September 30, 2020. Capital assets total \$17,581,843 at September 30, 2020, or 67% of all assets, which total \$26,233,225. 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 \$4,511,884 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$2,292,631 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 7,563,917	\$ 5,144,029	\$ 1,087,465	\$ 1,082,705	\$ 8,651,382	\$ 6,226,734
Capital assets	8,793,104	9,048,251	8,788,739	9,168,628	17,581,843	18,216,879
Total assets	16,357,021	14,192,280	9,876,204	10,251,333	26,233,225	24,443,613
Deferred outflows of resources:						
Pension related items	24,956	-	-	-	24,956	-
Liabilities:						
Current liabilities	442,799	487,920	141,909	228,911	584,708	716,831
Long-term liabilities	3,851,547	4,164,254	4,111,412	4,429,184	7,962,959	8,593,438
Total liabilities	4,294,346	4,652,174	4,253,321	4,658,095	8,547,667	9,310,269
Deferred inflows of resources:						
Pension related items		7,348	-	-	-	7,348
Deferred gain on bond refunding, net	-	-	68,021	73,254	68,021	73,254
Unearned revenue	248,577	230,287	-	-	248,577	230,287
	248,577	237,635	68,021	73,254	316,598	310,889
Net position:						
Invested in capital assets, net of related debt	5,822,996	5,809,108	4,766,405	4,813,499	10,589,401	10,622,607
Restricted	4,511,884	2,028,528	-	-	4,511,884	2,028,528
Unrestricted	1,504,174	1,464,835	788,457	706,485	2,292,631	2,171,320
Total net position	\$ 11,839,054	\$ 9,302,471	\$ 5,554,862	\$ 5,519,984	\$ 17,393,916	\$ 14,822,455

Governmental Activities: Net position of the governmental activities of the Town have increased \$2,536,583 from 2019. Total assets and deferred outflows of governmental activities have increased by \$2,189,697 and total liabilities and deferred inflows of resources have decreased by \$346,886. Unrestricted net position is up by \$39,339.

Business Activities: Net position for business activities have increased \$34,878 from 2019. Total assets decreased by \$375,129 while total liabilities and deferred inflows have decreased by \$410,007. Unrestricted net position has increased by \$81,973.

The following is a summary of the changes in net position for the years ended September 30, 2020 and 2019:

Changes in Net Position						
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,563,724	\$ 1,184,072	\$ 3,989,191	\$ 4,122,461	\$ 5,552,915	\$ 5,306,533
Operating grants and contributions	166,230	38,579	101,802	76,376	268,032	114,955
Capital grants and contributions	1,952,715	144,370	15,614	288,999	1,968,329	433,369
General revenues:						
Taxes	6,459,575	6,305,416	-	-	6,459,575	6,305,416
Intergovernmental	1,435,228	1,423,061	-	-	1,435,228	1,423,061
Investment earnings	108,585	219,825	4,331	11,653	112,916	231,478
Gain on sale of equipment	-	49,749	35,735	-	35,735	49,749
Total revenues	<u>\$ 11,686,057</u>	<u>\$ 9,365,072</u>	<u>\$ 4,146,673</u>	<u>\$ 4,499,489</u>	<u>\$ 15,832,730</u>	<u>\$ 13,864,561</u>

Overall total revenues are up by \$1,968,169. Program revenues increased by \$1,934,419 and general revenues increased by \$35,750.

Governmental Activities: The Town received a \$1,800,000 contribution restricted for Public Improvements in 2020. Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have increased \$154,159. This is due to a increase in property taxes of \$277,649 caused by increase in the property values in 2020. Property values within the Town increased in 2020, 7.3% over 2019. 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 is now more than 39 million dollars above the 2007 value.

Business Activities: Total revenues for business activities of the Town have decreased by \$352,816. This is primarily the result of decreased Marina revenues due to Covid shut down and an increase in Stormwater revenues.

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2019
Expenses:						
General government	\$ 2,114,917	\$ 2,233,918	\$ -	\$ -	\$ 2,114,917	\$ 2,233,918
Public safety	3,987,837	3,890,768	-	-	3,987,837	3,890,768
Physical environment	250,097	369,636	-	-	250,097	369,636
Transportation	738,997	627,123	-	-	738,997	627,123
Culture and recreation	1,150,406	1,139,623	-	-	1,150,406	1,139,623
Economic environmnet	786,273	125,707	-	-	786,273	125,707
Interest on						
long-term debt	120,947	120,502	-	-	120,947	120,502
Marina	-	-	1,768,741	1,885,821	1,768,741	1,885,821
Sanitation	-	-	1,746,142	1,422,337	1,746,142	1,422,337
Stormwater	-	-	596,912	575,569	596,912	575,569
Total expenses	<u>9,149,474</u>	<u>8,507,277</u>	<u>4,111,795</u>	<u>3,883,727</u>	<u>13,261,269</u>	<u>12,391,004</u>
Transfers In/(Out)		<u>325,000</u>	<u>-</u>	<u>(325,000)</u>		
Change in net position	2,536,583	1,182,795	34,878	290,762	2,571,461	1,473,557
Net position - beginning						
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>
	<u>\$ 11,839,054</u>	<u>\$ 9,302,471</u>	<u>\$ 5,554,862</u>	<u>\$ 5,519,984</u>	<u>\$ 17,393,916</u>	<u>\$ 14,822,455</u>

Overall net position increased \$2,571,461. The increase in net position is related to \$1.8 million restricted contribution and 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 2020 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 Sanitation Fund results from filling vacant positions and increased indirect cost allocations and the decreased expenses for the Marina fund is a result of vacant positions.

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, 2020, the Town's primary operating fund, the General Fund, reported ending fund balance of \$2,265,374 a decrease of \$25,655 from the prior year. Of this amount, \$1,287,644 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 \$67,436 is assigned for current year encumbrances that carry over to the subsequent year. The remainder of fund balance (\$900,294) 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 (\$50,294) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$850,000).

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 15 percent (approximately 53 days) of total general fund expenditures, while total fund balance represents 25 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 2020 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 \$438,355 an amount less than as the depreciation expense charged to the fund for the year, bringing the fund's Total Net Position to \$2,161,545.

The Sanitation Fund has an increase in Net Position of \$71,907, bringing the fund's Total Net Position for the fund to \$1,247,334.

The Stormwater Fund has an increase in Net Position of \$401,326, bringing the fund's Total Net Position for the fund to \$2,029,264.

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 \$8,970,345 to \$9,927,847.

Capital Asset and Debt Administration

Capital assets. The Town's total investment in capital assets at September 30, 2020 was \$17,581,843. (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, 2020 and 2019 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,691,891	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,184,223	\$ 5,184,223
Construction in progress	98,610	1,657,797	698,121	675,492	796,731	2,333,289
Buildings	2,088,328	2,278,532	-	-	2,088,328	2,278,532
Equipment and vehicles	1,988,921	579,532	1,402,294	1,319,322	3,391,215	1,898,854
Streets, roads, and sidewalks	1,925,354	1,840,499	4,195,992	4,681,482	6,121,346	6,521,981
Total assets	<u>\$ 8,793,104</u>	<u>\$ 9,048,251</u>	<u>\$ 8,788,739</u>	<u>\$ 9,168,628</u>	<u>\$ 17,581,843</u>	<u>\$ 18,216,879</u>

Capital projects during Fiscal Year 2020 included the following:

- Roadway Improvements
- Park Improvements
- Town Hall Improvements
- Purchase and installation of a vehicle license plate recognition system
- Replacement of a stormwater outfall
- Purchase of one stormwater vehicle

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 2020. The debt position of the Town is summarized as follows:

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2018
Loans Payable	\$ 1,837,961	\$ 2,136,041	\$ 3,731,077	\$ 4,261,553	\$ 5,569,038	\$ 6,397,594
Capital lease obligations	1,431,057	1,494,679	204,365	-	1,635,422	1,494,679
Claims and settlements	-	33,334	-	-	-	33,334
Other Post-Emp. Benefits	88,571	95,543	35,060	37,282	123,631	132,825
Net pension liability	226,395	200,594	-	-	226,395	200,594
Compensated absences	267,563	204,063	54,019	36,773	321,582	240,836
Unamortized premium	-	-	86,891	93,576	86,891	93,576
Total	<u>\$ 3,851,547</u>	<u>\$ 4,164,254</u>	<u>\$ 4,111,412</u>	<u>\$ 4,429,184</u>	<u>\$ 7,962,959</u>	<u>\$ 8,593,438</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

For the fiscal year 2020-2021 the Town Commission adopted a General Fund budget of \$9,703,864, compared with the budget for the fiscal year 2019-2020 in the amount of \$8,970,345. The Town adopted a MSTU for fire services in 2015, thus the millage for the Fires Services is not included in the operating millage. 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 31% of the total and uses 100% of the Ad Valorem property tax revenue plus an additional \$33,058 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.

In August 2020 the Town Commission approved a Commercial Sanitation Rate increase of approximately 9% and the Annual Assessment per unit for single family and multi-family also increased 9%. In April of 2021, Marina dockage increased approximately 5%, and other rates for services between 2.5 and 11%.

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

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 6,136,367	\$ 1,587,921	\$ 7,724,288
Accounts receivable, net	293,376	166,674	460,050
Due from other governments	333,935	39,362	373,297
Internal balances	749,945	(749,945)	
Inventory	6,038	20,986	27,024
Prepaid items	44,256	22,467	66,723
Capital assets			
Capital assets not being depreciated	2,790,501	3,190,453	5,980,954
Capital assets being depreciated, net of accumulated depreciation	6,002,603	5,598,286	11,600,889
Total assets	<u>16,357,021</u>	<u>9,876,204</u>	<u>26,233,225</u>
Deferred outflows of resources			
Pension related items	<u>24,956</u>		<u>24,956</u>
Liabilities			
Accounts payable	140,221	50,233	190,454
Accrued expenses	158,601	46,896	205,497
Accrued interest payable	26,117	19,985	46,102
Unearned revenue	81,781	11,385	93,166
Deposits	36,079	13,410	49,489
Noncurrent liabilities:			
Due within one year	417,751	483,588	901,339
Due in more than one year	3,433,796	3,627,824	7,061,620
Total liabilities	<u>4,294,346</u>	<u>4,253,321</u>	<u>8,547,667</u>
Deferred inflows of resources			
Deferred gain on bond refunding, net		68,021	68,021
Deferred revenue	248,577		248,577
Total deferred inflows of resources	<u>248,577</u>	<u>68,021</u>	<u>316,598</u>
Net Position			
Net investment in capital assets	5,822,996	4,766,405	10,589,401
Restricted for:			
Debt service	170,101		170,101
Capital projects	3,493,205		3,493,205
Economic environment	838,578		838,578
Other restrictions	10,000		10,000
Unrestricted	1,504,174	788,457	2,292,631
Total net position	<u>\$ 11,839,054</u>	<u>\$ 5,554,862</u>	<u>\$ 17,393,916</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Charges for Activities
Government:		
Governmental activities		
General government	\$ 2,114,917	\$ 113,464
Public safety	3,987,837	1,434,668
Physical environment	250,097	
Transportation	738,997	
Culture and recreation	1,150,406	15,592
Economic environment	786,273	
Interest on long-term debt	120,947	
Total governmental activities	9,149,474	1,563,724
Business-type activities		
Marina	1,768,741	1,328,429
Sanitation	1,746,142	1,739,770
Stormwater	596,912	920,992
Total business-type activities	4,111,795	3,989,191
Total	\$ 13,261,269	\$ 5,552,915

