TOWN OF LAKE PARK, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by the Finance Department

TOWN OF LAKE PARK, FLORIDA

CONTENTS

Introductory Section

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

Financial Section

Independent Auditors' Report 1-4

Management's Discussion and Analysis 5-15

Basic Financial Statements
Government-Wide Financial Statements:
Statement of Net Position 16
Statement of Activities 17
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 24-25
Statement of Fiduciary Net Position - Pension Trust Fund 26
Statement of Changes in Fiduciary Net Position - Pension Trust Fund 27

Notes to Basic Financial Statements 28-67

TOWN OF LAKE PARK, FLORIDA

CONTENTS

Required Supplementary Information (Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios 68
Schedules of Contributions and Investment Returns 69
Notes to the Schedule of Contributions 70
Schedule of Changes in Total OPEB Liability 71
Budgetary Comparison Schedule - General Fund 72
Budgetary Comparison Schedule - CRA Fund 73
Notes to the Budgetary Comparison Schedule Required Supplementary Information 74

Combining Fund Financial Statements (Supplementary Information)

Combining Balance Sheet - Nonmajor Governmental Funds 75
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds 76

Statistical Section

Net Position by Component 77
Changes in Net Position 78-80
Fund Balances of Governmental Funds 81
Changes in Fund Balances of Governmental Funds 82
Governmental Funds Tax Revenue by Source 83
General Government Revenue by Source 84
Assessed Value of Taxable Property 85
Direct and Overlapping Property Tax Rates 86
Principal Property Taxpayers 87
Property Tax Levies and Collections 88
Ratios of Outstanding Debt by Type 89
Ratios of General Bonded Debt Outstanding 90
Direct and Overlapping Governmental Activities Debt 91
Pledged-Revenue Coverage 92
Demographic and Economic Statistics 93
Principal Employers 94
Full-Time Equivalent Town Government Employees by Function 95
Operating Indicators by Function/Program 96
Capital Asset Statistics by Function/Program 97

TOWN OF LAKE PARK, FLORIDA

CONTENTS

Reporting Section

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* 98-99
Independent Auditors' Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance 100-102
Schedule of Expenditures of Federal Awards 103
Notes to Schedule of Expenditures of Federal Awards 104
Schedule of Findings and Questioned Costs 105-107
Summary Schedule of Prior Audit Findings 108
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida 109-111
Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes 112
Corrective Action Plan 113

INTRODUCTORY SECTION

Finance
Department

535 Park Avenue
Lake Park, FL 33403
Phone: (561) 881-3350
Fax: (561) 881-3358

www.lakeparkflorida.gov

December 2, 2024
The Honorable Mayor,
Members of the Town Commission and Citizens
Town of Lake Park, Florida

The Annual Comprehensive Financial Report (ACFR) of the Town of Lake Park, Florida, (the "Town") for the fiscal year ended September 30, 2023, is hereby submitted. Florida law and the Rules of the Auditor General for the State of Florida require every municipality to complete a set of audited financial statements annually within nine (9) months of the close of the fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2023.

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 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 Marcum LLP, 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, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in financial statements; assess 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, 2023, 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 auditors' 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.

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 8,980 residents (U.S. Census Bureau, 2022 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, which had been stymied due to the national recession and collapse of the housing and real estate market, has been showing steady growth and is projected to have significant growth in the near future, especially in the CRA area. 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, 7.3% in 2020, 5.79% in 2021, and 10.3% in 2022. In 2023, taxable values increased from prior year at an eleven year high of 11.3%. 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 53/47.

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 historical decline in both commercial and residential assessments appears to have been reversed.

The decrease in taxable values within the Town peaked at more than $302 million, now stands at an increase and is expected to continue to increase over the next several years. 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, 2019-2020, 2020-2021, and in 2021-2022. 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 through 2022-2023 at 5.3474 (8.8055 mills less the fire millage of 3.4581). In 2023-2024, the operating millage rate was reduced by 3.0% to 5.1870. While public safety is paramount to the citizens of the Town, the cost of police services represent 26.4% of the General Fund expenditures and essentially consume 72.6% of the ad valorem tax revenue. The operational cuts that were enacted across all departments, excluding public safety, to counter the loss of revenue 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 as annual possibility. Alternative sources of revenue and possibly increased fees will be explored for future budgets.

The Community Redevelopment Agency (CRA) purchased commercial property in 2008, located at 800 Park Avenue, which 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 hosts 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 continue 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

The Lake Shore Drive improvement project was a major initiative for prior fiscal years, however during recent years, the Town has devoted a significant amount of time, energy and resources to the continuing growth and redevelopment of the Town. Some of the improvements embarked on, have been completed, or are in progress, include the use of the $11,000,000 grant for water mitigation, the completion of the bioswale project on 2nd Street, refurbishment of Kelsey Park and tennis courts, refurbishment of the Ilex playground, completion of the Lake Park Drive playground, as well as numerous upgrades to historic Town Hall. Additional emphasis is being placed on the scheduling of community-wide special events and capital revitalization improvements, including sidewalks and pavement, and are being developed to improve the Town's function and aesthetics.

ACKNOWLEDGEMENTS

An annual comprehensive 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 Assistant Finance Director, 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, Marcum LLP. 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,

Jeff DaSilva
Finance Director

TOWN OF LAKE PARK FLORIDA

List of Principal Officials

September 30, 2023

Mayor
Roger Michaud

Vice Mayor
Kimberly Glas-Castro

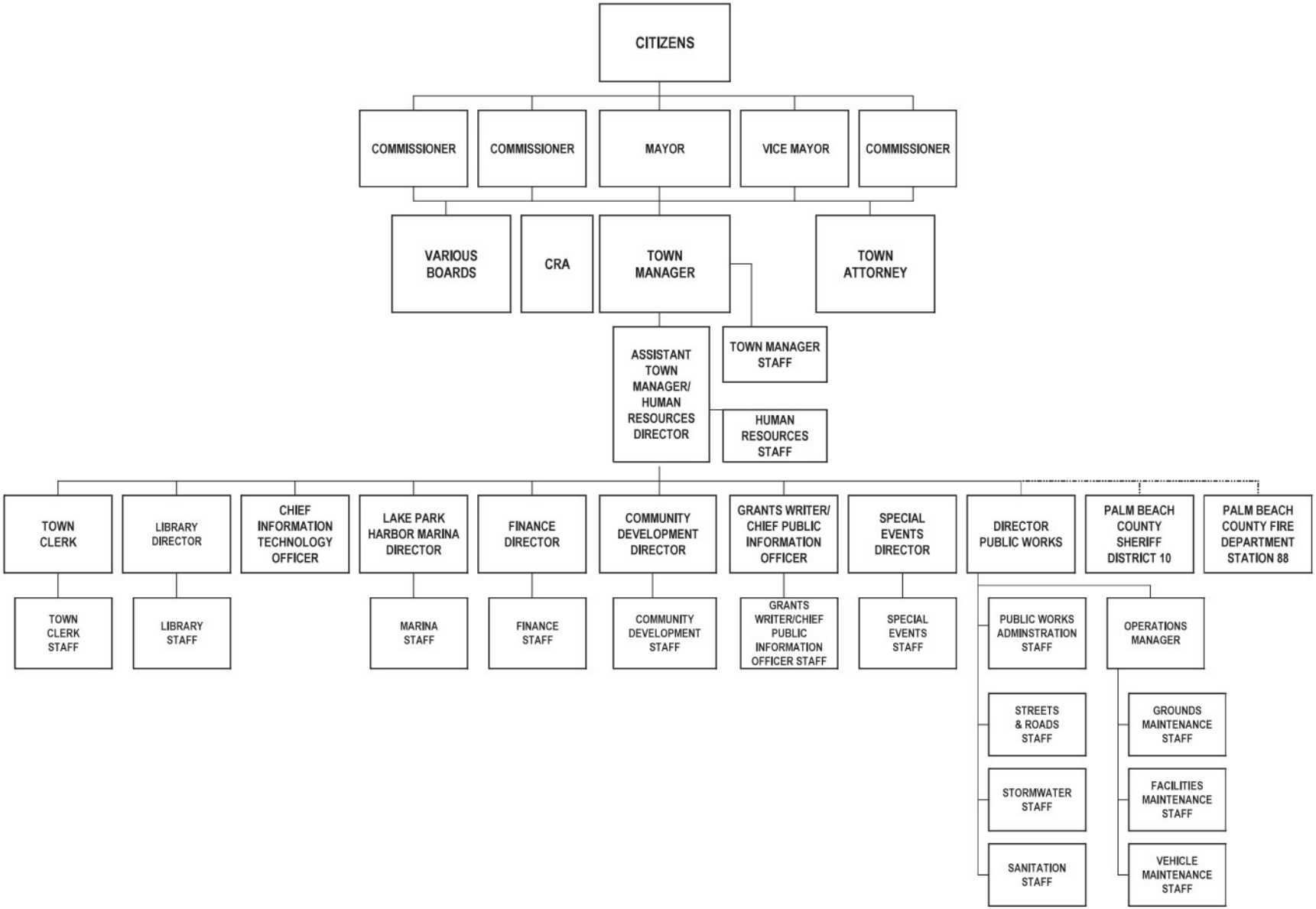
Town Commission
Mary Beth Taylor
Michael Hensley
Judith Thomas

Interim Town Manager
Bambi McKibbon-Turner

Town Clerk
Vivian Mendez

Finance Director
Jeffrey DaSilva

Public Works Director	Jaime Morales
Community Development Director	Nadia DiTomasso
Special Events Director	Riunite Franks
Harbor Marina Director	Jason Tenney
Human Resources Director	Bambi McKibbon-Turner
Information Technology Director	Paul McGuinness


CITIZENS
COMMISSIONER
COMMISSIONER
MAYOR
VICE MAYOR
COMMISSIONER
VARIOUS BOARDS
CRA
TOWN MANAGER
TOWN ATTORNEY
ASSISTANT TOWN MANAGER/ HUMAN RESOURCES DIRECTOR
TOWN MANAGER STAFF
HUMAN RESOURCES STAFF
TOWN CLERK
LIBRARY DIRECTOR
CHIEF INFORMATION TECHNOLOGY OFFICER
LAKE PARK HARBOR MARINA DIRECTOR
FINANCE DIRECTOR
COMMUNITY DEVELOPMENT DIRECTOR
GRANTS WRITER/ CHIEF PUBLIC INFORMATION OFFICER
SPECIAL EVENTS DIRECTOR
DIRECTOR PUBLIC WORKS
PALM BEACH COUNTY SHERIFF DISTRICT 10
PALM BEACH COUNTY FIRE DEPARTMENT STATION 88
TOWN CLERK STAFF
LIBRARY STAFF
MARINA STAFF
FINANCE STAFF
COMMUNITY DEVELOPMENT STAFF
GRANTS WRITER/CHIEF PUBLIC INFORMATION OFFICER STAFF
SPECIAL EVENTS STAFF
PUBLIC WORKS ADMINSTRATION STAFF
OPERATIONS MANAGER
STREETS & ROADS STAFF
STORMWATER STAFF
SANITATION STAFF
GROUNDS MAINTENANCE STAFF
FACILITIES MAINTENANCE STAFF
VEHICLE MAINTENANCE STAFF

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida (the "Town"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, the budgetary comparison schedules and the related note on pages 72 to 74, and the required supplementary information for the pensions and OPEB on pages 68 to 71, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining financial statements as listed in the table of contents, and the schedule of expenditures and federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
December 2, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

TOWN OF LAKE PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

The Town of Lake Park, Florida (the "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, 2023. 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 exceeded its liabilities and deferred inflows at September 30, 2023 by $25,172,774. Of this amount, unrestricted net position is $3,137,252.

- The total net position increased by $1,820,290 of which an increase of $2,539,229 was attributed to governmental activities and a decrease of $718,939 was related to business-type activities. The change in net position of the business-type and governmental activities of the Town was primarily attributable to an increase of commercial and residential development, along with rising costs for the operation of sanitation services.

Fund Financial Statements

- As of the close of the 2023 Fiscal Year, the Town's General Fund reported ending fund balance of $6,523,587 an increase of $984,525 from the prior year. Of the total fund balance, $4,026,446 is assigned, restricted or non-spendable, while $2,497,141 is unassigned and available for future uses by the Town Commission, an increase of $1,537,791 in unassigned fund balance.

- At the end of the 2023 Fiscal Year, the unassigned fund balance for the General Fund represented just 22.3% of total General Fund expenditures or approximately 30 days of available funding.

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 16-27 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 22-25 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 26-27 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 28-67 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 68-71 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 72-74 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 75-76 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $17,725,405. Business-type activity assets exceeded liabilities and deferred inflows by $7,447,369. The Town-wide total net position was $25,172,774 at the close of the fiscal year ended September 30, 2023. The Statement of Net Position is on page 16 of this report.

The Town's net 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 $18,492,351 or over 73% of total net position at September 30, 2023. Capital assets total $24,459,520 at September 30, 2023, or 69% of all assets and deferred outflows, which total $35,436,312. 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 $3,543,171 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $3,137,252 may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Summary of Net Position for the current year as compared to the prior year.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Lease obligation	$ 13,072,305	$ 12,647,778	$ (2,155,373)	$ (1,733,593)	$ 10,916,932	$ 10,914,185
Capital assets, net	10,536,410	9,569,092	13,923,110	13,507,997	24,459,520	23,077,089
Total Assets	23,608,715	22,216,870	11,767,737	11,774,404	35,376,452	33,991,274
Lease (right-of-use asset)						
Pension related items	59,860	139,503	--	--	59,860	139,503
Liabilities						
Current liabilities	2,280,239	3,362,562	637,901	125,773	2,918,140	3,488,335
Long-term liabilitlies	3,007,471	3,107,836	3,630,145	3,424,768	6,637,616	6,532,604
Total Liabilities	5,287,710	6,470,398	4,268,046	3,550,541	9,555,756	10,020,939
Deferred Inflows of Resources						
Leases	655,460	699,799	--	--	655,460	699,799
Deferred gain on bond refunding, net	--	--	52,322	57,555	52,322	57,555
	655,460	699,799	52,322	57,555	707,782	757,354
Net Position						
Net investment in capital assets	8,178,523	7,040,813	10,313,828	10,163,404	18,492,351	17,204,217
Restricted	3,543,171	3,485,741	--	--	3,543,171	3,485,741
Unrestricted	6,003,711	4,659,622	(2,866,459)	(1,997,096)	3,137,252	2,662,526
Total Net Position	$ 17,725,405	$ 15,186,176	$ 7,447,369	$ 8,166,308	$ 25,172,774	$ 23,352,484

Governmental Activities

Net position of the governmental activities of the Town have increased $2,539,229 from 2022 due to increased tax and investment revenue offset by increased employee and public safety costs. Total assets and deferred outflows of governmental activities have increased by $1,312,202 mainly due to vehicle fleet and road improvement additions and total liabilities and deferred inflows of resources have decreased by $1,227,027 primarily from expending ARPA funds, thus reducing unearned revenues. Unrestricted net position increased by $1,344,089.