Program Revenues		Net Expense (Revenue) and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 146,257	\$ 27,975	\$ (1,827,221)	\$	\$ (1,827,221)
		(2,553,169)		(2,553,169)
11,725	1,829,673	1,591,301		1,591,301
	55,223	(683,774)		(683,774)
8,248	39,844	(1,086,722)		(1,086,722)
		(786,273)		(786,273)
		(120,947)		(120,947)
166,230	1,952,715	(5,466,805)		(5,466,805)
1,957			(438,355)	(438,355)
38,396			32,024	32,024
61,449	15,614		401,143	401,143
101,802	15,614		(5,188)	(5,188)
\$ 268,032	\$ 1,968,329	(5,466,805)	(5,188)	(5,471,993)
General Revenues:				
Taxes:				
Property taxes		3,721,481		3,721,481
Infrastructure surtax		610,154		610,154
Franchise fees		594,844		594,844
Utility service taxes		1,018,200		1,018,200
Local option gas taxes		240,713		240,713
Communication services taxes		274,183		274,183
Unrestricted intergovernmental shared revenues		1,435,228		1,435,228
Gain on sale of capital assets			35,735	35,735
Investment earnings - unrestricted		108,585	4,331	112,916
Total general revenues and transfers		8,003,388	40,066	8,043,454
Change in net position		2,536,583	34,878	2,571,461
Net position, beginning of year		9,302,471	5,519,984	14,822,455
Net position, end of year		\$ 11,839,054	\$ 5,554,862	\$ 17,393,916

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2020

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	CRA Fund	Public Improvement Fund	Special Projects Fund		
Assets						
Pooled cash and cash equivalents	1,640,103	864,576	\$ 1,813,391	\$ 1,194,173	\$ 418,091	\$ 5,930,334
Accounts receivable, net	293,376					293,376
Due from other governments	251,039			57,358	25,538	333,935
Due from other funds		30,012			16,664	46,676
Advances to other funds	850,000					850,000
Inventory	6,038					6,038
Prepaid items	44,256					44,256
Total assets	<u>3,084,812</u>	<u>894,588</u>	<u>\$ 1,813,391</u>	<u>\$ 1,251,531</u>	<u>\$ 460,293</u>	<u>\$ 7,504,615</u>
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	77,153	56,010	\$	\$ 4,328	\$ 2,730	\$ 140,221
Accrued liabilities	151,606				6,995	158,601
Deferred revenue	70,572				11,209	81,781
Due to other funds	30,012					30,012
Deposits	36,079					36,079
Total liabilities	<u>365,422</u>	<u>56,010</u>		<u>4,328</u>	<u>20,934</u>	<u>446,694</u>
Deferred inflows of resources						
Unavailable revenue	205,439					205,439
Unearned revenue	248,577					248,577
	<u>454,016</u>					<u>454,016</u>
Fund balances						
Nonspendable:						
Inventories and prepaids	50,294					50,294
Advances to other funds	850,000					850,000
Restricted for:						
Debt service					170,101	170,101
Transportation					391,849	391,849
Infrastructure				1,271,372		1,271,372
Capital projects					16,593	16,593
Community improvement	10,000					10,000
Public improvements			1,813,391			1,813,391
Economic environment		838,578				838,578
Assigned to:						
Subsequent years expenditures	67,436					67,436
Unassigned	1,287,644			(24,169)	(139,184)	1,124,291
Total fund balances	<u>2,265,374</u>	<u>838,578</u>	<u>1,813,391</u>	<u>1,247,203</u>	<u>439,359</u>	<u>6,603,905</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>3,084,812</u>	<u>894,588</u>	<u>\$ 1,813,391</u>	<u>\$ 1,251,531</u>	<u>\$ 460,293</u>	<u>\$ 7,504,615</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, 2020

Total fund balances - governmental funds		\$ 6,603,905
--	--	--------------

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	\$ 21,039,660	
Less accumulated depreciation	<u>(12,246,556)</u>	8,793,104

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		205,439
-----------------------------	--	---------

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	(26,117)	
Compensated absences	(267,563)	
Other post employment benefits	(88,571)	
Net pension liability	(226,395)	
Capital lease payable	(1,431,057)	
Loans payable	<u>(1,837,961)</u>	(3,877,664)

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

Pension related deferred outflows		24,956
-----------------------------------	--	--------

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>
Net position of governmental activities		<u><u>\$ 11,839,054</u></u>

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, 2020

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	CRA Fund	Public Improvement Fund	Special Projects Fund		
Revenues						
Taxes	\$ 5,334,476	\$		\$ 610,154	\$ 49	\$ 5,944,679
Licenses and permits	707,998					707,998
Intergovernmental	1,280,960	424,923		67,819	364,132	2,137,834
Charges for services	1,228,671					1,228,671
Fines and forfeitures	685,695					685,695
Miscellaneous	186,816	1	1,813,391			2,000,208
Total revenues	<u>9,424,616</u>	<u>424,924</u>	<u>1,813,391</u>	<u>677,973</u>	<u>364,181</u>	<u>12,705,085</u>
Expenditures						
Current						
General government	2,278,431			3,382		2,281,813
Public safety	3,987,837					3,987,837
Physical environment	619,952					619,952
Transportation	319,098				366,752	685,850
Culture and recreation	1,061,868					1,061,868
Economic environment		602,624				602,624
Capital outlay	105,279			327,554	32,514	465,347
Debt service						
Principal	361,702					361,702
Interest charges	122,631					122,631
Grants and aids		183,649				183,649
Total expenditures	<u>8,856,798</u>	<u>786,273</u>		<u>330,936</u>	<u>399,266</u>	<u>10,373,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>567,818</u>	<u>(361,349)</u>	<u>1,813,391</u>	<u>347,037</u>	<u>(35,085)</u>	<u>2,331,812</u>
Other financing sources (uses)						
Transfers in	189,633	783,106				972,739
Transfer out	(783,106)	(189,633)				(972,739)
Total other financing sources (uses)	<u>(593,473)</u>	<u>593,473</u>				
Net change in fund balances	(25,655)	232,124	1,813,391	347,037	(35,085)	2,331,812
Fund balances						
Beginning of year	2,291,029	606,454		900,166	474,444	4,272,093
End of year	<u>\$ 2,265,374</u>	<u>\$ 838,578</u>	<u>\$ 1,813,391</u>	<u>\$ 1,247,203</u>	<u>\$ 439,359</u>	<u>\$ 6,603,905</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, 2020

Net change in fund balances - total governmental funds	\$	2,331,812
--	----	-----------

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	\$ 281,694	
Less: current year depreciation	<u>(536,841)</u>	(255,147)

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	205,439	
Prior year grants	<u>(58,882)</u>	146,557

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:

Long term debt repayments:

Capital lease payable	63,622	
Loans payable	<u>298,080</u>	361,702

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	(63,500)	
Change in other postemployment benefits	6,972	
Change in net pension liability and related deferred amounts	6,503	
Change in accrued interest	<u>1,684</u>	<u>(48,341)</u>

Change in net position of governmental activities	\$	<u><u>2,536,583</u></u>
---	----	-------------------------

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2020

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Assets					
Current assets					
Pooled cash and cash equivalents	\$ 421,252	\$ 462,293	\$ 704,376	\$ 1,587,921	\$ 206,033
Accounts receivable, net	65,773	95,216	5,685	166,674	
Due from other governments	1,208	35,509	2,645	39,362	
Prepaid items	22,245	222		22,467	
Inventory	20,986			20,986	
Total current assets	<u>531,464</u>	<u>593,240</u>	<u>712,706</u>	<u>1,837,410</u>	<u>206,033</u>
Noncurrent assets					
Capital assets not being depreciated	2,428,175	64,157	698,121	3,190,453	
Capital assets net of accumulated depreciation	<u>3,641,433</u>	<u>1,075,298</u>	<u>881,555</u>	<u>5,598,286</u>	
Total noncurrent assets	<u>6,069,608</u>	<u>1,139,455</u>	<u>1,579,676</u>	<u>8,788,739</u>	
Total assets	<u>6,601,072</u>	<u>1,732,695</u>	<u>2,292,382</u>	<u>10,626,149</u>	<u>206,033</u>
Liabilities					
Current liabilities					
Accounts payable	14,158	23,610	12,465	50,233	
Accrued liabilities	16,988	23,468	6,440	46,896	
Deferred revenue	11,385			11,385	
Due to other funds			16,664	16,664	
Deposits payable - slip rentals	13,410			13,410	
Accrued interest payable		17,669	2,316	19,985	
Compensated absences payable, current portion	1,962	6,040	2,802	10,804	
Bonds payable, current maturities	<u>233,302</u>	<u>190,924</u>	<u>48,558</u>	<u>472,784</u>	
Total current liabilities	<u>291,205</u>	<u>261,711</u>	<u>89,245</u>	<u>642,161</u>	
Long-term liabilities					
Compensated absences payable, less current portion	7,848	24,160	11,206	43,214	
Other post-employment benefits	4,640	23,560	6,860	35,060	
Advance from other funds	850,000			850,000	
Bonds payable, net of unamortized premium and current maturities	<u>3,217,813</u>	<u>175,930</u>	<u>155,807</u>	<u>3,549,550</u>	
Total long-term liabilities	<u>4,080,301</u>	<u>223,650</u>	<u>173,873</u>	<u>4,477,824</u>	
Total liabilities	<u>4,371,506</u>	<u>485,361</u>	<u>263,118</u>	<u>5,119,985</u>	
Deferred inflows of resources					
Deferred gain on bond refunding, net	<u>68,021</u>			<u>68,021</u>	
Net position					
Net investment in capital assets	2,618,493	772,601	1,375,311	4,766,405	
Unrestricted	<u>(456,948)</u>	<u>474,733</u>	<u>653,953</u>	<u>671,738</u>	<u>206,033</u>
Total net position	<u>\$ 2,161,545</u>	<u>\$ 1,247,334</u>	<u>\$ 2,029,264</u>	<u>5,438,143</u>	<u>\$ 206,033</u>
Adjustment to reflect consolidation of internal service fund activities				<u>116,719</u>	
Net position of business-type activities				<u>\$ 5,554,862</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, 2020

				Total	Governmental
	Marina	Sanitation	Stormwater	Enterprise	Activities
	Fund	Fund	Fund	Funds	Internal
					Service Fund
Operating revenue					
Charges for services	\$ 1,325,277	\$ 1,737,768	\$ 920,992	\$ 3,984,037	\$ 177,152
Miscellaneous	3,152	2,002		5,154	
Total operating revenues	<u>1,328,429</u>	<u>1,739,770</u>	<u>920,992</u>	<u>3,989,191</u>	<u>177,152</u>
Operating expenses					
Personal services	225,284	468,359	144,757	838,400	33,172
Operating expenses	909,239	1,106,324	347,440	2,363,003	143,980
Depreciation	522,711	152,552	102,399	777,662	
Total operating expenses	<u>1,657,234</u>	<u>1,727,235</u>	<u>594,596</u>	<u>3,979,065</u>	<u>177,152</u>
Operating income (loss)	<u>(328,805)</u>	<u>12,535</u>	<u>326,396</u>	<u>10,126</u>	
Nonoperating revenues (expenses)					
Interest revenue		4,148	183	4,331	
Interest expense	(111,507)	(18,907)	(2,316)	(132,730)	
Gain on sale of property and equipment		35,735		35,735	
Operating grant	1,957	38,396	61,449	101,802	
Total nonoperating revenues (expenses)	<u>(109,550)</u>	<u>59,372</u>	<u>59,316</u>	<u>9,138</u>	
Income (loss) before transfers	<u>(438,355)</u>	<u>71,907</u>	<u>385,712</u>	<u>19,264</u>	
Capital contributions			15,614	15,614	
Change in net position	<u>(438,355)</u>	<u>71,907</u>	<u>401,326</u>	<u>34,878</u>	
Net position - beginning of year	<u>2,599,900</u>	<u>1,175,427</u>	<u>1,627,938</u>	<u>5,403,265</u>	<u>206,033</u>
Net position - ending	<u>\$ 2,161,545</u>	<u>\$ 1,247,334</u>	<u>\$ 2,029,264</u>	<u>\$ 5,438,143</u>	<u>\$ 206,033</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,276,111	\$ 1,753,695	\$ 920,079	\$ 3,949,885	\$
Operating grants	3,901	6,822	61,449	72,172	
Cash paid to suppliers	(692,367)	(656,648)	(330,408)	(1,679,423)	(206,067)
Cash paid to employees	(224,744)	(451,837)	(135,898)	(812,479)	
Payments to other funds	(250,042)	(450,076)	(100,017)	(800,135)	
Payments from other funds	137,175			137,175	206,033
Net cash provided (used) by operating activities	250,034	201,956	415,205	867,195	(34)
Cash flows from noncapital financing activities:					
Principal repayments					(33,333)
Interest paid on debt					(1,666)
Net cash provided (used) by noncapital financing activities					(34,999)
Cash flows from capital and related financing activities:					
Capital lease proceeds			259,871	259,871	
Capital contributions			103,243	103,243	
Acquisition and construction of capital assets			(397,773)	(397,773)	
Sale of capital assets		35,735		35,735	
Interest paid on debt	(121,713)	(9,198)		(130,911)	
Principal payments on debt	(226,380)	(304,096)	(55,506)	(585,982)	
Net cash provided (used) by capital and related financing activities	(348,093)	(277,559)	(90,165)	(715,817)	
Cash flows from investing activities:					
Interest on investments		4,148	183	4,331	
Net cash provided (used) by investing activities		4,148	183	4,331	
Net increase (decrease) in cash and cash equivalents	(98,059)	(71,455)	325,223	155,709	(35,033)
Cash and cash equivalents at beginning of year	519,311	533,748	379,153	1,432,212	241,066
Cash and cash equivalents at end of year	\$ 421,252	\$ 462,293	\$ 704,376	\$ 1,587,921	\$ 206,033
Cash flows from operating activities:					
Operating income (loss)	\$ (328,805)	\$ 12,535	\$ 326,396	\$ 10,126	\$
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	522,711	152,552	102,399	777,662	
Operating grant	3,901	6,822	61,449	72,172	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(58,078)	13,925	(913)	(45,066)	
(Increase) decrease in inventory	(649)			(649)	
(Increase) decrease in prepaid expenses		(221)		(221)	
Payments from(to) other funds	137,175			137,175	
Increase (decrease) in accounts payable	(32,521)	(179)	(82,985)	(115,685)	(34)
Increase (decrease) in accrued liabilities	2,410	7,037	1,451	10,898	
Increase (decrease) in deposits	5,760			5,760	
Increase (decrease) in compensated absences	(1,362)	10,656	7,951	17,245	
Increase (decrease) in other post-employment benefits	(508)	(1,171)	(543)	(2,222)	
Total adjustments	578,839	189,421	88,809	857,069	(34)
Net cash provided (used) by operating activities	\$ 250,034	\$ 201,956	\$ 415,205	\$ 867,195	\$ (34)
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, 2020

Assets

Cash and cash equivalents	\$ 53,865
Investments:	
Equity exchange traded funds	697,971
Foreign equity exchange traded funds	108,332
Fixed income exchange traded funds	146,487
Real estate exchange traded funds	58,283
Global fixed income mutual funds	202,485
Prepaid retirement benefits	5,394
Total assets	<u>1,272,817</u>

Net position

Held in trust for pension benefits	<u><u>\$ 1,272,817</u></u>
------------------------------------	----------------------------

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, 2020

ditions		
Contributions		
Employer	\$	36,525
Investment income		
Net increase fair value of investments		53,104
Interest and dividends		20,257
Total investment income		<u>73,361</u>
Less investment expenses		<u>(1,001)</u>
Net investment income		<u>72,360</u>
tal additions		108,885
ductions		
Retirement benefits		132,388
Administrative expenses		40,950
tal deductions		<u>173,338</u>
ange in net position		(64,453)
t position held in trust for pension benefits		
Net positon - beginning of year		<u>1,337,270</u>
Net position - end of year	\$	<u><u>1,272,817</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 plus two other members appointed by the Town Commission and the Town handles the management and administration of the CRA’s financial matters. Separate financial statements for the CRA are prepared.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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.

Public Improvement Fund

The Special Projects Fund is a special revenue fund used to account for revenues received restricted for public improvements.

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, 2020

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, 2020

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, 2020

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.

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, 2020

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	20-50 years
Building improvements	7-50 years
Equipment and vehicles	5-15 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, 2020. 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, 2020

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, 2020

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 the 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, contributors, 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, 2020

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 collectability 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, 2020

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, 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 a resolution. Estimated beginning fund balances are considered in the budgetary process.
- 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, 2020

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 \$67,436 for the general fund and \$349,271 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 and was 3.4581.

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, 2020, 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, 2020, 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, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2020, the carrying amount of deposits (including fiduciary funds) was \$840,142 and the bank balances were \$867,703. The Town also had \$10,715 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, 2020

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, 2020, 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, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2020, 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	\$ 202,485	\$ 202,485
Equity ETF	N/A	697,971	697,971
Foreign Equity ETF	N/A	108,332	108,332
Fixed Income ETF	N/A	146,487	146,487
Real Estate ETF	N/A	58,283	58,283
		1,213,558	<u>\$ 1,213,558</u>

Investments Reported at Amortized Cost:

<u><i>Governmental and Proprietary Funds</i></u>		
Florida PRIME	37 Days	6,927,296
Total Investments		<u>\$ 8,140,854</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, 2020, 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, 2020, 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, 2020

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;

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 five 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 five percent of the outstanding capital stock of that company.
 - c. Not more than five 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 five percent of the Pension Fund's total assets at cost.
4. Foreign securities provided they do not exceed twenty percent 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 ten percent 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, 2020

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	\$ 840,142
Petty cash	10,715
Investments	8,140,854
Total deposits and investments	<u>\$ 8,991,711</u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$ 6,136,367
Business-type activities	
Cash and cash equivalents	1,587,921
Total statements of net position	<u>7,724,288</u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	53,865
Investments	1,213,558
Total fiduciary funds	<u>1,267,423</u>
Total deposits and investments	<u>\$ 8,991,711</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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. There are no loans outstanding at September 30, 2020.

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 \$125,849 was paid leaving a remaining commitment of \$103,201. In current year two grants totaling \$57,800 were awarded and paid.

NOTE 5 – ACCOUNTS RECEIVABLES

Receivables at September 30, 2020, were as follows:

	<u>General Fund</u>	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>
Accounts receivable	\$ 68,763	\$ 69,957	\$ 99,736	\$ 5,685
Accrued receivables	<u>228,585</u>			
Total receivables	<u>297,348</u>	<u>69,957</u>	<u>99,736</u>	<u>5,685</u>
Less: allowance for uncollectible accounts	<u>(3,972)</u>	<u>(4,184)</u>	<u>(4,520)</u>	
Accounts receivable, net	<u><u>\$ 293,376</u></u>	<u><u>\$ 65,773</u></u>	<u><u>\$ 95,216</u></u>	<u><u>\$ 5,685</u></u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2020, 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	1,657,797		(1,559,187)	98,610
Capital assets being depreciated:				
Buildings	7,972,225			7,972,225
Improvements	6,157,109	273,107		6,430,216
Machinery and equipment	2,301,233	1,567,774	(22,289)	3,846,718
Total at historical cost:	20,780,255	1,840,881	(1,581,476)	21,039,660
Less accumulated depreciation for:				
Buildings	(5,693,693)	(190,204)		(5,883,897)
Improvements	(4,316,610)	(188,252)		(4,504,862)
Machinery and equipment	(1,721,701)	(158,385)	22,289	(1,857,797)
Total accumulated depreciation	(11,732,004)	(536,841)	22,289	(12,246,556)
Governmental activities capital assets, net	<u>\$ 9,048,251</u>	<u>\$ 1,304,040</u>	<u>\$(1,559,187)</u>	<u>\$ 8,793,104</u>

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

Governmental activities:

General government	\$ 327,540
Physical environment	1,743
Transportation	131,930
Culture and recreation	75,628
Total depreciation expense governmental activities	<u><u>\$ 536,841</u></u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – CAPITAL ASSETS (Continued)

The capital asset activity of business-type activities for the year ended September 30, 2020, 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	675,492	22,629		698,121
Capital assets being depreciated:				
Improvements	11,629,637	115,273		11,744,910
Machinery and equipment	3,561,436	259,871	(274,433)	3,546,874
Total at historical cost:	18,358,897	397,773	(274,433)	18,482,237
Less accumulated depreciation for:				
Improvements	(6,948,154)	(600,764)		(7,548,918)
Machinery and equipment	(2,242,115)	(176,898)	274,433	(2,144,580)
Total accumulated depreciation	(9,190,269)	(777,662)	274,433	(9,693,498)
Business-type activities capital assets, net	<u>\$ 9,168,628</u>	<u>\$ (379,889)</u>	<u>\$</u>	<u>\$ 8,788,739</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Amount due within one year
<u>Governmental activities:</u>					
Direct borrowings and direct placements					
Bonds and loans payable	\$ 2,136,041	\$	\$ (298,080)	\$ 1,837,961	\$ 310,194
Capital lease	1,494,679		(63,622)	1,431,057	54,044
Net pension liability (1)	200,594	25,801		226,395	
OPEB (see note 12)	95,543		(6,972)	88,571	
Compensated absences Payable	204,063	283,932	(220,432)	267,563	53,513
Claims and settlements	33,334		(33,334)		
Total	<u>\$ 4,164,254</u>	<u>\$ 309,733</u>	<u>\$ (622,440)</u>	<u>\$3,851,547</u>	<u>\$ 417,751</u>

(1) See note 11.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM LIABILITIES (Continued)

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Amount due within one year
<u>Business-type activities:</u>					
Direct borrowings and direct placements					
Bonds and Loans payable	\$ 1,121,553	\$	\$ (345,476)	\$ 776,077	\$ 234,226
Capital lease		259,871	(55,506)	204,365	48,558
Revenue bonds	3,140,000		(185,000)	2,955,000	190,000
OPEB (see note 12)	37,282		(2,222)	35,060	
Compensated absences payable	36,773	53,266	(36,020)	54,019	10,804
Total	<u>\$ 4,335,608</u>	<u>\$ 313,137</u>	<u>\$ (624,224)</u>	4,024,521	<u>\$ 483,588</u>
Unamortized premium				86,891	
				<u>\$ 4,111,412</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.