Business-Type Activities

Net position for business-type activities have decreased $718,939 from 2022 primarily due to reduced capital grant revenue offset by a reduction in Marina costs from a one-time payment for property purchase in 2022. Total assets decreased by $6,667 while total liabilities and deferred inflows have increased by $712,272. Unrestricted net position has decreased by $869,363.

The following is a summary of the changes in net position for the years ended September 30, 2023 and 2022:

Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	$ 2,951,913	$ 4,192,676	$ 4,798,473	$ 4,767,148	$ 7,750,386	$ 8,959,824
Operating grants and contributions	1,560,624	2,306,282	--	139,437	1,560,624	2,445,719
Capital grants and Lease (right-of-use asset)	129,449	112,027	5,123	1,580,413	134,572	1,692,440
General revenues						
Taxes	8,906,775	7,478,218	--	--	8,906,775	7,478,218
Intergovernmental	1,418,852	1,877,912	--	--	1,418,852	1,877,912
Miscellaneous	200,907	--	22,309	--	223,216	--
Investment earnings	542,395	121,952	16,675	2,751	559,070	124,703
Gain on sale of equipment	--	--	56,543	6,477	56,543	6,477
Total Revenues	$15,710,915	$16,089,067	$ 4,899,123	$ 6,496,226	$20,610,038	$22,585,293

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses						
General government	3,246,177	2,131,579	--	--	3,246,177	2,131,579
Public safety	4,636,567	5,529,482	--	--	4,636,567	5,529,482
Physical environment	789,540	567,812	--	--	789,540	567,812
Transportation	1,152,078	931,643	--	--	1,152,078	931,643
Culture and recreation	1,510,035	995,026	--	--	1,510,035	995,026
Lease (right-of-use asset)	1,488,811	1,411,479	--	--	1,488,811	1,411,479
Interest on long-term debt	114,884	100,106	--	--	114,884	100,106
Marina	--	--	2,265,025	4,975,478	2,265,025	4,975,478
Sanitation	--	--	2,746,651	1,979,857	2,746,651	1,979,857
Stormwater	--	--	839,980	643,893	839,980	643,893
Total Expenses	12,938,092	11,667,127	5,851,656	7,599,228	18,789,748	19,266,355
Transfers In/(Out)	(233,594)	(1,213,595)	233,594	1,213,595	--	--
Change in Net Position	2,539,229	3,208,345	(718,939)	110,593	1,820,290	3,318,938
Net Position - Beginning of Year	15,186,176	11,977,831	8,166,308	8,055,715	23,352,484	20,033,546
Net Position - End of Year	$17,725,405	$15,186,176	$ 7,447,369	$ 8,166,308	$25,172,774	$23,352,484

Overall total revenues are down by $1,975,255. Program revenues decreased by $3,652,401 and general revenues increased by $1,677,146.

Governmental Activities
Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have increased $1,428,557. This is due in large part to an increase in property taxes caused by new development and an increase in the property values in 2023.

Business-Type Activities
Total revenues for business-type activities of the Town have decreased by $1,597,103. This is primarily the result of a decrease in Storm water revenues due to completion of projects related to grant funding for Lake Shore Drive improvements in 2022.

Overall, net position increased $1,820,290. The increase in net position is primarily related to the increase in property values.

Governmental Activities
Changes in the expenses for 2023 in Public Safety is attributable to a decrease in the Sheriff's contract. The change in the General government is attributable to an average raise of just over 3% for all employees and filling vacant positions in several departments.

Business-Type Activities
The decreased expenses for the Marin Fund are directly related to a one-time $2.4 million payment to Palm Beach County for a previous land purchase in 2022. The increase in the Sanitation Fund expenses is the result of increased contract expenses due to nonfunctioning vehicles.

Financial Analysis of the Governments' Funds

As noted earlier, the Town 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, 2023, the Town's primary operating fund, the General Fund, reported ending fund balance of $6,523,587 an increase of $984,525 from the prior year. Of this amount, $2,497,141 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, $478,442 is restricted for specific purposes such as the Community Improvement Beautification (CIB) Fund. The remainder of fund balance

$3,353,381 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 $103,383 and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund $3,250,000.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 38.3 percent of total General Fund expenditures, while total fund balance represents 58.2 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 2024 has been constructed to maintain fund balance at the end of the year, absent significant revenue shortfalls. The General Fund will see increased revenues over the next several budget cycles and is expected to receive repayments from the Marina Fund.

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 had a decrease in Net Position of $281,360 resulting from operating expenses, including depreciation, exceeding operating revenues, bringing the fund's Total Net Position to $(1,256,504).

The Marina's change in net position is primarily due to depreciation. The Marina is currently being considered for redevelopment which will increase the Marina's revenue. The Marina Fund's deficit is being covered by the General Fund through a do-to/due-from accounting function.

The Sanitation Fund has a decrease in Net Position of $750,150, bringing the fund's Total Net Position for the fund to $355,137. The decrease in net position is a result outsourcing garbage disposal services due to nonfunctioning sanitation vehicles.

The Stormwater Fund had an increase in Net Position of $312,571, bringing the fund's Total Net Position for the fund to $8,236,674. This increase is largely due to significant capital improvements which will continue for the next several years.

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 $10,480,281 to $11,552,824.

Capital Asset and Debt Administration

The Town's total investment in capital assets at September 30, 2023 was $24,459,520 (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, 2023 and 2022 are summarized as follows:

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 2,767,746	$ 2,767,746	$ 2,492,332	$ 2,492,332	$ 5,260,078	$ 5,260,078
Lease obligation	685,062	498,966	415,575	5,989,153	1,100,637	6,488,119
Buildings	1,535,865	1,713,355	--	--	1,535,865	1,713,355
Equipment and vehicles	1,858,363	1,933,037	1,967,854	1,222,855	3,826,217	3,155,892
Leases (Right-of-use asset)	328,247	--	--	--	328,247	3,155,892
Streets, roads, and sidewalks	8,388,925	2,656,654	9,047,349	3,803,657	17,436,274	6,460,311
Lease (right-of-use asset)						
Total Capital Assets, net	$ 15,564,208	$ 9,569,758	$13,923,110	$13,507,997	$29,487,318	$26,233,647

Capital projects during Fiscal Year 2023 included the following:

- Roadway Improvements
- Town Hall Improvements
- Purchase of new sanitation vehicle
- Replacement and upgrades of a stormwater systems

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

Long-Term Debt

The Town incurred new debt during fiscal year 2023 for the purchase of sanitation trucks. The debt position of the Town is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Loans payable	$ 769,721	$1,105,682	$3,436,439	$3,165,472	$4,206,160	$4,271,154
Lease obligations	1,259,919	1,320,013	53,681	105,597	1,313,600	1,425,610
Other Post-Emp. Benefits	83,096	79,163	32,493	28,966	115,589	108,129
Net pension liability	245,780	333,034	--	--	245,780	333,034
Compensated absenses	270,530	269,944	40,692	51,209	311,222	321,153
Lease (right-of-use asset)	378,425	--	--	--	378,425	--
Unamortized premium	--	--	66,840	73,524	66,840	73,524
Total	$3,007,471	$3,107,836	$3,630,145	$3,424,768	$6,637,616	$6,532,604

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 2023-2024, the Town Commission adopted a General Fund budget of $13,736,384, compared with the budget for the fiscal year 2022-2023 for $11,552,824. 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 reduced from 5.3474 to 5.1870 (8.6451 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 30% of the total and uses 73% of the Ad Valorem property tax revenue. In an effort to off-set some of the impact on the General Fund revenue constraints the Town continues to operate with many cuts implemented in prior years across all departments and must continue to limit capital and other projects.

Current general economic conditions are inflating the cost of goods and services as well as the Town's ability to attract and hire new employees. The recent inflationary pressure will require the Town to maintain fiscal controls on spending and project management. However, the Town will be able to engage in several large infrastructure expenditures due to the acquisition of several State and federal grants for various infrastructure improvements and the use of American Rescue Plan Act funds approved by the Federal Government.

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

FINANCIAL STATEMENTS

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 8,148,758	$ 928,473	$ 9,077,231
Accounts receivable, net	484,977	112,254	597,231
Due from other governments	265,517	9,386	274,903
Internal balances	3,276,792	(3,276,792)	--
Inventory	17,624	49,213	66,837
Prepaid items	205,268	22,093	227,361
Lease receivable	673,369	--	673,369
Capital assets			
Capital assets not being depreciated	3,452,808	2,907,907	6,360,715
Capital assets being depreciated/amortized, net	7,083,602	11,015,203	18,098,805
Total Assets	23,608,715	11,767,737	35,376,452
Deferred Outflows of Resources			
Pension related items	59,860	--	59,860
Liabilities			
Accounts payable	617,953	561,062	1,179,015
Accrued liabilities	93,410	42,026	135,436
Accrued interest payable	48,388	20,683	69,071
Unearned revenue	1,452,872	--	1,452,872
Deposits	67,616	14,130	81,746
Noncurrent liabilities			
Due within one year	312,217	529,514	841,731
Due in more than one year	2,695,254	3,100,631	5,795,885
Total liabilities	5,287,710	4,268,046	9,555,756
Deferred Inflows of Resources			
Leases	655,460	--	655,460
Deferred gain on bond refunding, net	--	52,322	52,322
Total Deferred Inflows of Resources	655,460	52,322	707,782
Net Position			
Net investment in capital assets	8,178,523	10,313,828	18,492,351
Restricted for:			
Debt service	170,086	--	170,086
Infrastructure	912,027	--	912,027
Capital projects	16,593	--	16,593
Public improvements	341,132	--	341,132
Economic environment	2,067,847	--	2,067,847
Other restrictions	35,486	--	35,486
Unrestricted	6,003,711	(2,866,459)	3,137,252
Total Net Position	$ 17,725,405	$ 7,447,369	$ 25,172,774

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
General government	$ 3,246,177	$ 1,220,633	$ 564,595	$ --	$ (1,460,949)	$ --	$ (1,460,949)
Public safety	4,636,567	1,504,556	975,642	--	(2,156,369)	--	(2,156,369)
Physical environment	789,540	205,949	3,606	--	(579,985)	--	(579,985)
Transportation	1,152,078	--	--	--	(1,152,078)	--	(1,152,078)
Culture and recreation	1,510,035	20,775	16,781	129,449	(1,343,030)	--	(1,343,030)
Economic environment	1,488,811	--	--	--	(1,488,811)	--	(1,488,811)
Interest on long-term debt	114,884	--	--	--	(114,884)	--	(114,884)
Total Governmental Activities	12,938,092	2,951,913	1,560,624	129,449	(8,296,106)	--	(8,296,106)
Business-Type Activities							
Marina	2,265,025	1,855,256	--	--	--	(409,769)	(409,769)
Sanitation	2,746,651	1,933,100	--	--	--	(813,551)	(813,551)
Stormwater	839,980	1,010,117	--	5,123	--	175,260	175,260
Total Business-Type Activities	5,851,656	4,798,473	--	5,123	--	(1,048,060)	(1,048,060)
Total	$ 18,789,748	$ 7,750,386	$ 1,560,624	$ 134,572	(8,296,106)	(1,048,060)	(9,344,166)
		General Revenues					
		Taxes					
		Property taxes			5,324,494	--	5,324,494
		Infrastructure surtax			883,943	--	883,943
		Franchise fees			858,102	--	858,102
		Utility service taxes			1,283,912	--	1,283,912
		Local option gas taxes			268,030	--	268,030
		Communication services taxes			288,294	--	288,294
		Unrestricted intergovernmental shared revenues			1,418,852	--	1,418,852
		Gain on sale of capital assets			--	56,543	56,543
		Miscellaneous			200,907	22,309	223,216
		Investment earnings - unrestricted			542,395	16,675	559,070
		Transfers			(233,594)	233,594	--
		Total General Revenues and Transfers			10,835,335	329,121	11,164,456
		Change in Net Position			2,539,229	(718,939)	1,820,290
		Net Position, Beginning			15,186,176	8,166,308	23,352,484
		Net Position, Ending			$ 17,725,405	$ 7,447,369	$ 25,172,774

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General	CRA Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 3,478,601	$ 1,799,836	$ 1,246,630	$ 1,529,361	$ 8,054,428
Accounts receivable, net	366,912	--	--	118,065	484,977
Leases receivable	673,369	--	--	--	673,369
Due from other governments	132,116	--	--	133,401	265,517
Due from other funds	221,597	317,379	--	--	538,976
Advances to other funds	3,250,000	--	--	--	3,250,000
Inventory	17,624	--	--	--	17,624
Prepaids	85,757	4,622	--	500	90,879
Total Assets	$ 8,225,976	$ 2,121,837	$ 1,246,630	$ 1,781,327	$ 13,375,770
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 250,731	$ 49,368	$ --	$ 317,854	$ 617,953
Accrued liabilities	89,514	--	--	3,896	93,410
Unearned revenue	293,227	--	1,148,436	11,209	1,452,872
Due to other funds	317,379	--	--	76,743	394,122
Deposits	67,616	--	--	--	67,616
Total Liabilities	1,018,467	49,368	1,148,436	409,702	2,625,973
Deferred Inflows of Resources					
Leases	655,460	--	--	--	655,460
Unavailable revenue	28,462	--	--	--	28,462
	683,922	--	--	--	683,922
Fund Balances					
Nonspendable:					
Inventory	17,624	--	--	--	17,624
Prepaids	85,757	4,622	--	500	90,879
Advances to other funds	3,250,000	--	--	--	3,250,000
Restricted for:					
Debt service	--	--	--	170,086	170,086
Infrastructure	--	--	--	912,027	912,027
Capital projects	--	--	--	16,593	16,593
Other restrictions	35,486	--	--	--	35,486
Enforcement of Florida Building Code	442,956	--	--	--	442,956
Public improvements	--	--	--	341,132	341,132
Economic environment	--	2,067,847	--	--	2,067,847
Assigned to:					
Subsequent years expenditures	194,623	--	--	--	194,623
Special revenue funds	--	--	98,194	--	98,194
Unassigned	2,497,141	--	--	(68,713)	2,428,428
Total Fund Balances	6,523,587	2,072,469	98,194	1,371,625	10,065,875
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,225,976	$ 2,121,837	$ 1,246,630	$ 1,781,327	$ 13,375,770

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

GOVERNMENTAL ACTIVITIES

SEPTEMBER 30, 2023

Fund Balances - Total Governmental Funds		$ 10,065,875
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	$ 24,751,880	
Less accumulated depreciation/amortization	(14,215,470)	10,536,410
Revenue is recognized when earned in the government-wide statements, regardless of when it is collected. Governmental funds report based on modified accrual, i.e., both measurable and available.		
Current year revenues		28,462
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	(48,388)	
Compensated absences	(270,530)	
Total other post employment benefits liability	(83,096)	
Net pension liability	(245,780)	
Lease (right-of-use asset) acquired	(378,425)	
Lease obligations	(1,259,919)	
Loans payable	(769,721)	(3,055,859)
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		59,860
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.		90,657
Net Position of Governmental Activities		$ 17,725,405

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Fund	CRA Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 6,844,556	$ --	$ --	$ 883,943	$ 7,728,499
Licenses and permits	1,148,939	--	--	--	1,148,939
Intergovernmental	1,638,915	621,952	975,643	527,951	3,764,461
Charges for services	1,597,025	--	--	--	1,597,025
Fines and forfeitures	205,949	--	--	--	205,949
Miscellaneous	599,370	--	82,185	314,812	996,367
Total Revenues	12,034,754	621,952	1,057,828	1,726,706	15,441,240
Expenditures					
Current:					
General government	2,986,890	--	--	3,472	2,990,362
Public safety	4,636,023	--	--	--	4,636,023
Physical environment	788,559	--	--	--	788,559
Transportation	452,928	--	--	458,427	911,355
Culture and recreation	1,436,915	--	--	--	1,436,915
Economic environment	--	789,492	--	405,320	1,194,812
Capital outlay	393,897	10,420	--	866,936	1,271,253
Debt service:					
Principal	411,527	--	--	--	411,527
Interest charges	90,586	--	--	--	90,586
Grants and aid	--	293,999	--	--	293,999
Total Expenditures	11,197,325	1,093,911	--	1,734,155	14,025,391
Excell (Deficiency) of Revenues Over (Under) Expenditures	837,429	(471,959)	1,057,828	(7,449)	1,415,849
Other Financing Sources (Uses)					
Lease (right-of-use asset) acquired	393,897	--	--	--	393,897
Transfers in	915,938	1,162,739	--	--	2,078,677
Transfers out	(1,162,739)	(173,889)	(975,643)	--	(2,312,271)
Total Other Financing Sources (Uses)	147,096	988,850	(975,643)	--	160,303
Net Change in Fund Balances	984,525	516,891	82,185	(7,449)	1,576,152
Fund balances - Beginning	5,539,062	1,555,578	16,009	1,379,074	8,489,723
Fund balances - Ending	$ 6,523,587	$ 2,072,469	$ 98,194	$ 1,371,625	$ 10,065,875

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 1,576,152
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	$ 1,677,336	
Less: current year depreciation and amortization	(710,684)	966,652
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.		
Long term debt repayments and issuances:		
Lease obligations	335,961	
Leases (Right-of-use assets) acquired	(393,897)	
Leases (Right-of-use assets) payments	15,472	
Loans payable	60,094	17,630
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	(586)	
Change in total other postemployment benefits liability	(3,933)	
Change in net pension liability and related deferred amounts	7,611	
Change in accrued interest	(24,298)	(21,206)
Internal service funds are used by management to charge costs of certain activities to individual funds. The net revenues of certain activities of the internal services funds are reported within governmental activities.		1
Change in Net Position of Governmental Activities		$ 2,539,229

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2023

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	$ --	$ 39,690	$ 888,783	$ 928,473	$ 94,330
Accounts receivable, net	11,359	100,895	--	112,254	--
Due from other governments	--	3,919	5,467	9,386	--
Prepaid items	19,093	2,000	1,000	22,093	114,389
Inventory	49,213	--	--	49,213	--
Total Current Assets	79,665	146,504	895,250	1,121,419	208,719
Noncurrent Assets					
Capital assets not being depreciated	2,428,175	64,157	415,575	2,907,907	--
Capital assets being depreciated/amortized, net	2,421,786	1,558,906	7,034,511	11,015,203	--
Total Noncurrent Assets	4,849,961	1,623,063	7,450,086	13,923,110	--
Total Assets	4,929,626	1,769,567	8,345,336	15,044,529	208,719
Liabilities					
Current Liabilities					
Accounts payable	63,348	465,668	32,046	561,062	--
Accrued liabilities	23,561	10,888	7,577	42,026	--
Due to other funds	59,248	85,606	--	144,854	--
Deposits payable - slip rentals	14,130	--	--	14,130	--
Accrued interest payable	--	20,075	608	20,683	--
Compensated absences payable, current	775	2,066	1,228	4,069	--
Bonds payable, current	259,682	212,082	53,681	525,445	--
Total Current Liabilities	420,744	796,385	95,140	1,312,269	--
Long-Term Liabilities					
Compensated absences payable	6,979	18,596	11,048	36,623	--
Total OPEB liability	10,778	13,241	8,474	32,493	--
Advance from other funds	3,250,000	--	--	3,250,000	--
Bonds payable, net	2,445,307	586,208	--	3,031,515	--
Total Long-Term Liabilities	5,713,064	618,045	19,522	6,350,631	--
Total Liabilities	6,133,808	1,414,430	114,662	7,662,900	--
Deferred Inflows of Resources					
Deferred gain on bond refunding, net	52,322	--	--	52,322	--
Net Position					
Net investment in capital assets	2,092,650	824,773	7,396,405	10,313,828	--
Unrestricted	(3,349,154)	(469,636)	834,269	(2,984,521)	208,719
Total Net Position	$ (1,256,504)	$ 355,137	$ 8,230,674	7,329,307	$ 208,719
Adjustment to reflect consolidation of internal service fund activities				118,062	
Net Position of Business-Type Activities				$ 7,447,369	

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Operating Revenue					
Charges for services	$ 1,855,256	$ 1,933,100	$ 1,010,117	$ 4,798,473	$ 269,675
Miscellaneous	27	22,282	--	22,309	--
Total Operating Revenues	1,855,283	1,955,382	1,010,117	4,820,782	269,675
Operating Expenses					
Personal services	387,226	490,480	173,691	1,051,397	58,466
Operating expenses	1,254,997	2,010,490	401,821	3,667,308	211,208
Depreciation	537,585	201,916	264,468	1,003,969	--
Total Operating Expenses	2,179,808	2,702,886	839,980	5,722,674	269,674
Operating Income (Loss)	(324,525)	(747,504)	170,137	(901,892)	1
Nonoperating Revenues (Expenses)					
Interest revenue	--	16,012	663	16,675	--
Interest expense	(85,217)	(43,765)	--	(128,982)	--
Gain on sale of property and equipment	--	56,543	--	56,543	--
Total Nonoperating Revenues (Expenses)	(85,217)	28,790	663	(55,764)	--
Income (Loss) Before transfers and Contributions	(409,742)	(718,714)	170,800	(957,656)	1
Capital Contributions	--	--	5,123	5,123	--
Transfers					
Transfers in	138,382	--	136,648	275,030	--
Transfers out	(10,000)	(31,436)	--	(41,436)	--
Total Transfers	128,382	(31,436)	136,648	233,594	--
Change in Net Position	(281,360)	(750,150)	312,571	(718,939)	1
Net Position - Beginning	(975,144)	1,105,287	7,918,103	8,048,246	208,718
Net Position - Ending	$ (1,256,504)	$ 355,137	$ 8,230,674	$ 7,329,307	$ 208,719

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities					
Cash received from customers	$ 1,854,493	$ 1,926,762	$ 1,328,375	$ 5,109,630	$ --
Cash paid to suppliers	(1,209,137)	(1,591,857)	(387,065)	(3,188,059)	(270,094)
Cash paid to employees	(376,308)	(497,981)	(168,480)	(1,042,769)	(58,466)
Payments to other funds	--	(25,862)	--	(25,862)	--
Payments from other funds	59,248	--	--	59,248	269,675
Net Cash Provided by (Used in) Operating Activities	328,296	(188,938)	772,830	912,188	(58,885)
Cash Flows From Noncapital Financing Activities					
Transfers in	138,382	--	136,648	275,030	--
Transfers (out)	(10,000)	(31,436)	--	(41,436)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	128,382	(31,436)	136,648	233,594	--
Cash Flows From Capital and Related Financing Activities					
Note payable proceeds	--	687,243	--	687,243	--
Capital contributions	--	--	5,123	5,123	--
Acquisition and construction of capital assets	(138,381)	(822,362)	(458,339)	(1,419,082)	--
Sale of capital assets	--	56,543	--	56,543	--
Interest paid on debt	(90,450)	(28,733)	(589)	(119,772)	--
Principal payments on debt	(254,132)	(168,828)	(51,916)	(474,876)	--
Net Cash Provided by (Used in) Capital and Related Financing Activities	(482,963)	(276,137)	(505,721)	(1,264,821)	--
Cash Flows From Investing Activities					
Interest on investments	--	16,012	663	16,675	--
Net Cash Provided by (Used in) Investing Activities	--	16,012	663	16,675	--
Net Increase (Decrease) in Cash and Cash Equivalents	(26,285)	(480,499)	404,420	(102,364)	(58,885)
Cash and Cash Equivalents at Beginning of Year	26,797	520,189	484,363	1,031,349	153,215
Cash and Cash Equivalents at End of Year	$ 512	$ 39,690	$ 888,783	$ 928,985	$ 94,330

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities					
Operating income (loss)	$ (324,525)	$ (747,504)	$ 170,137	$ (901,892)	$ 1
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	537,585	201,916	264,468	1,003,969	--
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(790)	(28,620)	5,443	(23,967)	--
(Increase) decrease in due from other governments	--	--	312,815	312,815	--
(Increase) decrease in inventory	Lease Obligat	Lease Obligat	Lease Obligat	--	--
(Increase) decrease in prepaid expenses	182	(2,000)	(1,000)	(2,818)	(51,773)
Payments from(to) other funds	59,248	(25,862)	--	33,386	--
Increase (decrease) in accounts payable	45,678	420,633	15,756	482,067	(7,113)
Increase (decrease) in accrued liabilities	10,052	1,837	3,729	15,618	--
Increase (decrease) in compensated absences	(191)	(9,958)	(368)	(10,517)	--
Increase (decrease) in OPEB	1,057	620	1,850	3,527	--
Total Adjustments	652,821	558,566	602,693	1,814,080	(58,886)
Net Cash Provided by (Used in) Operating Activities	$ 328,296	$ (188,938)	$ 772,830	$ 912,188	$ (58,885)
Noncash Activities					
Amortization of Premium on Bonds	$ (6,684)	$ --	$ --	$ (6,684)	$ --
Amortization of Refunding Gain on Bonds	$ (5,233)	$ --	$ --	$ (5,233)	$ --

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
RETIRED POLICE OFFICERS' PENSION TRUST FUND

SEPTEMBER 30, 2023

Assets	
Cash and cash equivalents	$ 86,843
Investments	
Equity exchange traded funds	718,427
Fixed income exchange traded funds	130,376
Real estate exchange traded funds	51,885
Global fixed income mutual funds	192,000
Total Investments	1,179,531
Prepaid retirement benefits	9,654
Total Assets	1,189,185
Net Position	
Held in trust for pension benefits	$ 1,189,185

The accompanying notes are an integral part of these statements.

TOWN OF LAKE PARK, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIRED POLICE OFFICERS PENSION TRUST FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Additions	
Contributions	
Employer	$ 62,090
Investment Income	
Net appreciation in fair value of investments	110,596
Interest and dividends	31,104
Total Investment Income	141,700
Less investment expenses	(816)
Net Investment Income	140,884
Total Additions	202,974
Deductions	
Retirement benefits	132,388
Administrative expenses	33,813
Total Deductions	166,201
Change in Net Position	36,773
Net Position Held in Trust for Pension Benefits	
Net Position - Beginning	1,152,412
Net Position - Ending	$ 1,189,185

The accompanying notes are an integral part of these statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Town are described below:

FINANCIAL REPORTING ENTITY

Under governmental accounting and financial reporting standards, the Town's reporting entity consists of the Town, organizations for which the Town is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town is considered financially accountable if it appoints a voting majority of an organization's governing body and is either able to impose its will on that organization, or has a financial benefit/burden relationship with the organization. The Town may also be financially accountable if an organization is fiscally dependent on the primary government and the two also have a financial benefit or burden relationship.

Component units are included in the reporting entity either as blended or as discretely presented. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. Accordingly, data from these component units are combined with data of the primary government. The Town has met the criteria as having the operational and financial responsibilities as noted above for the blended component unit listed below and this entity has been included in the Town's financial reporting entity.

The 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For the most part, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

Property taxes, franchise fees and other taxes, licenses, rent, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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.

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.

The ARPA Grant Fund is a special revenue fund used to account for the grant revenues received.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Town reports the following major proprietary funds:

The *Marina Fund* accounts for the operations of the Town's municipal marina, which are financed primarily by user charges.

The *Sanitation Fund* accounts for the operations of the Town's garbage and trash collection services, which are financed primarily by user charges.

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

The Town reports the following non-major funds:

The *Special Revenue* fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town has three non-major special revenue funds: the Streets and Roads Fund, Public Improvement Fund and Special Projects Fund.

This *Debt Service 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.

The *Public Improvement Fund* is a special revenue fund used to account for revenues received restricted for public improvements.

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

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

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION

Deposits and Investments

The Town's cash represents cash deposits. The Town's investment in Florida PRIME (external investment pool) is recorded at amortized cost. All other investments are reported at fair value.

The nature of investments of the Town are governed by the provisions of Florida Statutes Section 218.415 Under this statute, authorized investments are limited, unless otherwise authorized by law or resolution/ordinance.

Investments in the Retired Police Officers' Pension Fund is governed by its respective investment policy and Florida Statutes Section 112.661.

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 receivables are written off on an individual basis in the year the Town deems them uncollectible.

Lease Receivables

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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".

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Interfund Transactions (continued)

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.

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

Prepaids represent goods and services which are paid for in one period, but benefit a future period. Prepaids are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Prepaids for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

Capital Assets

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Capital Assets (continued)

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.