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, 2020 were \$9,691,341 and the related debt service was \$722,925. Total principal and interest to maturity to be paid from pledged revenues is \$5,202,184.

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 was recorded in the Insurance Internal Service fund. The liability has been satisfied.

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%. The debt matured during the fiscal year.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, the net book value of the equipment was \$1,437,975.

The lease agreement includes a provision that upon the occurrence of any event of default, the lessor may retake possession of the equipment under lease.

The future minimum lease obligations as of September 30, 2020, are as follows:

Year Ending September 30	Principal	Interest	Total Amount
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	66,715	43,675	110,390
2026-2030	390,063	179,175	569,238
2031-2035	501,131	100,239	601,370
2036-2037	238,680	13,272	251,952
Total	<u>\$ 1,431,057</u>	<u>\$ 533,023</u>	<u>\$ 1,964,080</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.

Default in the payment of principal or interest when due, in the performance of any part of the agreement, and/or any petition to declare bankruptcy are events of default. Remedies for an event of default include, but are not limited to, the Bond Insurer directing the Trustee to pursue any available remedy allowed by law to enforce the payment of principal and interest.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds, Series 2016 (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2020, 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>
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>\$ 2,955,000</u>	<u>\$ 710,262</u>	<u>\$ 3,665,262</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, 2020

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	\$ 1,467,567
Business-type activities	<u>267,946</u>
	<u><u>\$ 1,735,513</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>
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	148,233	20,268	168,501
2026-2028	478,144	26,744	504,888
Total	<u>\$ 1,467,567</u>	<u>\$ 196,382</u>	<u>\$ 1,663,949</u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
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	33,986	4,647	38,633
2026-2028	109,628	6,132	115,760
Total	<u>\$ 267,946</u>	<u>\$ 41,193</u>	<u>\$ 309,139</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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>
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	18,044	4,802	22,846
2026-2028	61,811	6,467	68,278
Total	<u>\$ 141,277</u>	<u>\$ 41,595</u>	<u>\$ 182,872</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>\$ 370,395</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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
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>\$ 370,395</u>	<u>\$ 48,497</u>	<u>\$ 418,892</u>

The Promissory Notes Series 2008A, 2008B and 2009 all contain a provision that upon the occurrence of any event of default, the bank may declare all obligations of the Town under the Loan Agreement and the Note to be immediately due and payable without further action of any kind and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable.

Capital Lease

The Town entered into a lease agreement for financing the purchase of street sweeper with a price of \$259,871. 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 five annual payments required beginning June 1, 2020 with the final payment on June 1, 2024. At September 30, 2020, the net book value of the equipment was \$233,884.

The lease agreements include a provision that upon the occurrence of any event of default, the lessor may retake possession of the equipment under lease.

The future minimum lease obligations as of September 30, 2020, are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2021	\$ 48,558	\$ 6,948	\$ 55,506
2022	50,209	5,297	55,506
2023	51,916	3,590	55,506
2024	53,682	1,824	55,506
Total	<u>\$ 204,365</u>	<u>\$ 17,659</u>	<u>\$ 222,024</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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%.

The agreements include a provision that upon the occurrence of any event of default, the lessor may retake possession of the equipment under lease.

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
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>\$ 366,854</u>	<u>\$ 31,238</u>	<u>\$ 398,092</u>

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
2021	\$ 837,022	\$ 254,122	\$ 1,091,144
2022	731,585	221,161	952,746
2023	754,029	191,523	945,552
2024	680,390	166,911	847,301
2025	481,978	143,154	625,132
2026-2030	2,184,647	481,469	2,666,116
2031-2035	1,296,132	148,238	1,444,370
2036-2037	238,678	13,274	251,952
Total	<u>\$ 7,204,461</u>	<u>\$ 1,619,852</u>	<u>\$ 8,824,313</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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>	
2021	\$ 120,395
2022	111,506
2023	81,808
2024	<u>11,749</u>
Total	<u>\$ 325,458</u>

Payments were \$121,176 for the fiscal year ending September 30, 2020.

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, 2020

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, 2020, the Town had pension expense of \$305,111, and there were forfeitures of \$10,799. The Town had \$15,465 of contributions payable at September 30, 2020.

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, 2020

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, 2019, 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, 2020, 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, 2020

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Rate of Return. For the year ended September 30, 2020, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.72 percent adjusted for the changing amounts actually invested.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions applied to the September 30, 2020, measurement period.

Inflation	2.0%
Salary increases	N/A
Investment rate of return	7.50%
Mortality	Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.05%
Fixed Income	0.11%
Cash	0.11%

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, 2020

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

The components of the net pension liability of the Town at September 30, 2020, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2019	\$ 1,537,864	\$ 1,337,270	\$ 200,594
Changes due to:			
Interest	110,375		110,375
Differences between expected and actual experience	8,549		8,549
Change of assumptions	(25,188)		(25,188)
Employer contributions		36,525	(36,525)
Benefit payments and refunds	(132,388)	(132,388)	
Net investment income		72,360	(72,360)
Administrative expenses		(40,950)	40,950
Total changes	(38,652)	(64,453)	25,801
Balances at September 30, 2020	<u>\$ 1,499,212</u>	<u>\$ 1,272,817</u>	<u>\$ 226,395</u>

The Plan fiduciary net position was 84.90% of the total pension liability as of September 30, 2020.

For September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

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>\$ 309,608</u>	<u>\$ 226,395</u>	<u>\$ 153,746</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense and deferred outflows and inflows of resources. For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$30,022. 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 Outflows of Resources</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 24,956</u>
Total	<u><u>\$ 24,956</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>
2021	\$ (177)
2022	8,827
2023	11,745
2024	4,561
2025	
Thereafter	<u><u>\$24,956</u></u>

At September 30, 2020, the Town did not have any payables to the plan for outstanding contributions.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2019, the latest valuation date:

Active plan members	56
Inactive plan members or beneficiaries currently receiving benefits	
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	<u> </u>
	<u>56</u>

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, 2020, the rate was 2.14% 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, 2020

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, 20, the Town reported a total OPEB liability of \$123,631. For the fiscal year ended September 30, 2020, the Town recognized OPEB expense of \$3,868. As of September 30, 2020, 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, 2019
Measurement date	September 30, 2020
Actuarial cost method	Entry Age Cost Method
Inflation	2.50%
Discount rate	2.14%
Retirement rates	100% at age 60
Mortality tables	PubG-2010 Mortality Table projected to the valuation date using MP-2019
Healthcare cost trend rates	Initially 7.50% trending to 4.00% in 55 years
Marital status	80% married with male spouses 3 years older than female spouses
Healthcare participation	20% participation with 40% electing spouse coverage

Changes in Assumptions

The discount rate was changed from 3.58% as of the beginning of the measurement period to 2.14% as of September 30, 2020. 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, 2020

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The components of the total OPEB liability as of September 30, 2020, were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 132,825
Changes for the Year:	
Service Cost	14,531
Interest Cost	5,086
Changes of Assumptions and Other Inputs	(18,599)
Differences Between Expected and Actual Experience	(450)
Benefit Payments	(9,762)
Net Change in Total OPEB Liability	(9,194)
Balance at September 30, 2020	\$ 123,631

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 2.14% 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 (1.14%)	Discount Rate (2.14%)	1.0% Increase (3.14%)
Total OPEB Liability	\$ 135,287	\$ 123,631	\$ 113,569

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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 (7.50% 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 (6.5% decreasing to 3%)	Healthcare cost Trend Rates (7.5% decreasing to 4%)	1.0% Increase (8.5% decreasing to 5%)
Total OPEB Liability	\$ 111,934	\$ 123,631	\$ 137,377

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 \$72,780 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, 2020

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, FEMA, 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 –

The General Fund provides the other funds with various management services. Administrative costs totaling \$265,433 for the CRA Fund; \$100,017 for the Streets and Roads Fund; \$250,042 for the Marina Fund; \$450,076 for the Sanitation Fund; and \$100,017 for the Stormwater Utility Fund were charged for 2020.

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, 2020

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

The composition of interfund balances at September 30, 2020, 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	\$	\$ 850,000	850,000
CRA Fund	General Fund	30,012		30,012
Nonmajor				
Governmental	Stormwater Fund	16,664		16,664

All other payables and receivables were for cash flow purposes.

Interfund transfers during the year ended September 30, 2020, are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 189,633	
CRA Fund		189,633
CRA Fund	783,106	
General Fund		783,106

The transfer of \$189,633 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 \$783,106 from the General Fund to the CRA Fund was for the 2019 incremental tax obligation.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, 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 sixteenth addendum to the contract extended the term of service from October 1, 2020, thru September 30, 2021, 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:

- Guaranteeing a \$1,850,000 Promissory Note for 754 Park Avenue, LLC with Flagler Bank.
- Lakeshore Drive drainage improvements \$5,471,954, the Town has a \$3,497,789 grant to cover some of these costs.
- Marina dock repairs \$150,000.
- Approved \$100,000 in grants to eligible business for air purification systems.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 18 – 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 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.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. This Statement is effective for the fiscal year ending September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2020

Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Total pension liability:					
Service cost	\$ 126,439	\$ 124,182	\$ 116,219	\$ 132,596	\$ 131,746
Differences between expected and actual experience		(73,829)	206,781	8,574	(71,972)
Change of assumptions			51,891		
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)
Net change in total pension liability	(30,090)	(106,176)	218,362	(15,359)	(88,708)
Total pension liability - beginning	1,764,115	1,734,025	1,627,849	1,846,211	1,830,852
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>
Plan fiduciary net position					
Contributions - employer	\$ 52,328	\$ 39,097	\$ 75,932	\$ 80,380	\$ 71,508
Net investment income	170,788	(3,080)	141,510	142,541	114,653
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)
Administrative expenses	(15,671)	(35,380)	(26,578)	(29,853)	(34,266)
Net change in plan fiduciary net position	50,916	(155,892)	34,335	36,539	3,413
Plan fiduciary net position - beginning	1,423,896	1,474,812	1,318,920	1,353,255	1,389,794
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>
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>
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>

Change of Assumptions

For September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

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

<u>2019</u>	<u>2020</u>
\$ 125,696	\$ 110,375
(197,588)	8,549
	(25,188)
<u>(132,388)</u>	<u>(132,388)</u>
(204,280)	(38,652)
<u>1,742,144</u>	<u>1,537,864</u>
<u><u>\$ 1,537,864</u></u>	<u><u>\$1,499,212</u></u>
\$ 44,708	\$ 36,525
64,072	72,360
(132,388)	(132,388)
<u>(32,329)</u>	<u>(40,950)</u>
(55,937)	(64,453)
<u>1,393,207</u>	<u>1,337,270</u>
<u><u>\$ 1,337,270</u></u>	<u><u>\$1,272,817</u></u>
<u><u>\$ 200,594</u></u>	<u><u>\$ 226,395</u></u>
<u><u>86.96%</u></u>	<u><u>84.90%</u></u>

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
September 30, 2020

Last Ten Fiscal Years

Schedule of Contributions

<u>Fiscal Year Ending September 30</u>	<u>Acturially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>
2014	\$ 52,328	\$ 52,328	\$
2015	39,097	39,097	
2016	75,932	75,932	
2017	80,380	80,380	
2018	71,508	71,508	
2019	44,708	44,708	
2020	36,525	36,525	

Schedule of Investment Returns

<u>Fiscal Year Ending September 30</u>	<u>Annual money weighted rate of return net of investment expenses</u>
2014	12.44%
2015	-0.22%
2016	11.24%
2017	11.04%
2018	8.72%
2019	4.78%
2020	5.72%

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, 2020

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	10/01/2019
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, 2020

	2018	2019	2020
Total OPEB liability - beginning	\$ 119,471	\$ 120,655	\$ 132,825
Changes for the year:			
Service cost	9,362	9,008	14,531
Interest	4,555	5,252	5,086
Differences Between Expected and Actual Experienc			(450)
Changes of assumptions	(5,275)	6,021	(18,599)
Benefit payments	(7,458)	(8,111)	(9,762)
Net change in total OPEB liability	<u>1,184</u>	<u>12,170</u>	<u>(9,194)</u>
Total OPEB liability - ending	<u>\$ 120,655</u>	<u>\$ 132,825</u>	<u>\$ 123,631</u>
Covered Employee Payroll	<u>\$ 2,388,729</u>	<u>\$ 2,448,447</u>	<u>\$2,999,824</u>
Total OPEB Liability as a percentage of Covered Employee Payroll	<u>5.05%</u>	<u>5.42%</u>	<u>4.12%</u>
<u>Change in Assumptions</u>			
Discount rate	4.18%	3.58%	2.14%
The discount rate was 3.64% as of September 30, 2017.			

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes				
General property taxes	\$ 3,695,936	\$ 3,725,047	\$ 3,721,432	\$ (3,615)
Franchise taxes				
Electricity	578,000	484,065	540,186	56,121
Gas	12,000	6,804	7,718	914
Solid Waste	42,000	34,078	46,940	12,862
Utility taxes				
Electricity	801,000	784,023	784,023	
Water	180,000	173,556	188,457	14,901
Gas	47,609	41,507	45,720	4,213
Total taxes	<u>5,356,545</u>	<u>5,249,080</u>	<u>5,334,476</u>	<u>85,396</u>
Licenses and permits				
Building permits	208,100	140,766	256,394	115,628
Alarm permits	16,000	16,000	13,435	(2,565)
Signage permits	8,000	8,000	5,850	(2,150)
Business tax receipts	335,000	315,210	315,139	(71)
Business tax confirmation	35,000	19,440	19,350	(90)
Rental property inspections		11,650	11,650	
Reinspection fees	1,600	1,600	2,860	1,260
Cost recovery	32,000	79,155	80,920	1,765
Special event fees	1,500	1,500	1,150	(350)
Contractors fees	-		1,250	1,250
Total licenses and permits	<u>637,200</u>	<u>593,321</u>	<u>707,998</u>	<u>114,677</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	720,000	720,000	663,104	(56,896)
Local communication services taxes	285,000	274,183	274,183	
State revenue sharing	265,744	265,744	261,348	(4,396)
Alcoholic beverage licenses	10,000	10,000	12,755	2,755
Motor fuel tax refund	5,500	5,500	5,850	350
County shared revenues				
County business tax	17,000	17,000	22,149	5,149
Grant revenues				
FEMA grant			5,779	5,779
Community development block grant	5,373	5,373	5,758	385
State grant ballroom doors		964	23,915	22,951
State aid to libraries	11,125	11,125	6,119	(5,006)
Total intergovernmental revenues	<u>\$ 1,319,742</u>	<u>\$ 1,309,889</u>	<u>\$ 1,280,960</u>	<u>\$ (28,929)</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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 145,000	\$	\$	\$
CRA	73,000			
Stormwater utility	62,000			
Marina	62,000			
Indirect cost allocations				
CRA		442,623	265,433	(177,190)
Streets and Roads		125,971	100,017	(25,954)
Marina		314,928	250,042	(64,886)
Sanitation		566,871	450,076	(116,795)
Stormwater utility		125,971	100,017	(25,954)
Plan review fees	20,000	20,000	15,500	(4,500)
Bank registration fees	450	450	1,500	1,050
Parks and recreation	40,800	17,400	15,133	(2,267)
Other charges for services	29,910	29,910	30,953	1,043
Total charges for services	433,160	1,644,124	1,228,671	(415,453)
Fines and forfeitures				
Court fines	32,000	19,937	21,401	1,464
Code violations	168,500	629,665	628,340	(1,325)
Code violations - administrative cost	14,000	34,426	30,345	(4,081)
Alarm violations	5,200	5,200	5,275	75
Library fines	1,000	1,000	334	(666)
Total fines and forfeitures	220,700	690,228	685,695	(4,533)
Miscellaneous revenue				
Interest earnings	140,000	63,780	69,170	5,390
Interest earnings - tax collector	1,000	1,000	744	(256)
Rent	51,096	73,640	73,066	(574)
Sale of surplus property			1,849	1,849
Sale of scrap material	100	100	733	633
Fuel reimbursement from Sheriff	7,000	7,000	1,735	(5,265)
Reimbursement from Stormwater utility	32,448			
Miscellaneous revenues	39,900	35,181	39,519	4,338
Total miscellaneous revenues	271,544	180,701	186,816	6,115
Total revenues	\$ 8,238,891	\$ 9,667,343	\$ 9,424,616	\$ (242,727)
				(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,309	\$ 51,893	\$ 51,859	\$ 34
Operating expenditures	72,489	32,268	30,665	1,603
Total legislative	123,798	84,161	82,524	1,637
Town manager				
Personal services	288,578	357,105	355,716	1,389
Operating expenditures	85,120	89,735	91,287	(1,552)
Total town manager	373,698	446,840	447,003	(163)
Personnel				
Personal services	151,193	191,779	191,309	470
Operating expenditures	64,493	35,733	35,814	(81)
Total personnel	215,686	227,512	227,123	389
Town clerk				
Personal services	153,087	177,076	177,672	(596)
Operating expenditures	46,115	156,597	52,012	104,585
Total town clerk	199,202	333,673	229,684	103,989
Finance				
Personal services	415,380	528,595	528,329	266
Operating expenditures	91,135	100,126	97,931	2,195
Total finance	506,515	628,721	626,260	2,461
Legal				
Operating expenditures	161,000	173,455	173,455	
Total legal	161,000	173,455	173,455	
Information technology				
Personal services	115,408	120,250	121,744	(1,494)
Operating expenditures	84,637	115,715	109,858	5,857
Capital outlay		19,087	19,087	
Total information technology	200,045	255,052	250,689	4,363
Non-departmental				
Personal services	168,664	60,000	36,525	23,475
Operating expenditures	83,374	224,188	224,255	(67)
Debt service	484,338	484,338	484,333	5
Total non-departmental	736,376	768,526	745,113	23,413
Total general government	2,516,320	2,917,940	2,781,851	136,089
Public Safety				
Law enforcement				
Operating expenditures	3,136,251	3,141,655	3,101,770	39,885

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures (Continued)				
Public Safety(Continued)				
Disaster				
Operating expenditures	\$ 1,000	\$ 17,782	\$ 7,282	\$ 10,500
Total disaster	<u>1,000</u>	<u>17,782</u>	<u>7,282</u>	<u>10,500</u>
Community development				
Personal services	552,198	481,692	479,673	2,019
Operating expenditures	<u>121,083</u>	<u>401,708</u>	<u>399,112</u>	<u>2,596</u>
Total community development	<u>673,281</u>	<u>883,400</u>	<u>878,785</u>	<u>4,615</u>
Total public safety	<u>3,810,532</u>	<u>4,042,837</u>	<u>3,987,837</u>	<u>55,000</u>
Physical environment				
Public works- administration				
Personal services	164,458	341,467	341,903	(436)
Operating expenditures	<u>14,565</u>	<u>13,063</u>	<u>12,961</u>	<u>102</u>
Total Public works- administration	<u>179,023</u>	<u>354,530</u>	<u>354,864</u>	<u>(334)</u>
Vehicle maintenance				
Personal services	89,774	175,416	175,395	21
Operating expenditures	<u>98,050</u>	<u>89,802</u>	<u>89,693</u>	<u>109</u>
Total vehicle maintenance	<u>187,824</u>	<u>265,218</u>	<u>265,088</u>	<u>130</u>
Total physical environment	<u>366,847</u>	<u>619,748</u>	<u>619,952</u>	<u>(204)</u>
Transportation				
Facility maintenance				
Personal services	135,917	135,065	136,258	(1,193)
Operating expenditures	<u>175,635</u>	<u>183,393</u>	<u>182,840</u>	<u>553</u>
Capital outlay		<u>63,772</u>	<u>63,771</u>	<u>1</u>
Total facility maintenance	<u>311,552</u>	<u>382,230</u>	<u>382,869</u>	<u>(639)</u>
Total transportation	<u>311,552</u>	<u>382,230</u>	<u>382,869</u>	<u>(639)</u>
Culture and recreation				
Library				
Personal services	315,041	360,431	356,010	4,421
Operating expenditures	<u>68,945</u>	<u>53,189</u>	<u>49,833</u>	<u>3,356</u>
Total library	<u>383,986</u>	<u>413,620</u>	<u>405,843</u>	<u>7,777</u>
Recreation				
Personal services	171,376	201,156	200,268	888
Operating expenditures	<u>96,108</u>	<u>71,503</u>	<u>71,704</u>	<u>(201)</u>
Capital outlay	<u>7,000</u>	<u>6,520</u>	<u>1,407</u>	<u>5,113</u>
Total recreation	<u>274,484</u>	<u>279,179</u>	<u>273,379</u>	<u>5,800</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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
(Continued)				
Expenditures (Continued)				
Public works - ground maintenance				
Personal services	\$ 328,757	\$ 344,714	\$ 337,635	\$ 7,079
Operating expenditures	69,175	47,873	46,418	1,455
Capital outlay		21,014	21,014	
Total public works - ground maintenance	<u>397,932</u>	<u>413,601</u>	<u>405,067</u>	<u>8,534</u>
Total culture and recreation	<u>1,056,402</u>	<u>1,106,400</u>	<u>1,084,289</u>	<u>22,111</u>
Total expenditures	<u>8,061,653</u>	<u>9,069,155</u>	<u>8,856,798</u>	<u>212,357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,238</u>	<u>598,188</u>	<u>567,818</u>	<u>(30,370)</u>
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads	93,500			
Transfer from CRA	260,504	260,504	189,633	(70,871)
Transfer from Marina	25,000			
Transfer from Stormwater	92,450			
Transfer from Sanitation	<u>260,000</u>			
Total transfers in	<u>731,454</u>	<u>260,504</u>	<u>189,633</u>	<u>(70,871)</u>
Transfers out				
Transfer out CRA	<u>(783,106)</u>	<u>(783,106)</u>	<u>(783,106)</u>	
Total transfers out	<u>(783,106)</u>	<u>(783,106)</u>	<u>(783,106)</u>	
Contingency, reserves and unappropriated	<u>(125,586)</u>	<u>(75,586)</u>		<u>75,586</u>
Total other financing sources (uses)	<u>(177,238)</u>	<u>(598,188)</u>	<u>(593,473)</u>	<u>4,715</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ (25,655)</u>	<u>\$ (25,655)</u>