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

Buildings and infrastructure	20-50 years
Building improvements	7-50 years
Equipment and vehicles	5-15 years
Docks and channels	20 years
Leases (right-to-use assets)	Through lease maturity

Deferred Outflows and Inflows of Resources

The statement of net position includes a separate section for deferred outflows of resources. This represents the consumption of net assets applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Currently, the Town has deferred outflows related to pensions.

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 assets applicable to future periods and will not be recognized as revenue until the future period to which it applies. The Town also has lease related deferred inflows, which are discussed in Note 7 and deferred gain on bond refunding.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Leases (Right-to-use Assets)

The leases (right-to-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-to-use assets) are amortized on a straight-line basis over the life of the related lease.

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, 2023. 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.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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.

Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation, deferred outflows or inflows related to debt, retainage payable and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unspent proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

The Town's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

The Town reports the following classifications:

Non-spendable fund balance. Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for the specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority. The Town Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution or an ordinance (equally binding), commit fund balance. Once adopted, the limitation remains in place until the Town Commission removes or revises the limitation by taking the same type of action (the adoption of another resolution or ordinance). This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

Fund Balance Policies (Continued)

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town's policy is that the Town Commission and the Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Pronouncements Adopted

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This Statement was implemented by the Town for the fiscal year ended September 30, 2023; however, there was no impact to the Town.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnerships (PPP) and provides guidance for accounting and financial reporting for availability payment arrangements (APA). The Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. This Statement was implemented by the Town for the fiscal year ended September 30, 2023; however, there was no impact to the Town.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)

New Accounting Pronouncements Adopted (continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement was implemented by the Town for the fiscal year ended September 30, 2023; however, there was no impact to the Town.

GASB Statement No. 99, *Omnibus 2022*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including, but not limited to, 1) classification and reporting of derivative instruments within GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; 2) clarification of provisions in GASB Statement No. 87, *Leases*; 3) clarification of provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and 4) clarification of provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement was implemented by the Town for the fiscal year ended September 30, 2023.

NOTE 2 – 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 ensure 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, 2023, was 5.3474 ($5.3474 for each $1,000 of assessed valuation).

NOTE 2 – *PROPERTY TAXES (CONTINUED)*

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, 2023, unpaid delinquent taxes are not material and have not been recorded by the Town.

NOTE 3 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation ("FDIC"), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits including certificate of deposits, are insured or collateralized.

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 funds based on each fund's relative equity in the pool.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS

The Florida State Board of Administration ("SBA") Pool, hereinafter referred to as "Florida PRIME", is not a registrant with the Securities and Exchange Commission ("SEC"); however, its board has adopted operating procedures consistent with the requirements for a 2a-7 fund. In accordance with these requirements, the method used to determine the participants' shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity.

The SBA 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 general operating procedures for the administration of the SBA. Additionally, the Office of the Auditor General of the State of Florida performs the operational audit of the activities and investment of the SBA. The SBA accounts are not subject to custodial credit risk as these investments are not evidenced by securities that exist in physical or bank entry form.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Town's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. The Town, therefore, has no investments reported at fair value. The investment in the Florida PRIME is not insured by FDIC or any other governmental agency. At September 30, 2023, the Town's investment in the Florida PRIME was $8,002,472. Florida PRIME is presented as a cash equivalent.

Interest Rate Risk

The Town has an investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates. To mitigate risk, the Town primarily invests in investments with maturities of twelve months or less.

The dollar weighted average days to maturity ("WAM") of Florida PRIME at September 30, 2023, is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life ("WAL") of Florida PRIME at September 30, 2023, is 75 days.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk

The Town has an investment policy that limits investments to the highest ratings by a nationally recognized statistical rating organization ("NRSRO") (Standard and Poor's and Moody's investment services). In order to mitigate credit risk, the Town does limit investments to the highest ratings by a NRSRO. Florida PRIME is rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The Town diversifies its portfolio in such a way to control the risk of loss resulting from concentration of assets to a specific maturity, instrument, issue, dealer, or bank though which these securities are bought and sold. The Town only invests in Florida PRIME at September 30, 2023.

NOTE 4 – NOTES RECEIVABLES AND GRANT COMMITMENTS

The CRA has a program to give grants and low interest loans for business development and facade 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, 2023.

In fiscal year 2023, a grant for $1,000,000 payable over five years was awarded with $200,000 being paid and a balance of $800,000.

NOTE 5 –RECEIVABLES

Accounts receivables as of September 30, 2023, were as follows:

	General Fund	Public Improvement Fund	Marina Fund	Sanitation Fund	Total
Accounts receivable	$ 367,711	$ 118,065	$ 11,359	$ 116,133	$ 613,268
Less: Allowance for uncollectible accounts	(799)	--	--	(15,238)	(16,037)
Total Accounts Receivable, Net	$ 366,912	$ 118,065	$ 11,359	$ 100,895	$ 597,231

LEASES RECEIVABLE

Effective October 1, 2021, the Town implemented GASB No. 87, *Leases*, which required the Town to recognize a lease receivable and a deferred inflow of resources. The Town, as lessor, has ground leases for a communication tower (cell phone tower) and a parking lot. As of September 30, 2023, the remaining lease terms under these agreements, including options to extend, ranged from six to fifteen years. An initial lease receivable was recorded in the amount of $752,914. As of September 30, 2023, the value of the lease receivable is $673,369. The value of the deferred inflow of resources as of September 30, 2023, was $655,460, and the Town recognized lease revenue of $26,430 and interest income of $27,992 during the fiscal year. The following schedule represents the future principal and interest revenue to be received:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 28,831	$ 26,935	$ 55,766
2025	31,372	25,781	57,153
2026	34,053	24,527	58,580
2027	36,884	23,165	60,049
2028	39,874	21,690	61,564
2029-2033	209,609	84,253	293,862
2034-2038	292,746	36,810	329,556
Total	$ 673,369	$ 243,161	$ 916,530

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2023, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized				
Land	$ 2,767,746	$ --	$ --	$ 2,767,746
Construction in progress	498,966	575,977	(389,881)	685,062
Total Capital Assets Not Being Depreciated/Amortized	3,266,712	575,977	(389,881)	3,452,808
Capital assets being depreciated/amortized				
Buildings	7,972,225	--	--	7,972,225
Improvements	7,684,452	901,140	--	8,585,592
Leases (Right-of-use asset)	--	393,897	--	393,897
Machinery and equipment	4,151,155	196,203	--	4,347,358
Total Capital Assets Being Depreciated/Amortized	19,807,832	1,491,240	--	21,299,072
Less accumulated depreciation/amortization for				
Buildings	(6,258,870)	(177,490)	--	(6,436,360)
Improvements	Lease Obligat	(196,667)	--	(196,667)
Leases (Right-of-use asset)	--	(65,650)	--	(65,650)
Machinery and equipment	(2,218,118)	(270,877)	--	(2,488,995)
Total Accumulated Depreciation/Amortization	(8,476,988)	(710,684)	--	(9,187,672)
Total Capital Assets Being Depreciated/Amortized, net	11,330,844	780,556	--	12,111,400
Governmental Activities Capital Assets, Net	$ 14,597,556	$ 1,356,533	$ (389,881)	$ 15,564,208

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized				
Land	$ 2,492,332	$ --	$ --	$ 2,492,332
Construction in progress	5,989,153	229,531	(5,803,109)	415,575
Total Capital Assets Not Being Depreciated	8,481,485	229,531	(5,803,109)	2,907,907
Capital assets being depreciated				
Improvements	12,585,053	5,922,866	--	18,507,919
Machinery and equipment	3,828,927	1,069,794	--	4,898,721
Total Capital Assets Being Depreciated	16,413,980	6,992,660	--	23,406,640
Less accumulated depreciation for				
Improvements	(8,781,396)	(679,174)	--	(9,460,570)
Machinery and equipment	(2,606,072)	(324,795)	--	(2,930,867)
Total Accumulated Depreciation	(11,387,468)	(1,003,969)	--	(12,391,437)
Total Capital Assets Being Depreciated/Amortized, net	5,026,512	5,988,691	--	11,015,203
Business-Type Activities Capital Assets, Net	$ 13,507,997	$ 6,218,222	$ (5,803,109)	$ 13,923,110

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

Governmental activities	
General government	$ 395,316
Physical environment	981
Public safety	544
Transportation	240,723
Culture and recreation	73,120
Total Depreciation/Amortization Expense Governmental Activities	$ 710,684
Business-Type activities	
Marina fund	$ 537,585
Sanitation fund	201,916
Stormwater fund	264,468
Total Depreciation Expense Business-Type Activities	$ 1,003,969

NOTE 7 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable	$ 1,105,682	$ --	$ (335,961)	$ 769,721	$ 143,346
Lease obligations	1,320,013	--	(60,094)	1,259,919	63,331
Net pension liability (see note 11)	333,034	140,309	(227,563)	245,780	--
Total OPEB liability (see note 12)	79,163	8,292	(4,359)	83,096	--
Leases (Right-of-use asset)	--	393,897	(15,472)	378,425	78,487
Compensated absences payable	269,944	284,694	(284,108)	270,530	27,053
Total	$ 3,107,836	$ 827,192	$ (927,557)	$ 3,007,471	$ 312,217

Compensated absences, Net pension liability and Total OPEB liability for governmental activities are generally liquidated by the General Fund. The government portion of these liabilities are reflected in the Statement of Net Position.

The following is a summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable	$ 600,472	$ 687,243	$ (216,276)	$ 1,071,439	$ 261,764
Lease obligations	105,597	--	(51,916)	53,681	53,681
Revenue bonds	2,565,000	--	(200,000)	2,365,000	210,000
Unamortized premium	73,524	--	(6,684)	66,840	
Total OPEB liability (see note 12)	28,966	7,435	(3,908)	32,493	--
Compensated absences payable	51,209	52,494	(63,011)	40,692	4,069
Total	$ 3,424,768	$ 747,172	$ (541,795)	$ 3,630,145	$ 529,514

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, 2023 were $7,419,802 and the related debt service was $713,045. Total principal and interest to maturity to be paid from pledged revenues is $3,969,096.

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

PROMISSORY NOTE, SERIES 2008A (NOTES PAYABLE)

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.

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.

PROMISSORY NOTE, SERIES 2008B (NOTES PAYABLE)

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. 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%.

PROMISSORY NOTE, SERIES 2009 (NOTES PAYABLE)

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. 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%.

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

PROMISSORY NOTE, SERIES 2009 (NOTES PAYABLE) (CONTINUED)

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 notes 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.

DOERING PROMISSORY NOTE (NOTES PAYABLE)

The Town entered into a promissory note for financing the purchase of a sanitation truck with a price of $165,575 on September 7, 2022. There are thirty-six monthly payments due of $5,390 starting on September 7, 2022, and the note bears an annual interest rate of 11.25%.

GOVERNMENT OBLIGATION NOTES, SERIES 2023 (NOTES PAYABLE)

On April 5, 2023, the Town executed a note for the purchase of two sanitation trucks. The note was for total amount of $687,243. The Town is required to appropriate funds annually to pay the current amount due. The note is payable in four annual payments of $198,287. Principal and interest on the note is payable by the Town annually a final maturity date of April 5, 2027. The note bears an annual interest rate of 5.990%.

GOVERNMENT OBLIGATION NOTES, SERIES 2023 (NOTES PAYABLE)

The agreements include a provision that upon the occurrence of any event of default, the lessor may retake possession of the sanitation trucks.

The debt service requirements to maturity for the notes payable are as follows:

	Governmental Activities			Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total Amount	Principal	Interest	Total Amount
2024	$ 143,346	$ 25,630	$ 168,976	$ 261,764	$ 62,743	$ 324,507
2025	148,233	20,268	168,501	274,647	44,409	319,056
2026	153,673	14,728	168,401	231,009	28,694	259,703
2027	159,312	8,985	168,297	244,183	15,452	259,635
2028	165,157	3,031	168,188	59,836	1,440	61,276
Total	$ 769,721	$ 72,642	$ 842,363	$ 1,071,439	$ 152,738	$ 1,224,177

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

LEASE OBLIGATIONS

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 accumulated amortization was approximately $280,125. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. The agreement includes a provision that upon the occurrence of any event of default, the lessor may retake possession of the equipment under lease.

The Town entered into a lease agreement for financing the purchase of street sweeper with a price of $259,871 on June 16, 2020. The accumulated amortization was approximately $155,922. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. 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, 2023, are as follows:

	Governmental Activities			Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total Amount	Principal	Interest	Total Amount
2024	$ 63,331	$ 45,987	$ 109,318	$ 53,681	$ 1,825	$ 55,506
2025	66,715	43,675	110,390	--	--	--
2026	70,258	41,240	111,498	--	--	--
2027	73,963	38,676	112,639	--	--	--
2028	77,837	35,976	113,813	--	--	--
2029-2033	453,736	134,207	587,943	--	--	--
2034-2037	454,079	42,585	496,664	--	--	--
Total	$ 1,259,919	$ 382,346	$ 1,642,265	$ 53,681	$ 1,825	$ 55,506

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

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

REVENUE BONDS, SERIES 2016 (CONTINUED)

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.

The debt service requirements to maturity are as follows:

	Business-Type Activities		
Year Ending September 30,	Principal	Interest	Total
2024	$ 210,000	$ 73,962	$ 283,962
2025	215,000	69,762	284,762
2026	220,000	64,925	284,925
2027	225,000	59,975	284,975
2028	225,000	54,350	279,350
2029-2033	1,270,000	131,700	1,401,700
	$ 2,365,000	$ 454,674	$ 2,819,674

LEASES (RIGHT-OF-USE ASSETS)

The Town entered into 10 lease agreements as a Lessee with a duration of 60 months. The lease agreements qualify as other than a short-term lease under GASB 87 and; therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. An initial lease liability was recorded in the amount of $393,897. Principal and interest payments made during the fiscal year totaled $20,437. Required monthly fixed payments range from approximately $685 to $880. The value of the leases (right-to-use assets) as of September 30, 2023 is $393,897 with accumulated amortization of $65,650.

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

LEASES (RIGHT-OF-USE ASSETS) (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, are as follows:

Year Ending September 30,	Principal	Interest	Total Amount
2024	$ 78,487	$ 20,685	$ 99,172
2025	78,487	20,685	99,172
2026	78,487	20,685	99,172
2027	78,487	20,685	99,172
2028	64,477	17,010	81,487
Total	$ 378,425	$ 99,750	$ 478,175

NOTE 8 – 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.