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, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 423,201	\$ 423,201	\$ 424,923	\$ 1,722
Miscellaneous revenue			1	1
Transfer from General Fund	783,106	783,106	783,106	
Total revenues	<u>1,206,307</u>	<u>1,206,307</u>	<u>1,208,030</u>	<u>1,723</u>
Expenditures				
Economic environment	590,726	590,726	602,624	(11,898)
Grants and aids	354,770	354,770	183,649	171,121
Transfers	260,811	260,811	189,633	71,178
Total expenditures	<u>1,206,307</u>	<u>1,206,307</u>	<u>975,906</u>	<u>230,401</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 232,124</u>	<u>\$ 232,124</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2020**

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, 2020

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 at the fund level.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Special Revenue Funds
Streets and Roads Fund

Capital Projects Funds
Capital Projects Fund

TOWN OF LAKE PARK, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	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	\$ 170,101	\$ 231,397	\$ 16,593	\$ 418,091
Due from other governments		25,538		25,538
Due from other funds		16,664		16,664
Total assets	<u>\$ 170,101</u>	<u>\$ 273,599</u>	<u>\$ 16,593</u>	<u>\$ 460,293</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$	\$ 2,730	\$	\$ 2,730
Accrued items		6,995		6,995
Deferred revenue		11,209		11,209
Total liabilities		<u>20,934</u>		<u>20,934</u>
Fund balances				
Restricted for:				
Debt service	170,101			170,101
Transportation		391,849		391,849
Capital projects			16,593	16,593
Unassigned		(139,184)		(139,184)
Total fund balances	<u>170,101</u>	<u>252,665</u>	<u>16,593</u>	<u>439,359</u>
Total liabilities and fund balances	<u>\$ 170,101</u>	<u>\$ 273,599</u>	<u>\$ 16,593</u>	<u>\$ 460,293</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, 2020

	Debt Service Fund	Special Revenue Fund Streets & Roads Fund	Capital Projects Fund Capital Projects Bond Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 49	\$	\$	\$ 49
Intergovernmental		364,132		364,132
Total revenues	<u>49</u>	<u>364,132</u>	<u></u>	<u>364,181</u>
Expenditures				
Current				
Transportation		366,752		366,752
Capital outlay		32,514		32,514
Total expenditures		<u>399,266</u>	<u></u>	<u>399,266</u>
Net changes in fund balances	49	(35,134)		(35,085)
Fund balances - beginning	<u>170,052</u>	<u>287,799</u>	<u>16,593</u>	<u>474,444</u>
Fund balances - ending	<u>\$ 170,101</u>	<u>\$ 252,665</u>	<u>\$ 16,593</u>	<u>\$ 439,359</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 418,041	\$ 418,041	\$ 364,132	\$ (53,909)
Balance brought forward				
Total revenues	<u>418,041</u>	<u>418,041</u>	<u>364,132</u>	<u>(53,909)</u>
Expenditures				
Transportation	299,541	292,026	366,752	(74,726)
Capital outlay	25,000	32,515	32,514	1
Transfer to General fund	93,500	93,500		93,500
Total expenditures	<u>418,041</u>	<u>418,041</u>	<u>399,266</u>	<u>18,775</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (35,134)</u>	<u>\$ (35,134)</u>

PROPRIETARY FUNDS

Internal Service Fund

Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Contributed revenue	\$ 217,764	\$ 217,764	\$ 177,152	\$ (40,612)
Balance brought forward	51,687	51,687		(51,687)
Total revenues	<u>269,451</u>	<u>269,451</u>	<u>177,152</u>	<u>(92,299)</u>
Expenditures				
Personal services	35,262	35,262	33,172	2,090
Operating expenses	234,189	234,189	143,980	90,209
Total expenditures	<u>269,451</u>	<u>269,451</u>	<u>177,152</u>	<u>92,299</u>
Operating income (loss)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in net position - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

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.

Contents

Page

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.

Net Position by Component	86
Changes in Net Position	87
Fund Balances of Governmental Funds	91
Changes in Fund Balances of Governmental Funds	92

Revenue Capacity

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

Governmental Funds Tax Revenues by Source	94
General Government Revenue by Source	95
Assessed Value of Taxable Property	97
Direct and Overlapping Property Tax Rates	98
Principal Property Taxpayers	100
Property Tax Levies and Collections	101

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.

Ratios of Outstanding Debt by Type	102
Ratios of General Bonded Debt Outstanding	104
Direct and Overlapping Governmental Activities Debt	105
Pledged-Revenue Coverage	106

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.

Demographic and Economic Statistics	107
Principal Employers	108

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.

Full-Time Equivalent Town Government Employees by Function	109
Operating Indicators by Function/Program	110
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				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 2,225,160	\$ 2,400,557	\$ 1,778,341	\$ 2,837,379	\$ 3,142,197
Restricted	241,509	267,633	304,159	364,900	404,094
Unrestricted	1,817,156	1,720,723	233,468	(195,039)	419,594
Total governmental activities net position	\$ 4,283,825	\$ 4,388,913	\$ 2,315,968	\$ 3,007,240	\$ 3,965,885
Business-type activities					
Net investment in capital assets	\$ 5,690,265	\$ 5,205,987	\$ 4,902,259	\$ 4,662,043	\$ 4,909,675
Restricted		99,592	37,338		
Unrestricted	(1,599,465)	(2,077,983)	731,212	607,291	350,817
Total business-type activities net position	\$ 4,090,800	\$ 3,227,596	\$ 5,670,809	\$ 5,269,334	\$ 5,260,492
Primary government					
Net investment in capital assets	\$ 7,915,425	\$ 7,606,544	\$ 6,680,600	\$ 7,499,422	\$ 8,051,872
Restricted	241,509	367,225	341,497	364,900	404,094
Unrestricted	217,691	(357,260)	964,680	412,252	770,411
Total primary government net position	\$ 8,374,625	\$ 7,616,509	\$ 7,986,777	\$ 8,276,574	\$ 9,226,377
	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 3,205,414	\$ 3,862,515	\$ 5,431,953	\$ 5,809,108	\$ 5,822,996
Restricted	506,653	1,029,677	1,509,135	2,028,528	4,511,884
Unrestricted	1,010,808	1,356,118	1,178,588	1,464,835	1,504,174
Total governmental activities net position	\$ 4,722,875	\$ 6,248,310	\$ 8,119,676	\$ 9,302,471	\$ 11,839,054
Business-type activities					
Net investment in capital assets	\$ 4,690,541	\$ 4,506,945	\$ 4,566,524	\$ 4,813,499	\$ 4,766,405
Restricted					
Unrestricted	535,262	347,918	662,698	706,485	788,457
Total business-type activities net position	\$ 5,225,803	\$ 4,854,863	\$ 5,229,222	\$ 5,519,984	\$ 5,554,862
Primary government					
Net investment in capital assets	\$ 7,895,955	\$ 8,369,460	\$ 9,998,477	\$ 10,622,607	\$ 10,589,401
Restricted	506,653	1,029,677	1,509,135	2,028,528	4,511,884
Unrestricted	1,546,070	1,704,036	1,841,286	2,171,320	2,292,631
Total primary government net position	\$ 9,948,678	\$ 11,103,173	\$ 13,348,898	\$ 14,822,455	\$ 17,393,916

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 2,371,297	\$ 1,938,137	\$ 1,543,348	\$ 1,608,593	\$ 1,622,346
Public safety	4,910,050	4,726,961	4,578,728	4,749,126	4,927,037
Physical environment	333,799	286,687	289,172	268,706	279,885
Transportation	662,871	619,207	565,936	564,501	589,970
Culture and recreation	1,022,770	846,998	919,506	815,290	842,876
Economic environment	49,637	3,458	1,921	39,905	1,429
Interest on long-term debt	388,633	354,828	316,601	276,467	233,655
Total governmental activities expenses	<u>9,739,057</u>	<u>8,776,276</u>	<u>8,215,212</u>	<u>8,322,588</u>	<u>8,497,198</u>
Business-type activities:					
Marina	1,856,283	1,632,308	1,591,055	1,600,962	1,728,929
Sanitation	1,464,491	1,396,191	1,396,551	1,152,304	1,163,127
Stormwater	353,584	384,366	414,106	402,905	335,711
Total business-type activities expenses	<u>3,674,358</u>	<u>3,412,865</u>	<u>3,401,712</u>	<u>3,156,171</u>	<u>3,227,767</u>
Total primary government expenses	<u>\$ 13,413,415</u>	<u>\$ 12,189,141</u>	<u>\$ 11,616,924</u>	<u>\$ 11,478,759</u>	<u>\$ 11,724,965</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 69,481	\$ 70,516	\$ 79,381	\$ 82,406	\$ 89,112
Public safety	743,715	795,284	754,094	778,395	762,073
Physical environment					
Transportation	41,964	35,608	29,015	31,056	27,680
Culture and recreation	96,576	57,038	69,116	46,549	52,827
Operating contributions and grants:					
General government	2,100	3,259			
Public safety					
Physical environment			5,000	3,517	2,470
Transportation					
Culture and recreation	12,608	20,165	11,371	9,024	9,230
Capital contributions and grants:					
General government					
Public safety	1,311				
Physical environment					
Transportation	16,665	17,910	18,141	18,642	19,245
Culture and recreation	77,506	117,533	36,580	45,416	9,065
Total governmental activities program revenues	<u>1,061,926</u>	<u>1,117,313</u>	<u>1,002,698</u>	<u>1,015,005</u>	<u>971,702</u>
Business-type activities:					
Charges for services:					
Marina	1,149,451	890,305	801,716	1,105,139	1,357,287
Sanitation	1,496,006	1,468,553	1,459,636	1,445,086	1,672,392
Stormwater	516,126	503,251	505,271	489,396	487,537
Operating contributions and grants:					
Marina					
Sanitation					
Stormwater					
Capital contributions and grants:					
Marina	2,400,000				
Stormwater					
Total business-type activities program revenues	<u>5,561,583</u>	<u>2,862,109</u>	<u>2,766,623</u>	<u>3,039,621</u>	<u>3,517,216</u>
Total primary government program revenues	<u>\$ 6,623,509</u>	<u>\$ 3,979,422</u>	<u>\$ 3,769,321</u>	<u>\$ 4,054,626</u>	<u>\$ 4,488,918</u>

Fiscal Year				
2016	2017	2018	2019	2020
\$ 2,119,258	\$ 2,379,266	\$ 1,897,797	\$ 1,796,253	\$ 2,114,917
3,460,558	3,616,758	3,769,881	3,890,768	3,987,837
313,900	337,601	243,451	369,636	250,097
566,643	572,008	573,583	627,123	738,997
859,896	937,507	1,017,475	1,139,623	1,150,406
3,925		459,417	563,372	786,273
191,384	147,633	111,880	120,502	120,947
7,515,564	7,990,773	8,073,484	8,507,277	9,149,474
1,664,332	1,854,387	1,703,023	1,885,821	1,768,741
1,205,728	1,365,725	1,282,784	1,422,337	1,746,142
392,237	364,367	386,464	575,569	596,912
3,262,297	3,584,479	3,372,271	3,883,727	4,111,795
<u>\$ 10,777,861</u>	<u>\$ 11,575,252</u>	<u>\$ 11,445,755</u>	<u>\$ 12,391,004</u>	<u>\$ 13,261,269</u>
\$ 111,930	\$ 109,601	\$ 123,425	\$ 112,775	\$ 113,464
873,864	1,068,425	1,048,644	1,033,888	1,434,668
290				
16,995	26,740	35,577	37,409	15,592
				146,257
4,951	3,980	71,845	4,919	11,725
7,116	24,221	51,573	33,660	8,248
				27,975
			33,960	1,829,673
19,822	23,997	25,007	50,056	55,223
56,726	251,920	323,233	60,354	39,844
1,091,694	1,508,884	1,679,304	1,367,021	3,682,669
1,340,328	1,403,726	1,475,452	1,584,076	1,328,429
1,707,491	1,691,438	1,696,560	1,768,552	1,739,770
487,878	505,642	768,853	769,833	920,992
		23,261	23,003	1,957
		79,162	43,919	38,396
		11,286	9,454	61,449
		31,625	288,999	15,614
3,535,697	3,600,806	4,086,199	4,487,836	4,106,607
<u>\$ 4,627,391</u>	<u>\$ 5,109,690</u>	<u>\$ 5,765,503</u>	<u>\$ 5,854,857</u>	<u>\$ 7,789,276</u>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (expense) revenue					
Governmental activities	\$ (8,677,131)	\$ (7,658,963)	\$ (7,212,514)	\$ (7,307,583)	\$ (7,525,493)
Business-type activities	1,887,225	(550,756)	(635,089)	(116,550)	289,469
Total primary government net expense	<u>\$ (6,789,906)</u>	<u>\$ (8,209,719)</u>	<u>\$ (7,847,603)</u>	<u>\$ (7,424,133)</u>	<u>\$ (7,236,024)</u>
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,730,840	\$ 4,434,500	\$ 4,315,899	\$ 4,554,358	\$ 4,839,895
Infrastructure surtax					
Franchise fees	572,846	545,895	493,884	651,664	598,424
Utility service taxes	796,663	804,467	849,228	926,495	952,772
Local option gas taxes	230,060	229,780	230,639	236,922	251,894
Communication sales tax	414,748	375,003	356,437	324,291	315,322
Intergovernmental, unrestricted	1,072,929	1,012,470	1,033,832	1,093,000	1,196,655
Gain on sale of surplus property			2,043		320,000
Miscellaneous revenue					
Investment earnings	36,181	37,586	26,307	12,705	20,104
Transfers	284,050	324,350	(2,168,700)	199,420	303,078
Total governmental activities	<u>8,138,317</u>	<u>7,764,051</u>	<u>5,139,569</u>	<u>7,998,855</u>	<u>8,798,144</u>
Business-type activities					
Investment earnings	10,652	11,902	11,214	814	4,767
Gain on sale of equipment			18,388		
Miscellaneous revenues			880,000		
Transfers	(284,050)	(324,350)	2,168,700	(199,420)	(303,078)
Total business-type activities	<u>(273,398)</u>	<u>(312,448)</u>	<u>3,078,302</u>	<u>(198,606)</u>	<u>(298,311)</u>
Total primary government	<u>\$ 7,864,919</u>	<u>\$ 7,451,603</u>	<u>\$ 8,217,871</u>	<u>\$ 7,800,249</u>	<u>\$ 8,499,833</u>
Changes in net position					
Governmental activities	\$ (538,814)	\$ 105,088	\$ (2,072,945)	\$ 691,272	\$ 1,272,651
Business-type activities	1,613,827	(863,204)	2,443,213	(315,156)	(8,842)
Total primary government	<u>\$ 1,075,013</u>	<u>\$ (758,116)</u>	<u>\$ 370,268</u>	<u>\$ 376,116</u>	<u>\$ 1,263,809</u>

Fiscal Year				
2016	2017	2018	2019	2020
\$ (6,423,870)	\$ (6,481,889)	\$ (6,394,177)	\$ (7,140,256)	\$ (5,466,805)
273,400	16,327	712,928	604,109	(5,188)
<u>\$ (6,150,470)</u>	<u>\$ (6,465,562)</u>	<u>\$ (5,681,249)</u>	<u>\$ (6,536,147)</u>	<u>\$ (5,471,993)</u>
\$ 3,496,377	\$ 3,791,642	\$ 3,644,561	\$ 3,443,832	\$ 3,721,481
	389,411	620,736	644,946	610,154
605,622	627,219	632,237	634,652	594,844
975,706	1,006,475	1,025,980	1,037,613	1,018,200
257,756	269,595	266,361	269,924	240,713
286,682	276,237	278,915	274,449	274,183
1,222,771	1,282,459	1,357,344	1,423,061	1,435,228
			49,749	
25,946	54,286	47,015	219,825	108,585
310,000	310,000	411,877	325,000	
<u>7,180,860</u>	<u>8,007,324</u>	<u>8,285,026</u>	<u>8,323,051</u>	<u>8,003,388</u>
1,911	3,609	5,720	11,653	4,331
		74,152		35,735
(310,000)	(310,000)	(411,877)	(325,000)	-
<u>(308,089)</u>	<u>(306,391)</u>	<u>(332,005)</u>	<u>(313,347)</u>	<u>40,066</u>
<u>\$ 6,872,771</u>	<u>\$ 7,700,933</u>	<u>\$ 7,953,021</u>	<u>\$ 8,009,704</u>	<u>\$ 8,043,454</u>
\$ 756,990	\$ 1,525,435	\$ 1,890,849	\$ 1,182,795	\$ 2,536,583
(34,689)	(290,064)	380,923	290,762	34,878
<u>\$ 722,301</u>	<u>\$ 1,235,371</u>	<u>\$ 2,271,772</u>	<u>\$ 1,473,557</u>	<u>\$ 2,571,461</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 2,582,849	\$ 3,045,989	\$ 435,992	\$ 367,260	\$ 755,709
Restricted	118,164	54,100	33,929	33,826	10,316
Assigned					
Subsequent year's expenditures	84,887		70,648		36,458
Unassigned	277,015	20,643	198,722	544,245	563,362
Total general fund	<u>\$ 3,062,915</u>	<u>\$ 3,120,732</u>	<u>\$ 739,291</u>	<u>\$ 945,331</u>	<u>\$ 1,365,845</u>
All other governmental funds					
Nonspendable	\$ 4,022	\$	\$ 1,640	\$	\$
Restricted	123,345	213,533	270,230	331,074	414,536
Assigned					
Subsequent year's expenditures	181,592				
Special revenue funds	8,374				
Capital projects funds	24,863	18,458	26,915	21,418	253,325
Unassigned		(236,283)	(224,590)	(253,889)	(105,427)
Total all other governmental funds	<u>\$ 342,196</u>	<u>\$ (4,292)</u>	<u>\$ 74,195</u>	<u>\$ 98,603</u>	<u>\$ 562,434</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 700,452	\$ 647,423	\$ 580,059	\$ 513,597	\$ 900,294
Restricted	10,000	10,000	10,000	10,000	10,000
Assigned					
Subsequent year's expenditures	65,355	47,786	5,900	43,458	67,436
Unassigned	881,030	1,179,607	1,509,094	1,723,974	1,287,644
Total general fund	<u>\$ 1,656,837</u>	<u>\$ 1,884,816</u>	<u>\$ 2,105,053</u>	<u>\$ 2,291,029</u>	<u>\$ 2,265,374</u>
All other governmental funds					
Nonspendable	\$	\$ 395	\$ 1,283	\$ 1,680	\$
Restricted	509,239	1,023,816	1,499,135	2,018,528	4,501,884
Assigned					
Subsequent year's expenditures	7,500	70,954	73,977		
Special revenue funds	206,196	301,084	10,004		
Capital projects funds					
Unassigned	(58,769)	(247,851)	(115,053)	(39,144)	(163,353)
Total all other governmental funds	<u>\$ 664,166</u>	<u>\$ 1,148,398</u>	<u>\$ 1,469,346</u>	<u>\$ 1,981,064</u>	<u>\$ 4,338,531</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues					
Taxes	\$ 6,100,349	\$ 5,784,862	\$ 5,659,011	\$ 6,132,517	\$ 6,391,091
Licenses and permits	467,389	470,844	502,279	537,298	622,763
Intergovernmental	1,833,846	1,765,296	1,718,020	1,742,766	1,827,646
Charges for services	467,931	431,057	418,675	347,788	408,911
Fines and forfeitures	132,963	183,345	185,451	167,991	80,929
Miscellaneous	310,590	291,484	167,701	144,617	470,381
Total revenues	<u>9,313,068</u>	<u>8,926,888</u>	<u>8,651,137</u>	<u>9,072,977</u>	<u>9,801,721</u>
Expenditures					
General government	2,382,504	1,915,421	1,429,575	1,459,677	1,610,692
Public safety	4,906,546	4,725,084	4,578,945	4,754,459	4,926,858
Physical environment	292,967	256,855	267,232	269,391	277,727
Transportation	533,475	517,457	471,465	488,139	477,058
Culture and recreation	870,465	697,998	776,567	718,737	709,111
Economic environment	49,637	3,458	1,921	39,905	1,429
Capital outlay	153,252	234,513	70,763	122,795	111,467
Debt service					
Principal	801,042	827,516	865,224	904,943	915,002
Interest	398,200	361,607	323,700	283,903	241,454
Grants and aid					
Total expenditures	<u>10,388,088</u>	<u>9,539,909</u>	<u>8,785,392</u>	<u>9,041,949</u>	<u>9,270,798</u>
Excess of revenues over (under) expenditures	(1,075,020)	(613,021)	(134,255)	31,028	530,923
Other financing sources (uses)					
Transfers in	1,109,374	986,222	866,943	846,898	1,304,254
Transfers out	(825,324)	(661,872)	(3,035,643)	(647,478)	(950,832)
Capital lease obligations					
Total other financing sources (uses)	<u>284,050</u>	<u>324,350</u>	<u>(2,168,700)</u>	<u>199,420</u>	<u>353,422</u>
Net change in fund balances	<u>\$ (790,970)</u>	<u>\$ (288,671)</u>	<u>\$ (2,302,955)</u>	<u>\$ 230,448</u>	<u>\$ 884,345</u>
Debt service as a percentage of non-capital expenditures	<u>11.72%</u>	<u>12.78%</u>	<u>13.64%</u>	<u>13.33%</u>	<u>12.63%</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 5,077,705	\$ 5,814,747	\$ 5,923,514	\$ 5,761,043	\$ 5,944,679
732,567	727,048	820,631	761,108	707,998
1,821,757	1,971,076	2,469,253	2,239,661	2,137,834
345,977	365,978	411,005	437,528	1,228,671
100,810	290,900	159,231	220,336	685,695
162,649	187,875	193,236	423,564	2,000,208
<u>8,241,465</u>	<u>9,357,624</u>	<u>9,976,870</u>	<u>9,843,240</u>	<u>12,705,085</u>
1,812,849	2,285,666	1,979,986	1,987,217	2,281,813
3,458,641	3,612,914	3,769,659	3,872,115	3,987,837
307,054	329,059	241,094	364,034	619,952
480,458	472,046	509,351	528,708	685,850
701,248	803,814	913,563	1,019,952	1,061,868
3,925		459,417	563,372	602,624
222,166	338,565	1,113,065	2,247,676	465,347
948,039	982,074	646,531	286,450	361,702
199,556	156,080	116,019	92,701	122,631
				183,649
<u>8,133,936</u>	<u>8,980,218</u>	<u>9,748,685</u>	<u>10,962,225</u>	<u>10,373,273</u>
107,529	377,406	228,185	(1,118,985)	2,331,812
993,767	1,084,848	1,167,729	1,258,334	979,739
(683,767)	(774,848)	(857,729)	(933,334)	(979,739)
			1,494,679	
<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>1,819,679</u>	<u>-</u>
<u>\$ 417,529</u>	<u>\$ 687,406</u>	<u>\$ 538,185</u>	<u>\$ 700,694</u>	<u>\$ 2,331,812</u>
<u>14.50%</u>	<u>13.17%</u>	<u>8.83%</u>	<u>4.35%</u>	<u>4.98%</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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
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
2020	4,146,404	594,844	1,018,200	274,183	1,273,258	7,306,889