The composition of interfund balances at September 30, 2023, is as follows:

Receivable Fund	Payable Fund	Due to/from	Advance
General Fund	Marina Fund	$ --	$ 3,250,000
CRA Fund	General Fund	317,379	--
General Fund	Sanitation Fund	85,606	--
General Fund	Marina Fund	59,248	--
General Fund	Streets and Roads Fund	76,743	--
Total Interfund Balances		$ 538,976	$ 3,250,000

All payables and receivables were for cash flow purposes.

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers during the fiscal year ended September 30, 2023, are as follows:

	Transfer In				
Transfer Out	General Fund	CRA Fund	Marina Fund	Stormwater Fund	Total
General Fund	$ --	$ 1,162,739	$ --	$ --	$ 1,162,739
ARPA Fund	700,613	--	138,382	136,648	975,643
CRA Fund	173,889	--	--	--	173,889
Marina Fund	10,000	--	--	--	10,000
Sanitation Fund	31,436	--	--	--	31,436
Total Funds	$ 915,938	$ 1,162,739	$ 138,382	$ 136,648	$ 2,353,707

The transfer 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 from the General Fund to the CRA Fund was for the 2023 incremental tax obligation.

The transfers from the ARPA Fund to the General Fund, Marina Fund and Stormwater Fund were for American Rescue Plan grant expenditures.

The transfer from the Marina Fund to the General Fund was for the Marina's share of the Johnson Controls upgrade.

The transfer from the Sanitation Fund to the General Fund was for principal and interest payments.

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.

NOTE 9 – DEFERRED COMPENSATION PLAN ASSETS (CONTINUED)

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.

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.

Employees are eligible to participate in the plan after completing six (6) months of continuous full-time employment and having reached age 18. 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 fiscal year ended September 30, 2023, the Town had pension expense of $322,629, and there were forfeitures of $16,213. The Town had no contributions payable at September 30, 2023.

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.

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" or "Plan") 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.

At October 1, 2022, the date of the latest actuarial valuation, the membership in RPOPF consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	6
Active plan members	--
	6

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.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

INVESTMENTS

Target Asset Mix

The plan's adopted asset allocation policy as of September 30, 2023, is as follows:

Asset Class	Target Allocation
Fixed Income	29 %
Large cap growth	25
Large cap value	26
Mid cap growth	4
Mid cap value	1
Small cap growth	1
Real estate	5
Internatioanl	9
Total	100 %

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

Credit Risk

The Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.

Concentration of Credit Risk

The Plan's investment policy prohibits equity securities concentrations greater than 5% in the securities of any one company at cost and fixed income securities concentrations greater than 5% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2023, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

INVESTMENTS (CONTINUED)

Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 13.19 percent adjusted for the changing amounts actually invested.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town's pension plan categorizes their fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon 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.

The Plan does not value any of its investments using Level 2 or 3 inputs.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

INVESTMENTS (CONTINUED)

Fair Value Hierarchy (continued)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2023:

		Fair Value Measurements Using
Year Ended September 30,	9/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)
Fiduciary Fund		
Global fixed income mutual funds	$ 192,000	$ 192,000
Equity ETF	718,427	718,427
Fixed income ETF	130,376	130,376
Real estate ETF	51,885	51,885
Total investments measured at fair value	$ 1,092,688	$ 1,092,688

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan's investments and the risks associated therewith on a regular basis which the Plan believes minimizes these risks.

ACCOUNTING POLICIES

The Plan follows the accrual basis of accounting. Contributions are recorded when paid or when the Town has made the commitment to contribute to the Plan. Purchases and sales are recorded on the trade-date basis. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded through investment earnings.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

CONTRIBUTIONS AND FUNDING POLICY

The Town is required to make contributions at actuarially determined amounts; there was $34,093 minimum contribution requirement for the fiscal year ended September 30, 2023. The minimum contribution consists of the unfunded actuarial accrued liability, which should provide sufficient resources to pay employee pension benefits when due.

The actuarially determined contribution for the Plan for the current year was determined as part of the October 1, 2022 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities and therefore, information about funding status and funding progress is presented using the entry age normal cost method for the Plan.

NET PENSION LIABILITY

The components of the net pension liability of the Town at September 30, 2023, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2022	$ 1,485,446	$ 1,152,412	$ 333,034
Changes due to			
Interest	106,496	--	106,496
Differences between expected and actual experience	(24,589)	--	(24,589)
Employer contributions	--	62,090	(62,090)
Benefit payments and refunds	(132,388)	(132,388)	--
Net investment income	--	140,884	(140,884)
Administrative expenses	--	(33,813)	33,813
Total Changes	(50,481)	36,773	(87,254)
Balances at September 30, 2023	$ 1,434,965	$ 1,189,185	$ 245,780

The Plan fiduciary net position was 82.89% of the total pension liability as of September 30, 2023.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions applied to the September 30, 2023, measurement period.

Inflation	2.00%
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.

Long-Term Expected Rate of Return

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, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	5.64%
Fixed income	1.35%

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.

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

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	$ 317,004	$ 245,780	$ 183,144

PENSION EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

For the fiscal year ended September 30, 2023, the Town recognized pension expense of $54,479. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources
Net difference between projected and actual earnings on plan investments	$ 59,860

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:

Year Ended September 30,	Amount
2024	$ 14,154
2025	9,593
2026	47,774
2027	(11,661)
	$ 59,860

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

Currently, the Town follows a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. 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. For the fiscal year ended September 30, 2023 there were no retirees receiving other postemployment benefits. Current and future retirees are required to pay 100% of the blended premium to continue coverage under the Town's group health insurance program..

PLAN MEMBERSHIP

The following table provides a summary of the participants in the plan as of October 1, 2021, the latest valuation date:

Active plan members	61
Inactive plan members or beneficiaries currently receiving benefits	--
Inactive plan members or beneficiaries entitled to but not yet receiving benefits	--
	61

OPEB LIABILITY, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At September 30, 2023, the Town reported a total OPEB liability of $115,589. For the fiscal year ended September 30, 2023, the Town recognized OPEB expense of $7,460. As of September 30, 2023, the Town did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2021
Measurement date	September 30, 2023
Actuarial cost method	Entry Age Cost Method
Inflation	2.50%
Discount rate	4.87%
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	100% 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 4.77% as of the beginning of the measurement period to 4.87% as of September 30, 2023. This change is reflected in the schedule of changes in total OPEB liability. There were no benefit changes during the year.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY

The components of the total OPEB liability as of September 30, 2023, were as follows:

	Total OPEB Liability
Balance at September 30, 2022	$ 108,129
Changes for the year	
Service cost	10,256
Interest cost	5,472
Changes of assumptions and other inputs	(863)
Benefit payments	(7,405)
Net Change in Total OPEB Liability	7,460
Balance at September 30, 2023	$ 115,589

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 4.87% 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 3.87%	Discount Rate 4.87%	1.0% Increase 5.87%
Total OPEB Liability	$ 124,713	$ 115,589	$ 107,525

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%)	Trend Rates (7.5% Decreasing to 4%)	1.0% Increase (8.5% Decreasing to 5%)
Total OPEB Liability	$ 105,195	$ 115,589	$ 127,675

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 $41,956 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.

NOTE 14 – RISK MANAGEMENT (CONTINUED)

Florida Statues 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.

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 – ADMINISTRATIVE COSTS

The General Fund provides the other funds with various management services. Administrative costs totaling $254,147 for the CRA Fund; $113,673 for the Streets and Roads Fund; $397,854 for the Marina Fund; $511,427 for the Sanitation Fund; and $227,345 for the Stormwater Utility Fund were charged for 2023.

NOTE 16 – DEFICIT NET POSITION

The Town has a net position financial deficit of $1,256,504 in the Marina Fund as of September 30, 2023. This was caused by the Town terminating and repaying a grant agreement for $2,400,000 that placed restrictions on land the grant purchased. The Town is currently negotiating with a developer for the Marina and expects these future payments to offset the deficit.

NOTE 17 – INTER-LOCAL AGREEMENTS

FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

The Town 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 which commenced 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, 2023, 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 which commenced October 1, 2005. The seventeenth addendum to the contract extended the term of service from October 1, 2022, thru September 30, 2023, and the Town will pay $3,333,263 in equal monthly installments. The agreement was renewed thru September 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
RETIRED POLICE OFFICERS' RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	Last Ten Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	$ 126,439	$ 124,182	$ 116,219	$ 132,596	$ 131,746	$ 125,696	$ 110,375	$ 107,476	$ 108,046	$ 106,496
Differences between expected and actual experience	--	(73,829)	206,781	8,574	(71,972)	(197,588)	8,549	32,509	2,980	(24,589)
Change of assumptions	--	--	51,891	--	--	--	(25,188)	--	--	--
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)	(132,388)	(132,388)	(132,389)	(132,388)	(132,388)
Net Change in Total Pension Liability	(30,090)	(106,176)	218,362	(15,359)	(88,708)	(204,280)	(38,652)	7,596	(21,362)	(50,481)
Total Pension Liability - Beginning	1,764,115	1,734,025	1,627,849	1,846,211	1,830,852	1,742,144	1,537,864	1,499,212	1,506,808	1,485,446
Total Pension Liability - Ending (A)	$ 1,734,025	$ 1,627,849	$ 1,846,211	$ 1,830,852	$ 1,742,144	$ 1,537,864	$ 1,499,212	$ 1,506,808	$ 1,485,446	$ 1,434,965
Plan Fiduciary Net Position										
Contributions - employer	$ 52,328	$ 39,097	$ 75,932	$ 80,380	$ 71,508	$ 44,708	$ 36,525	$ 62,090	$ 62,090	$ 62,090
Net investment income (loss)	170,788	(3,080)	141,510	142,541	114,653	64,072	72,360	282,473	(192,317)	140,884
Benefit payments, including refunds of employee contributions	(156,529)	(156,529)	(156,529)	(156,529)	(148,482)	(132,388)	(132,388)	(132,389)	(132,388)	(132,388)
Administrative expenses	(15,671)	(35,380)	(26,578)	(29,853)	(34,266)	(32,329)	(40,950)	(33,464)	(36,500)	(33,813)
Net Change in Plan Fiduciary Net Position	50,916	(155,892)	34,335	36,539	3,413	(55,937)	(64,453)	178,710	(299,115)	36,773
Plan Fiduciary Net Position - Beginning	1,423,896	1,474,812	1,318,920	1,353,255	1,389,794	1,393,207	1,337,270	1,272,817	1,451,527	1,152,412
Plan Fiduciary Net Position - Ending (B)	$ 1,474,812	$ 1,318,920	$ 1,353,255	$ 1,389,794	$ 1,393,207	$ 1,337,270	$ 1,272,817	$ 1,451,527	$ 1,152,412	$ 1,189,185
Net Pension Liability (A) - (B)	$ 259,213	$ 308,929	$ 492,956	$ 441,058	$ 348,937	$ 200,594	$ 226,395	$ 55,281	$ 333,034	$ 245,780
Plan Fiduciary Net Position as A Percentage of the Total Pension Liability	85.05%	81.02%	73.30%	75.91%	79.97%	86.96%	84.90%	96.33%	77.58%	82.87%

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.

This schedule is presented as required by accounting principles generally accepted in the United States of America.

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
RETIRED POLICE OFFICERS' RETIREMENT FUND
SCHEDULES OF CONTRIBUTONS AND INVESTMENT RETURNS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll *	Contribution as a percentage 0f covered payroll
2014	$ 52,328	$ 52,328	$ --	$ --	N/A
2015	39,097	39,097	--	--	N/A
2016	75,932	75,932	--	--	N/A
2017	80,380	80,380	--	--	N/A
2118	71,508	71,508	--	--	N/A
2019	44,708	44,708	--	--	N/A
2020	36,525	36,525	--	--	N/A
2021	62,090	62,090	--	--	N/A
2022	60,230	62,090	(1,860)	--	N/A
2023	34,093	62,090	(27,997)	--	N/A

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual Money Weighted Rate of Return Net of Investment Expense
2014	12.44%
2015	-0.22%
2016	11.24%
2017	11.04%
2018	8.72%
2019	4.78%
2020	5.72%
2021	23.31%
2022	-14.04%
2023	13.19%

* There are no active employees in the Plan

This schedule is presented as required by accounting principles generally accepted in the United States of America.

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTAL INFORMATION
RETIRED POLICE OFFICERS' RETIREMENT FUND
NOTES TO THE SCHEDULE OF CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Siginifcant 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	10/01/2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount
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

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

FOR THE YEAR ENDED SEPTEMBER 30

	2018	2019	2020	2021	2022	2023
Total OPEB Liability - Beginning	$ 119,471	$ 120,655	$ 132,825	$ 123,631	$ 129,194	$ 108,129
Changes for the Year						
Service cost	9,362	9,008	14,531	13,501	14,521	10,256
Interest	4,555	5,252	5,086	2,854	3,547	5,472
Differences Between Expected and Actual Experience			(450)		6,063	--
Changes of assumptions	(5,275)	6,021	(18,599)	(3,185)	(37,524)	(863)
Benefit payments	(7,458)	(8,111)	(9,762)	(7,607)	(7,672)	(7,405)
Net Change in Total OPEB Liability	1,184	12,170	(9,194)	5,563	(21,065)	7,460
Total OPEB Liability - Ending	$ 120,655	$ 132,825	$ 123,631	$ 129,194	$ 108,129	$ 115,589
Covered Employee Payroll	$ 2,388,729	$ 2,448,447	$ 2,999,824	$ 3,074,819	$ 3,368,189	$ 3,286,038
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.05%	5.42%	4.12%	4.20%	3.21%	3.52%

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the Total OPEB liability, the discount rate is the long-term rate of return on tax-exempt, high quality municipal bonds based on the daily rate of Fidelity's "20-Year Municipal GO AA Index".