(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
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
2020	5,944,679	707,998	2,137,834	1,228,671

Fiscal Year	Fines and Forfeitures	Miscellaneous	Other Financing Sources	Total	Annual Percentage Increase (Decrease)
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 %
2020	685,695	2,000,208		12,705,085	8.9 %

THIS PAGE INTENTIONALLY LEFT BLANK

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					
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
2020	340,559,805	391,381,387	42,715,405	1,549,431	776,206,028	8.8055	776,206,028

(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	Palm Beach County			Palm Beach County			
	(2) Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage
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	0.0765	3.4581	8.3161
2020	5.3474	-	5.3474	4.7815	0.0309	3.4581	8.2705

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
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	22.5148
7.010	-	7.010	1.6753	22.3032

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

	2020			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Mariners Key Owners, LLC	\$ 33,650,312	\$ 212,630	1	5.12%
Wal Mart Stores East LP	18,639,538	140,382	2	3.38%
SC Lake Park Associates, LLLP	16,215,439	93,239	3	2.25%
Congress Avenue Properties LTD	14,811,052	83,300	4	2.21%
Florida Power & Light Co	16,064,555	14,048	5	0.37%
Mullinax Ford of PBC, LLC	15,044,650	93,936	6	2.64%
Earl Stewart LLC	14,735,184	81,329	7	1.62%
Lake Park Square Joint Venture	12,755,890	93,384	8	2.25%
Kelsey Industrial, LLC	11,701,306	75,396	9	1.82%
Trust Lake Park LTD	7,448,609	81,303	10	1.72%
Totals	<u>\$ 161,066,535</u>	<u>\$ 968,947</u>		<u>23.38%</u>

Source: Palm Beach County Property Appraiser.

	2011			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owners LLC	\$ 17,434,493	\$ 148,338	1	3.08%
Walmart Stores East LP	13,054,327	111,070	2	2.30%
Congress Ave Properties LTD	12,896,693	109,729	3	2.28%
SC Lake Park Associates LLLP	10,184,240	97,478	4	2.02%
Lake Park Square Joint Venture	10,500,012	89,337	5	1.85%
Trust Lake Park, LTD	8,500,000	72,321	7	1.50%
Mullinax Ford of PBC, LLC	8,141,180	69,268	6	1.44%
Northlake Square East, LLC	6,759,696	57,514	8	1.19%
Earl Stewart, LLC	6,585,904	56,035	9	1.16%
Twin Cities Investors, Inc.	6,149,099	58,111	10	1.21%
Totals	<u>\$ 100,205,644</u>	<u>\$ 869,201</u>		<u>18.03%</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
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
2020	4,150,684	3,725,509	89.8 %	3,233

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
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 %	-	- %
2020	3,728,742	89.8 %	-	- %

(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
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
2020	-	1,431,057	1,837,961	3,269,018	0.42%	382.07

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

Business-type Activities				Primary Government			
Marina Revenue Bonds	Loans Payable	Capital Lease Obligations	Total Business- type Activities	Total Primary Government	Population	Percent Of Average Household Income	Per Capita
\$ 4,170,000	\$ 1,308,383	-	\$ 5,478,383	\$ 5,478,383	8,155	1.42%	\$ 671.78
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
2,955,000	776,077	204,365	3,935,442	7,566,162	8,556	1.43%	884.31

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
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%	-
2020	-	-	-	0.00%	-

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

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	3,269,018	100.0%	3,269,018
	<u>3,269,018</u>		<u>3,269,018</u>
Other debt			
Palm Beach County	44,740,000	1.515%	677,811
Palm Beach County School Board	6,498,000	1.515%	98,445
	<u>51,238,000</u>		<u>776,256</u>
Total direct and overlapping debt			4,045,274
Estimated town population			<u>8,556</u>
Total per capita			<u>\$ 472.80</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
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
2020	1,330,386	1,134,523	195,863	282,213	0.69

(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)
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%
2020	8,556	23,162	61,705	38	N/A	368	6.2%

Data Sources:

- (1) The Population for 2013, 2014, 2015, 2016, 2017, 2018, 2019 , 2020 was obtained from the US Census Bureau F 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

	2020			2011		
	<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	21,495	1	N/A
Tenet Coastal Division PBC	6,136	2	N/A	6,100	3	N/A
Palm Beach County	5,928	3	N/A	11,381	2	N/A
Next Era Energy (Parent Co, FPL)	4,021	4	N/A	3,635	4	N/A
HCA Palm Beach Hospitals	3,550	5	N/A	2,714	6	N/A
Boca Raton Regional Hospital	2,800	6	N/A	2,200	10	N/A
Florida Atlantic University	2,761	7	N/A	2,706	7	N/A
Veterans Health Administration	2,468	8	N/A	2,205	N/A	N/A
Bethesda Health Inc	2,200	9	N/A	2,391	8	N/A
Office Depot	2,034	10	N/A	2,250	9	N/A
Totals	<u>53,098</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>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>	<u>2020</u>
General government										
Town Manager	3	2	2	2	2	2	3	2	3	3
Personnel	1	1	2	2	2	2	2	2	2	2
Town Clerk	2	2	2	1	1	2	2	2	2	2
Finance	4	4	4	4	5	5	5	6	5	5
Information technology	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	-	-	-	-	-	-	-			
Fire	-	-	-	-	-	-	-			
Community Development	5	5	6	6	6	6	6	5	7	7
Physical Environment										
Public works	8	9	8	8	8	8	8	5	7	7
Vehicle maintenance	1	1	1	1	1	2	2	2	2	2
Transportation										
Transportation	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Library	2	4	4	5	5	5	5	5	6	5
Park maintenance	5	5	6	6	6	5	6	6	6	6
Recreation	1	1	1	1	1	1	3	3	3	3
Marina	2	3	3	3	3	3	4	4	5	5
Sanitation	<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>	<u>8</u>
Total	<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>	<u><u>58</u></u>

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Community development										
Code violations	636	396	385	503	451	723	651	703	891	847
Building permits issued	555	566	564	581	663	830	792	990	683	618
Value of permits (in thousands)							9,871	33,464	12,203	9,844
Transportation										
Street resurfacing (miles)	-	-	-	-	-	-	-	1	-	-
Pot holes repaired	253	140	215	127	450	441	512	585	429	419
Culture and Recreation										
Library										
Circulation	27,656	26,942	27,240	27,360	27,010	29,790	27,300	8,790	4,700	2,669
Programs offered	280	942	1,283	1,282	1,314	1,300	980	1,015	821	256
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	7	3	3	3	3	-	1	7	7	7
Recreation program attendance	305	136	75	825	825	-	880	134	283	168
Youth athletic participants	140	21	-	-	-	-	-	74	173	68
Marina										
Available slips	103	112	112	112	112	112	112	112	112	112
Sanitation										
Residential customers	3,666	3,666	3,666	3,666	3,666	3,666	3,666	3,397	3,689	3,689
Commercial customers	259	264	268	375	375	375	288	293	303	328
Refuse collected (tons)	8,466	8,598	9,056	8,970	9,385	9,827	10,246	10,362	10,686	11,308
Recyclables collected (tons)	666	670	424	392	398	391	361	377	319	189

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	345	340
Lane Miles	64	64	64	64	64	64	64	64	64	64
Culture and Recreation										
Marina										
Wet Slips	103	112	112	112	112	112	112	112	112	112
Library										
Books	36,119	35,611	34,676	35,435	35,000	37,000	37,695	42,340	34,780	35,118
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	7	7	7	7	7	7	7	7	7	7
Sanitation										
Garbage Trucks	13	13	13	13	13	14	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.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCAPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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*

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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, 2020, 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 June 29, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

June 29, 2021
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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, 2020, and have issued our report thereon dated June 29, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 29, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address all 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, 2020.

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 no such items to report.

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, 2020, and was not required to have a federal single audit or a state single audit.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and 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 & Mimer, P.A.

June 29, 2021
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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, 2020. 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, 2020.

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
June 29, 2021