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 6,358,848	6,650,284	$ 6,844,556	$ 194,272
Licenses and permits	747,350	626,350	1,148,939	522,589
Intergovernmental	2,092,084	2,152,084	1,638,915	(513,169)
Charges for services	1,701,056	1,681,856	1,597,025	(84,831)
Fines and forfeitures	150,700	150,700	205,949	55,249
Miscellaneous	237,867	849,459	599,370	(250,089)
Total Revenues	11,287,905	12,110,733	12,034,754	(75,979)
Expenditures				
Current:				
General government:				
Legislative	166,541	166,541	163,748	2,793
Town manager	304,345	326,945	327,047	(102)
Personnel	268,429	309,929	310,176	(247)
Town clerk	275,683	286,675	286,762	(87)
Finance	542,418	545,418	545,897	(479)
Communications and Grants	208,135	208,135	201,815	6,320
Legal	160,000	160,000	130,170	29,830
Information technology	318,003	326,003	258,281	67,722
Non-departmental	674,818	1,280,418	762,994	517,424
Total General Government	2,918,372	3,610,064	2,986,890	623,174
Public safety	4,211,106	4,254,106	4,636,023	(381,917)
Physical environment	767,176	807,176	788,559	18,617
Transportation	486,616	486,616	452,928	33,688
Culture and recreation	1,556,508	1,559,908	1,436,915	122,993
Capital outlay	--	--	393,897	(393,897)
Debt service:				
Principal	362,993	376,293	411,527	(35,234)
Interest charges	87,314	87,314	90,586	(3,272)
Total Expenditures	10,390,085	11,181,477	11,197,325	(15,848)
Excess (Deficiency) of Revenues over Expenditures	897,820	929,256	837,429	(91,827)
Other Financing Sources (Uses)				
Lease (right-of-use asset) acquired	--	--	393,897	(393,897)
Transfers in	264,919	233,483	915,938	(682,455)
Transfers out	(1,162,739)	(1,162,739)	(1,162,739)	--
Total Other Financing Sources (Uses)	(897,820)	(929,256)	147,096	(682,455)
Net Change in Fund Balance	$ --	$ --	$ 984,525	$ 984,525

See notes to budgetary comparison schedule.

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
COMMUNITY REDEVELOPMENT FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 631,382	$ 631,382	$ 621,952	$ (9,430)
Transfer from General Fund	1,162,739	1,162,739	1,162,739	--
Balance brought forward	34,000	93,412	--	(93,412)
Total Revenues	1,828,121	1,887,533	1,784,691	(102,842)
Expenditures				
Economic environment	887,915	947,327	789,492	157,835
Capital outlay	329,500	329,500	10,420	319,080
Grants and aids	387,223	387,223	293,999	93,224
Transfers	223,483	223,483	173,889	49,594
Total Expenditures	1,828,121	1,887,533	1,267,800	619,733
Net Change in Fund Balance	$ --	$ --	$ 516,891	$ 516,891

See notes to the budgetary comparison schedule.

TOWN OF LAKE PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – 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:

- 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.

- 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.

- A final operating budget and related millage rates are legally enacted through the passage of a resolution.

- Changes or amendments to the total budgeted expenditures of funds the must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.

- All unencumbered balances lapse at the end of each fiscal year.

NOTE 2 – EXPENDITURES OVER APPROPRIATIONS

There were no expenditures in excess of appropriations at the fund level.

COMBINING FUND FINANCIAL STATEMENTS
(SUPPLEMENTARY INFORMATION)

TOWN OF LAKE PARK, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Debt Service Fund	Special Revenue Funds: Public Improvement Fund	Special Revenue Funds: Special Projects Fund	Special Revenue Funds: Streets & Roads Fund	Capital Projects Fund: Capital Projects Bond Fund	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	$ 170,086	$ 255,010	$ 1,087,672	$ --	$ 16,593	$ 1,529,361
Accounts receivable, net	--	118,065	--	--	--	118,065
Due from other governments	--	--	101,080	32,321	--	133,401
Prepaids	--	--	--	500	--	500
Total Assets	$ 170,086	$ 373,075	$ 1,188,752	$ 32,821	$ 16,593	$ 1,781,327
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ --	$ 31,943	$ 276,725	$ 9,186	$ --	$ 317,854
Accrued items	--	--	--	3,896	--	3,896
Unearned revenue	--	--	--	11,209	--	11,209
Due to other funds	--	--	--	76,743	--	76,743
Total Liabilities	--	31,943	276,725	101,034	--	409,702
Fund Balances						
Nonspendable:						
Prepaids	--	--	--	500	--	500
Restricted for:						
Debt service	170,086	--	--	--	--	170,086
Public improvements	--	341,132	--	--	--	341,132
Infrastructure	--	--	912,027	--	--	912,027
Capital projects	--	--	--	--	16,593	16,593
Unassigned	--	--	--	(68,713)	--	(68,713)
Total Fund Balances	170,086	341,132	912,027	(68,213)	16,593	1,371,625
Total Liabilities and Fund Balances	$ 170,086	$ 373,075	$ 1,188,752	$ 32,821	$ 16,593	$ 1,781,327

TOWN OF LAKE PARK, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

		Special Revenue Funds				
	Debt Service Fund	Public Improvement Fund	Special Projects Fund	Streets & Roads Fund	Capital Projects Bond Fund	Total Nonmajor Governmental Funds
Revenues						
Taxes	$ --	$ --	$ 883,943	$ --	$ --	$ 883,943
Intergovernmental	--	--	129,449	398,502	--	527,951
Miscellaneous	--	274,779	40,000	33	--	314,812
Total Revenues	--	274,779	1,053,392	398,535	--	1,726,706
Expenditures						
Current:						
General government	--	--	3,472	--	--	3,472
Economic Environment	--	405,320	--	--	--	405,320
Transportation	--	--	--	458,427	--	458,427
Capital outlay	--	206,183	658,815	1,938	--	866,936
Total Expenditures	--	611,503	662,287	460,365	--	1,734,155
Net Changes in Fund Balances	--	(336,724)	391,105	(61,830)	--	(7,449)
Fund Balances - Beginning	170,086	677,856	520,922	(6,383)	16,593	1,379,074
Fund Balances - Ending	$ 170,086	$ 341,132	$ 912,027	$ (68,213)	$ 16,593	$ 1,371,625

STATISTICAL SECTION

TOWN OF LAKE PARK, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities					
Net investment in capital assets	$ 2,837,379	$ 3,142,197	$ 3,205,414	$ 3,862,515	$ 5,431,953
Restricted	364,900	404,094	506,653	1,029,677	1,509,135
Unrestricted	(195,039)	419,594	1,010,808	1,356,118	1,178,588
Total Governmental Activities Net Position	$ 3,007,240	$ 3,965,885	$ 4,722,875	$ 6,248,310	$ 8,119,676
Business-Type Activities					
Net investment in capital assets	$ 4,662,043	$ 4,909,675	$ 4,690,541	$ 4,506,945	$ 4,566,524
Restricted	--	--	--	--	--
Unrestricted	607,291	350,817	535,262	347,918	662,698
Total Business-Type Activities Net Position	$ 5,269,334	$ 5,260,492	$ 5,225,803	$ 4,854,863	$ 5,229,222
Primary Government					
Net investment in capital assets	$ 7,499,422	$ 8,051,872	$ 7,895,955	$ 8,369,460	$ 9,998,477
Restricted	364,900	404,094	506,653	1,029,677	1,509,135
Unrestricted	412,252	770,411	1,546,070	1,704,036	1,841,286
Total Primary Government Net Position	$ 8,276,574	$ 9,226,377	$ 9,948,678	$ 11,103,173	$ 13,348,898

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities					
Net investment in capital assets	$ 5,809,108	$ 5,822,996	$ 6,733,248	$ 7,040,813	$ 8,178,523
Restricted	2,028,528	4,511,884	3,743,532	3,485,741	3,543,171
Unrestricted	1,464,835	1,504,174	1,501,051	4,659,622	6,003,711
Total Governmental Activities Net Position	$ 9,302,471	$ 11,839,054	$ 11,977,831	$ 15,186,176	$ 17,725,405
Business-Type Activities					
Net investment in capital assets	$ 4,813,499	$ 4,766,405	$ 7,119,055	$ 10,163,404	$ 10,313,828
Unrestricted	706,485	788,457	936,660	(1,997,096)	(2,866,459)
Total Business-Type Activities Net Position	$ 5,519,984	$ 5,554,862	$ 8,055,715	$ 8,166,308	$ 7,447,369
Primary Government					
Net investment in capital assets	$ 10,622,607	$ 10,589,401	$ 13,852,303	$ 17,204,217	$ 18,492,351
Restricted	2,028,528	4,511,884	3,743,532	3,485,741	3,543,171
Unrestricted	2,171,320	2,292,631	2,437,711	2,662,526	3,137,252
Total Primary Government Net Position	$ 14,822,455	$ 17,393,916	$ 20,033,546	$ 23,352,484	$ 25,172,774

TOWN OF LAKE PARK, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General government	$ 1,608,593	$ 1,622,346	$ 2,119,258	$ 2,379,266	$ 1,897,797	$ 1,796,253	$ 2,114,917	$ 1,929,635	$ 2,131,579	$ 3,246,177
Public safety	4,749,126	4,927,037	3,460,558	3,616,758	3,769,881	3,890,768	3,987,837	4,211,942	5,529,482	4,636,567
Physical environment	268,706	279,885	313,900	337,601	243,451	369,636	250,097	388,350	567,812	789,540
Transportation	564,501	589,970	566,643	572,008	573,583	627,123	738,997	819,468	931,643	1,152,078
Culture and recreation	815,290	842,876	859,896	937,507	1,017,475	1,139,623	1,150,406	843,683	995,026	1,510,035
Ewconomic environment	39,905	1,429	3,925	--	459,417	563,372	786,273	831,683	1,411,479	1,488,811
Interest on long-term debt	276,467	233,655	191,384	147,633	111,880	120,502	120,947	119,915	100,106	114,884
Total Governmental Activities Expenses	8,322,588	8,497,198	7,515,564	7,990,773	8,073,484	8,507,277	9,149,474	9,144,676	11,667,127	12,938,092
Business-Type Activities										
Marina	1,600,962	1,728,929	1,664,332	1,854,387	1,703,023	1,885,821	1,768,741	2,375,706	4,975,478	2,265,025
Sanitation	1,152,304	1,163,127	1,205,728	1,365,725	1,282,784	1,422,337	1,746,142	2,076,764	1,979,857	2,746,651
Stormwater	402,905	335,711	392,237	364,367	386,464	575,569	596,912	704,635	643,893	839,980
Total Business-Type Activities Expenses	3,156,171	3,227,767	3,262,297	3,584,479	3,372,271	3,883,727	4,111,795	5,157,105	7,599,228	5,851,656
Total Primary Government Expenses	$ 11,478,759	$ 11,724,965	$ 10,777,861	$ 11,575,252	$ 11,445,755	$ 12,391,004	$ 13,261,269	$ 14,301,781	$ 19,266,355	$ 18,789,748

TOWN OF LAKE PARK, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental Activities										
Charges for services										
General government	$ 82,406	$ 89,112	$ 111,930	$ 109,601	$ 123,425	$ 112,775	$ 113,464	$ 108,933	$ 551,899	$ 1,220,633
Public safety	778,395	762,073	873,864	1,068,425	1,048,644	1,033,888	1,434,668	1,299,583	3,626,388	1,504,556
Physical environment	--	--	--	--	--	--	--	--	--	205,949
Transportation	31,056	27,680	290	--	35,577	37,409	15,592	14,018	14,389	--
Culture and recreation	46,549	52,827	16,995	26,740	--	--	146,257	64,714	505,770	20,775
Operating contributions and grants										
General government	--	--	--	--	--	--	--	--	1,600,000	564,595
Public safety	--	--	--	--	71,845	4,919	11,725	75,014	1,113	975,642
Physical environment	3,517	2,470	4,951	3,980	51,573	33,660	8,248	77,497	19,399	3,606
Transportation	--	--	--	--	--	--	--	--	180,000	--
Culture and recreation	9,024	9,230	7,116	24,221	--	33,960	1,829,673	--	--	16,781
Economic Environment	--	--	--	--	25,007	50,056	55,223	27,009	27,819	--
Capital contributions and grants	--	--	--	--	323,233	60,354	39,844	3,379	84,208	--
General government	--	--	--	--	1,679,304	1,367,021	3,682,669	1,670,147	6,610,985	--
Public safety	--	--	--	--	--	--	--	--	--	--
Physical environment	--	--	--	--	1,475,452	1,584,076	1,328,429	1,624,539	1,909,905	--
Transportation	18,642	19,245	19,822	23,997	1,696,560	1,768,552	1,739,770	1,904,997	1,892,574	--
Culture and recreation	45,416	9,065	56,726	251,920	768,853	769,833	920,992	918,803	964,669	129,449
Total Governmental Activities Program Revenues	1,015,005	971,702	1,091,694	1,508,884	7,299,473	6,856,503	11,326,554	7,788,633	17,989,118	4,641,986
Business-Type Activities										
Charges for services										
Marina	1,105,139	1,357,287	1,340,328	1,403,726	79,162	43,919	38,396	100,000	139,437	1,855,256
Sanitation	1,445,086	1,672,392	1,707,491	1,691,438	11,286	9,454	61,449	--	--	1,933,100
Stormwater	489,396	487,537	487,878	505,642	31,625	288,999	15,614	2,155,778	1,580,413	1,010,117
Operating contributions and grants										
Marina	--	--	--	--	--	--	--	--	--	--
Sanitation	--	--	--	--	--	--	--	--	--	--
Stormwater	--	--	--	--	--	--	--	--	--	--
Capital contributions and grants										
Marina	--	--	--	--	--	--	--	--	--	--
Stormwater	--	--	--	--	--	--	--	--	--	5,123
Total Business-Type Activities Program Revenues	3,039,621	3,517,216	3,535,697	3,600,806	122,073	342,372	115,459	2,255,778	1,719,850	4,803,596
Total Primary Government Program Revenues	$ 4,054,626	$ 4,488,918	$ 4,627,391	$ 5,109,690	$ 7,421,546	$ 7,198,875	$ 11,442,013	$ 10,044,411	$ 19,708,968	$ 9,445,582

TOWN OF LAKE PARK, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense) Revenue										
Governmental activities	$ (7,307,583)	$ (7,525,493)	$ (6,423,870)	$ (6,481,889)	$ (6,394,177)	$ (7,140,256)	$ (5,466,805)	$ (7,474,529)	$ (5,056,142)	$ (8,296,106)
Business-type activities	(116,550)	289,469	273,400	16,327	712,928	604,109	(5,188)	1,558,397	(1,112,230)	(1,048,060)
Total Primary Government Net Expense	$ (7,424,133)	$ (7,236,024)	$ (6,150,470)	$ (6,465,562)	$ (5,681,249)	$ (6,536,147)	$ (5,471,993)	$ (5,916,132)	$ (6,168,372)	$ (9,344,166)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 4,554,358	$ 4,839,895	$ 3,496,377	$ 3,791,642	$ 3,644,561	$ 3,443,832	$ 3,721,481	$ 4,012,875	$ 4,234,082	$ 5,324,494
Infrastructure surtax	--	--	--	389,411	620,736	644,946	610,154	713,453	853,456	883,943
Franchise fees	651,664	598,424	605,622	627,219	632,237	634,652	594,844	635,073	723,836	858,102
Utility service taxes	926,495	952,772	975,706	1,006,475	1,025,980	1,037,613	1,018,200	1,042,374	1,135,538	1,283,912
Local option gas taxes	236,922	251,894	257,756	269,595	266,361	269,924	240,713	249,902	262,118	268,030
Communication sales tax	324,291	315,322	286,682	276,237	278,915	274,449	274,183	262,334	269,188	288,294
Intergovernmental, unrestricted	1,093,000	1,196,655	1,222,771	1,282,459	1,357,344	1,423,061	1,435,228	1,624,209	1,877,912	1,418,852
Gain on sale of surplus property	--	320,000	--	--	--	49,749	--	--	--	--
Miscellaneous revenue	--	--	--	--	--	--	--	--	--	200,907
Investment earnings	12,705	20,104	25,946	54,286	47,015	219,825	108,585	14,925	121,952	542,395
Transfers	199,420	303,078	310,000	310,000	411,877	325,000	--	(941,839)	(1,213,595)	(233,594)
Total Governmental Activities	7,998,855	8,798,144	7,180,860	8,007,324	8,285,026	8,323,051	8,003,388	7,613,306	8,264,487	10,835,335
Business-Type Activities										
Investment earnings	814	4,767	1,911	3,609	5,720	11,653	4,331	617	2,751	16,675
Gain on sale of equipment	--	--	--	--	74,152	--	35,735	--	--	56,543
Miscellaneous revenues	--	--	--	--	--	--	--	--	--	22,309
Transfers	(199,420)	(303,078)	(310,000)	(310,000)	(411,877)	(325,000)	--	941,839	1,213,595	233,594
Total Business-Type Activities	(198,606)	(298,311)	(308,089)	(306,391)	(332,005)	(313,347)	40,066	942,456	1,222,823	329,121
Total Primary Government	$ 7,800,249	$ 8,499,833	$ 6,872,771	$ 7,700,933	$ 7,953,021	$ 8,009,704	$ 8,043,454	$ 8,555,762	$ 9,487,310	$ 11,164,456
Changes in Net Position										
Governmental activities	$ 691,272	$ 1,272,651	$ 756,990	$ 3,208,345	$ 1,890,849	$ 1,182,795	$ 2,536,583	$ 138,777	$ 3,208,345	$ 2,539,229
Business-type activities	(315,156)	(8,842)	(34,689)	110,593	380,923	290,762	34,878	2,500,853	110,593	(718,939)
Total Primary Government	$ 376,116	$ 1,263,809	$ 722,301	$ 3,318,938	$ 2,271,772	$ 1,473,557	$ 2,571,461	$ 2,639,630	$ 3,318,938	$ 1,820,290

TOWN OF LAKE PARK, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	$ 367,260	$ 755,709	$ 700,452	$ 647,423	$ 580,059
Restricted	33,826	10,316	10,000	10,000	10,000
Assigned					
Subsequent year's expenditures	--	36,458	65,355	47,786	5,900
Unassigned	544,245	563,362	881,030	1,179,607	1,509,094
Total General Fund	$ 945,331	$ 1,365,845	$ 1,656,837	$ 1,884,816	$ 2,105,053
All Other Governmental Funds					
Nonspendable	$ --	$ --	$ --	$ 395	$ 1,283
Restricted	331,074	414,536	509,239	1,023,816	1,499,135
Assigned					
Subsequent year's expenditures	--	--	7,500	70,954	73,977
Special revenue funds	--	--	206,196	301,084	10,004
Capital projects funds	21,418	253,325	--	--	--
Unassigned	(253,889)	(105,427)	(58,769)	(247,851)	(115,053)
Total All Other Governmental Funds	$ 98,603	$ 562,434	$ 664,166	$ 1,148,398	$ 1,469,346

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	$ 513,597	$ 900,294	$ 991,153	$ 3,409,863	$ 3,353,381
Restricted	10,000	10,000	10,000	875,420	478,442
Assigned					
Subsequent year's expenditures	43,458	67,436	104,129	294,429	194,623
Unassigned	1,723,974	1,287,644	1,388,478	959,350	2,497,141
Total General Fund	$ 2,291,029	$ 2,265,374	$ 2,493,760	$ 5,539,062	$ 6,523,587
All Other Governmental Funds					
Nonspendable	$ 1,680	$ --	$ 712	$ 5,966	$ 5,122
Restricted	2,018,528	4,501,884	3,733,532	3,445,326	3,507,685
Assigned					
Subsequent year's expenditures	--	--	--	--	--
Special revenue funds	--	--	39	16,009	98,194
Capital projects funds	--	--	16,107	26,477	--
Unassigned	(39,144)	(163,353)	(358,920)	(543,117)	(68,713)
Total All Other Governmental Funds	$ 1,981,064	$ 4,338,531	$ 3,391,470	$ 2,950,661	$ 3,542,288

TOWN OF LAKE PARK, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$ 6,132,517	$ 6,391,091	$ 5,077,705	$ 5,814,747	$ 5,923,514	$ 5,761,043	$ 5,944,679	$ 6,403,775	$ 6,946,912	$ 7,728,499
Licenses and permits	537,298	622,763	732,567	727,048	820,631	761,108	707,998	1,089,750	3,420,988	1,148,939
Intergovernmental	1,742,766	1,827,646	1,821,757	1,971,076	2,469,253	2,239,661	2,137,834	2,548,901	4,662,682	3,764,461
Charges for services	347,788	408,911	345,977	365,978	411,005	437,528	1,228,671	1,622,555	1,751,466	1,597,025
Fines and forfeitures	167,991	80,929	100,810	290,900	159,231	220,336	685,695	193,156	152,691	205,949
Miscellaneous	144,617	470,381	162,649	187,875	193,236	423,564	2,000,208	95,647	815,979	996,367
Total Revenues	9,072,977	9,801,721	8,241,465	9,357,624	9,976,870	9,843,240	12,705,085	11,953,784	17,750,718	15,441,240
Expenditures										
General government	1,459,677	1,610,692	1,812,849	2,285,666	1,979,986	1,987,217	2,281,813	2,612,970	3,067,165	2,990,362
Public safety	4,754,459	4,926,858	3,458,641	3,612,914	3,769,659	3,872,115	3,987,837	4,211,378	5,528,944	4,636,023
Physical environment	269,391	277,727	307,054	329,059	241,094	364,034	619,952	574,401	765,995	788,559
Transportation	488,139	477,058	480,458	472,046	509,351	528,708	685,850	776,439	831,092	911,355
Culture and recreation	718,737	709,111	701,248	803,814	913,563	1,019,952	1,061,868	991,331	1,151,398	1,436,915
Economic environment	39,905	1,429	3,925	--	459,417	563,372	602,624	750,620	1,172,882	1,194,812
Capital outlay	122,795	111,467	222,166	338,565	1,113,065	2,247,676	465,347	1,247,277	752,054	1,271,253
Debt service										
Principal	904,943	915,002	948,039	982,074	646,531	286,450	361,702	364,238	479,084	411,527
Interest	283,903	241,454	199,556	156,080	116,019	92,701	122,631	120,903	101,147	90,586
Grants and aid	--	--	--	--	--	--	--	--	--	293,999
Total Expenditures	9,041,949	9,270,798	8,133,936	8,980,218	9,748,685	10,962,225	10,189,624	11,649,557	13,849,761	14,025,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,028	530,923	107,529	377,406	228,185	(1,118,985)	2,515,461	304,227	3,900,957	1,415,849
Other Financing Sources (Uses)										
Transfers in	846,898	1,304,254	993,767	1,084,848	1,167,729	1,258,334	979,739	1,073,969	1,146,179	2,078,677
Transfers out	(647,478)	(950,832)	(683,767)	(774,848)	(857,729)	(933,334)	(979,739)	(2,015,808)	(2,359,774)	(2,312,271)
Lease (right-of-use asset) acquired	--	--	--	--	--	--	--	--	--	393,897
Total Other Financing Sources (Uses)	199,420	353,422	310,000	310,000	310,000	325,000	--	(941,839)	(1,213,595)	160,303
Net Change in Fund Balances	$ 230,448	$ 884,345	$ 417,529	$ 687,406	$ 538,185	$ (793,985)	$ 2,515,461	$ (637,612)	$ 2,687,362	$ 1,576,152
Debt Service as a Percentage of Non-Capital Expenditures	13.33%	12.63%	14.50%	13.17%	8.83%	4.35%	4.98%	4.66%	4.43%	4.03%

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	Service Taxes	Services Taxes	Sales Tax		Totals
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
2021	4,012,875	635,073	1,042,374	262,334	1,492,059		7,444,715
2022	4,234,082	723,836	1,135,538	269,188	1,761,627		8,124,271
2023	5,324,494	858,102	1,283,912	288,294	1,816,898		9,571,700

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

TOWN OF LAKE PARK, FLORIDA

GENERAL GOVERNMENTAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) UNAUDITED

Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Other Financing Sources	Total	Annual Percentage Increase (Decrease)
2014	$ 6,132,517	$ 537,298	$ 1,742,766	$ 347,788	$ 167,991	$ 144,617	$ 251,300	$ 9,324,277	3.30%
2015	6,391,091	622,763	1,827,646	408,911	80,929	470,381	353,422	10,155,143	8.90%
2016	5,077,705	732,567	1,821,757	345,977	100,810	162,649	310,000	8,551,465	-15.80%
2017	5,814,747	727,048	1,971,076	365,978	290,900	187,875	310,000	9,667,624	13.10%
2018	5,923,514	820,631	2,469,253	411,005	159,231	193,236	310,000	10,286,870	6.40%
2019	5,761,043	761,108	2,239,661	437,528	220,336	423,564	1,819,679	11,662,919	13.40%
2020	5,944,679	707,998	2,137,834	1,228,671	685,695	2,000,208	--	12,705,085	8.90%
2021	6,403,775	1,089,750	2,548,901	1,622,555	193,156	95,647	--	11,953,784	-5.90%
2022	6,946,912	3,420,988	4,662,682	1,751,466	152,691	815,979	--	17,750,718	48.50%
2023	7,728,499	1,148,939	3,764,461	1,597,025	205,949	996,367	--	15,441,240	-13.00%

TOWN OF LAKE PARK, FLORIDA

ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
UNAUDITED

Tax Year	Real Property Residential	Commercial	Personal Property	Centrally Assessed Property	Assessed Value for Operations	Total Direct Tax Rate	Total Taxable Value (1)
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
2021	390,842,528	459,138,779	43,912,976	1,580,812	895,475,095	8.8055	895,475,095
2022	403,132,350	457,296,345	48,316,946	1,723,008	910,468,649	8.8055	910,468,649
2023	456,221,141	510,951,280	59,722,159	1,826,710	1,028,721,290	8.6451	1,028,721,290

(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) Palm Beach County				Overlapping Property Tax Rates - (1) Palm Beach County School District			Palm Beach	
Tax Year	(2) Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage	Operating Millage	General Obligation Debt Service	Total School Millage	County Special Districts	Total
2014	8.8055	1.6650	10.4705	4.7815	0.1914	--	4.9729	7.5940	--	7.5940	2.1732	25.2106
2015	5.3474	1.5400	6.8874	4.7815	0.1462	3.4581	4.9277	7.5120	--	7.5120	2.0974	21.4245
2016	5.3474	1.4280	6.7754	4.7815	0.1327	3.4581	8.3723	7.0700	--	7.0700	1.9453	24.1630
2017	5.3474	0.6675	6.0149	4.7815	0.1208	3.4581	8.3604	6.7690	--	6.7690	1.7818	22.9261
2018	5.3474	--	5.3474	4.7815	0.1165	3.4581	8.3561	6.5720	--	6.5720	1.6920	21.9675
2019	5.3474	--	5.3474	4.7815	0.0765	3.4581	8.3161	7.1640	--	7.1640	1.6873	22.5148
2020	5.3474	--	5.3474	4.7815	0.0309	3.4581	8.2705	7.0100	--	7.0100	1.6753	22.3032
2021	5.3474	--	5.3474	4.7815	0.0334	3.4581	8.2730	6.8750	--	6.8750	1.6386	22.1340
2022	5.3474	--	5.3474	4.7150	0.0289	3.4581	8.2020	6.5190	--	6.5190	1.5390	21.6074
2023	5.3474	--	5.3474	4.5000	0.0188	3.4581	7.9769	6.4570	--	6.4570	1.4258	21.2071

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 district 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.

TOWN OF LAKE PARK, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2023			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Mariners Key Owner LLC	$ 42,199,993	$ 288,408	1	5.40%
Wal Mart Stores East LP	22,553,841	203,653	2	3.82%
Florida Power & Light Co	23,301,167	21,187	3	0.40%
SC Lake Park Associates, LLLP	19,192,325	135,381	4	2.54%
Mullinax Ford of PBC, LLC	20,229,891	127,594	5	2.39%
Earl Stewart LLC	16,865,912	92,996	6	1.74%
Lake Park Square Joint Venture	15,126,768	132,055	7	2.47%
Kelsey Industrial, LLC	14,681,788	103,104	8	1.93%
ASVRF Silver Beach Road LLC	14,590,945	75,683	9	1.42%
Northlake Square East LLC	12,004,447	92,891	10	1.74%
Totals	$ 200,747,077	$ 1,272,951		23.86%

Source: Palm Beach County Property Appraiser.

	2014			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owner LLC	$ 23,627,361	$ 234,852	1	4.67%
Wal Mart Stores East LP	14,064,427	147,262	2	2.93%
Mullinax Ford of PBC, LLC	10,134,771	98,819	3	1.97%
Lake Park Square Joint Venture	9,559,895	100,097	4	1.99%
Trust Lake Park LTD	9,000,000	94,235	5	1.88%
Northlake Square East LLC	7,308,226	76,510	7	1.52%
Kelsey Industrial, LLC	7,236,884	74,923	6	1.49%
Congress Avenue Properties LTD	7,120,358	74,554	8	1.48%
Earl Stewart Toyota	7,058,280	73,904	9	1.47%
Twin City Investors, Inc	7,016,766	73,476	10	1.46%
Totals	$ 102,126,968	$ 1,048,632		20.86%

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	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
2014	$ 5,025,228	$ 4,550,477	90.6 %	$ 8,107	2014	$ 4,558,584	90.7 %	--	-- %
2015	3,604,768	2,577,893	71.5 %	411	2015	2,578,304	71.5 %	--	-- %
2016	3,905,670	3,460,856	88.6 %	48,873	2016	3,509,729	89.9 %	--	-- %
2017	3,767,181	3,720,816	98.8 %	37,598	2017	3,758,414	99.8 %	--	-- %
2018	3,559,456	3,633,065	102.1 %	11,806	2018	3,644,871	102.4 %	--	-- %
2019	3,867,402	3,436,942	88.9 %	13,066	2019	3,450,008	89.2 %	--	-- %
2020	4,150,684	3,725,509	89.8 %	3,233	2020	3,728,742	89.8 %	--	-- %
2021	4,398,525	4,004,424	91.0 %	8,690	2021	4,013,114	91.2 %	--	-- %
2022	4,868,640	4,236,588	87.0 %	1,108	2022	4,237,696	87.0 %	--	-- %
2023	5,335,978	4,702,805	88.1 %	3,902	2023	4,706,707	0.0 %	--	-- %

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

Source: Palm Beach County Property Appraiser.

https://www.pbctax.com/wp-content/uploads/2023/12/Agency-Distribution-Reports.pdf

TOWN OF LAKE PARK, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
UNAUDITED

	Governmental Activities							Business-type Activities				Primary Government			
Fiscal Year	General Obligation Bonds	Lease Obligations	Loans Payable	Lease (Right-of-use asset)	Total Governmental Activities	Percentage of Taxable Value of Property	Per Capita	Marina Revenue Bonds	Loans Payable	Lease Obligations	Total Business-type Activities	Total Primary Government	Population	Percent Of Average Household Income	Per Capita
2014	$ 2,444,756	$ --	$ 3,469,381	$ --	$ 5,914,137	1.23%	707.43	$ 3,830,000	$ 948,963	--	$ 4,778,963	$ 10,693,100	8,360	2.63%	1,279.08
2015	1,782,535	--	3,216,600	--	4,999,135	0.96%	591.75	3,705,000	757,064	--	4,462,064	9,461,199	8,448	2.45%	1,119.93
2016	1,088,763	--	2,962,333	--	4,051,096	0.70%	468.88	3,575,000	1,070,087	--	4,645,087	8,696,183	8,640	1.97%	1,006.50
2017	371,249	--	2,697,456	--	3,068,705	0.49%	354.97	3,490,000	885,400	--	4,375,400	7,444,105	8,645	1.86%	861.09
2018	--	--	2,422,491	--	2,422,491	0.36%	281.52	3,320,000	694,447	--	4,014,447	6,436,938	8,605	1.46%	748.05
2019	--	1,494,679	2,136,041	--	3,630,720	0.50%	426.89	3,140,000	1,121,553	--	4,261,553	7,892,273	8,505	1.73%	927.96
2020	--	1,431,057	1,837,961	--	3,269,018	0.42%	382.07	2,955,000	776,077	204,365	3,935,442	7,204,460	8,556	1.36%	842.04
2021	--	1,377,012	1,527,767	--	2,904,779	0.32%	321.08	2,765,000	541,851	155,806	3,462,657	6,367,436	9,047	1.14%	703.82
2022	--	1,320,013	1,105,682	--	2,425,695	0.27%	270.12	2,565,000	320,597	105,597	2,991,194	5,416,889	8,980	0.99%	603.22
2023	--	1,259,919	769,721	378,425	2,408,065	0.23%	268.04	2,365,000	1,071,439	53,681	3,490,120	5,898,185	8,984	1.20%	656.52

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

TOWN OF LAKE PARK, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

AS OF SEPTEMBER 30, 2023

UNAUDITED

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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%	--
2021	--	--	--	0.00%	--
2022	--	--	--	0.00%	--
2023	--	--	--	0.00%	--

TOWN OF LAKE PARK, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2023

UNAUDITED

Governmental Unit	Debt Outstanding	Estimated (1) Percentage Applicable to Town of Lake Park	Estimated (1) Share of Direct and Overlapping Debt
Overlapping Debt			
Direct Debt - Town of Lake Park			
General obligation bonds	$ --	100.00%	$ --
Loans and lease obligations	2,029,640	100.00%	2,029,640
	2,029,640		2,029,640
Other Debt			
Palm Beach County	16,370,000	5.23%	855,526
Palm Beach County School Board	3,314,000	5.23%	173,196
	19,684,000		1,028,721
Total Direct and Overlapping Debt			3,058,361
Estimated town population			8,984
Total Per Capita			$ 340

(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 DebtService	Debt Service (2)	Coverage
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	1.6
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
2021	1,923,192	1,751,749	171,443	281,663	0.61
2022	2,311,840	4,355,762	(2,043,922)	285,963	-7.15
2023	1,993,665	1,653,138	340,527	277,963	1.23

(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)
2014	8,360	$ 22,071	$ 48,691	37	N/A	341	6.00%
2015	8,448	18,774	45,780	37	N/A	350	4.90%
2016	8,640	20,984	51,182	38	N/A	348	5.30%
2017	8,645	20,160	46,175	36	N/A	352	4.10%
2018	8,605	20,999	51,186	40	N/A	368	3.40%
2019	8,505	20,799	53,659	37	N/A	368	3.20%
2020	8,556	23,162	61,705	38	N/A	368	6.20%
2021	9,047	23,162	61,705	38	N/A	368	4.10%
2022	8,980	25,015	60,632	36	N/A	546	2.70%
2023	8,984	28,920	54,741	37	N/A	511	3.10%

Data Sources:

(1) The Population for 2013, 2014, 2015, 2016, 2017, 2018, 2019 , 2020,2021 and 2022was obtained from the US Ce 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

	2023			2014		
	Employees	Rank	Percentage of Total Town Employees	Employees	Rank	Percentage of Total Town Employment
Employer						
Palm Beach County School District	22,426	1	N/A	21,449	1	N/A
Palm Beach County	5,753	2	N/A	5,330	3	N/A
Tenet Coastal Division PBC	5,734	3	N/A	6,100	2	N/A
Next Era Energy (Parent Co, FPL)	5,330	4	N/A	3,804	4	N/A
Florida Atlantic University	5,059	5	N/A	2,980	6	N/A
Boca Raton Regional Hospital	2,135	6	N/A	2,250	10	N/A
Veterans Health Administration	2,600	7	N/A	2,700	8	N/A
HCA Healthcare	2,419	8	N/A	2,714	7	N/A
The Breakers	2,300	9	N/A	N/A	N/A	N/A
Baptist Health South Florida	2,282	10	N/A	N/A	N/A	N/A
Totals	56,038		N/A	47,327		N/A

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Town Manager	2	2	2	3	2	3	3	3	2	2
Personnel	2	2	2	2	2	2	2	2	2	2
Town Clerk	1	1	2	2	2	2	2	2	2	2
Finance	4	5	5	5	6	5	5	5	5	4
Grant Writer/Chief PIO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	2
Information technology	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	--	--	--	--	--	--	--	--	--	--
Fire	--	--	--	--	--	--	--	--	--	--
Community Development	6	6	6	6	5	7	7	7	8	8
Physical Environment										
Public works	8	8	8	8	5	7	7	8	8	8
Vehicle maintenance	1	1	2	2	2	2	2	2	2	2
Transportation										
Transportation	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Library	5	5	5	5	5	6	5	4	6	5
Park maintenance	6	6	5	6	6	6	6	5	5	5
Recreation	1	1	1	3	3	3	3	3	3	2
Marina	3	3	3	4	4	5	5	6	6	5
Sanitation	8	8	8	7	7	6	8	7	9	4
Total	50	51	52	56	52	57	58	57	62	54

TOWN OF LAKE PARK, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
UNAUDITED

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Community development										
Code violations	503	451	723	651	703	891	847	684	781	400
Building permits issued	581	663	830	792	990	683	618	674	868	845
Value of permits (in thousands)	--	--	--	9,871	33,464	12,203	9,844	17,839	61,028	241,912
Transportation										
Street resurfacing (miles)	--	--	--	--	1	--	--	--	--	2
Pot holes repaired	127	450	441	512	585	429	419	468	436	273
Culture and Recreation										
Library										
Circulation	27,360	27,010	29,790	27,300	8,790	4,700	2,669	3,173	2,969	3,981
Programs offered	1,282	1,314	1,300	980	1,015	821	256	57	149	465
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	3	3	--	1	7	7	7	11	9	6
Recreation program attendance	825	825	--	880	134	283	168	190	185	130
Youth athletic participants	--	--	--	--	74	173	68	140	150	100
Marina										
Available slips	112	112	112	112	112	112	112	112	112	112
Sanitation										
Residential customers	3,666	3,666	3,666	3,666	3,397	3,689	3,689	3,666	3,666	3,677
Commercial customers	375	375	375	288	293	303	328	315	295	304
Refuse collected (tons)	8,970	9,385	9,827	10,246	10,362	10,686	11,308	11,758	11,167	9,814
Recyclables collected (tons)	392	398	391	361	377	319	189	279	219	207

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Street Lights	340	340	340	340	340	345	340	--	675	675
Lane Miles	64	64	64	64	64	64	64	64	64	64
Culture and Recreation										
Marina										
Wet Slips	112	112	112	112	112	112	112	112	112	112
Library										
Books	35,435	35,000	37,000	37,695	42,340	34,780	35,118	36,338	36,338	40,545
Leisure Services										
Ballfields - lighted	2	2	2	2	2	2	2	1	1	1
Basketball courts	2	2	2	2	2	2	2	1	1	2
Soccer fields	1	1	1	1	1	1	1	1	1	2
Tennis courts	6	6	6	6	6	6	6	4	4	8
Parks	7	7	7	7	7	7	7	6	6	7
Sanitation										
Garbage Trucks	13	13	14	14	14	14	14	12	10	11
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.

REPORTING SECTION

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Town Commission
Town of 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 (*Government Auditing Standards)*, the 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 (the "Town"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item SD2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item SD2023-002.

Town's Response to Findings

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

Purpose of this Report

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

Marcum LLP

West Palm Beach, Florida
December 2, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Lake Park, Florida's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on the Town's major federal program for the fiscal year ended September 30, 2023. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provision of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
December 2, 2024

TOWN OF LAKE PARK, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Agency, Pass-through Entity Federal Program	Assistance Listing No. (ALN)	Contract/ Grant No.	Total Expenditures
United States Department of Housing and Urban Development			
Direct Program:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	FL0135100	$ 29,970
Total CDBG - Entitlement Grants Cluster			29,970
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-19-DC-0002	209,381
Total United States Department of Housing and Urban Development			**239,351**
United States Department of Treasury			
Indirect Program:			
Passed through State of Florida - Division of Emergency Management - Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5163	975,643
Total United States Department of Treasury			**975,643**
United States Department of Homeland Security			
Indirect Programs:			
Passed through State of Florida - Division of Emergency Management -			
Hazard Mitigation Grant Program (HMGP)	97.039	DR-4673-DR-FL	5,269
Hazard Mitigation Grant Program (HMGP)	97.039	4337-149-R	5,340
Hazard Mitigation Grant Program (HMGP)	97.039	22FRP76	1,230
Total United States Department of Homeland Security			**11,839**
Total Expenditures of Federal Awards			**$ 1,226,833**

Note: No amounts were provided to subrecipients.

See notes to Schedule of Expenditures of Federal Awards.

TOWN OF LAKE PARK, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditure activity of all federal awards of the Town of Lake Park, Florida (the "Town") for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF LAKE PARK, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*
Internal control over financial reporting:	
Material weakness(es) identified?	____Yes _X_No
Significant deficiency(ies) identified?	_X_Yes ___None reported
Non-compliance material to financial statements noted?	_X_Yes ___No

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	____Yes _X_No
Significant deficiency(ies) identified?	____Yes _X_None reported
Type of auditors' report issued on compliance for the major program:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____Yes _X_No

Identification of the Major Federal Program:

ALN	Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs:	$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	_X_Yes ___No

SECTION II – FINANCIAL STATEMENT FINDINGS

SD2023-001 – GENERAL INFORMATION TECHNOLOGY

Criteria

The Town's computerized information systems are vital to its daily operations. As such, the Town should have a formal written Information Technology (IT) Policy that documents and encompasses various areas such as: General IT procedural manual, disaster recovery plan, user access reviews, software modifications, data back-up schedules, cybersecurity incident response plan, etc.

Condition

While we observed that certain informal policies are in place and operational, we found that the Town lacks formal documentation for its computer standards, policies, and procedures, which are essential for maintaining control over the numerous computing activities being carried out. Additionally, there is an absence of an official written policy addressing user access reviews, the management of controls for internally developed applications, and the Town's disaster recovery plan.

Cause

The Town currently does not have a comprehensive formal written IT policy.

Effect

Without proper documentation, management is not assured that its desired policies and procedures are being carried out. In addition, documentation is an effective tool for training new personnel, providing operations instructions, and assisting in system revisions and development of IT needs. Also, in the event of personnel turnover or emergency, the Town does not have a formal written IT policy document to use for immediate reference.

Recommendation

We recommend the Town to produce a formal written IT policy to properly address the condition above and to continuously update the policy on an annual basis as considered necessary. As a component of the policy, the document should include an up-to-date disaster recovery plan to provide continued operations and to ensure electronic files are not lost because of a major computer hardware or software failure or other potential external interruptions (e.g. natural disasters and cybersecurity attacks).

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SD2023-002 – NON-COMPLIANCE WITH FLORIDA STATUTES

Criteria

Section 218.39(1), Florida Statutes, requires that a local government shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year.

Condition

The Town did not issue and file the September 30, 2023 financial statements with the Auditor General by June 30, 2024 or the Annual Financial Report ("AFR") to the Florida Department of Financial Services by June 30, 2024, as required by Florida Statutes.

Cause

The Town experienced significant personnel turnover within the finance department.

Effect

The lack of personnel led to delays in performing required financial statement closing procedures.

Recommendation

We recommend that the Town assess the finance department staffing needs and hire the required personnel.

View of Responsible Official and Planned Corrective Action

See accompanying corrective action plan.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

TOWN OF LAKE PARK, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

To the Honorable Mayor and 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 (the "Town"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated December 2, 2024.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*), the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated December 2, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the prior year that required corrective actions.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town has made these disclosures in the notes to the financial statements.

Financial Condition and Management

Section 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 has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate 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 determined that the special district component unit provided 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.

Purpose of this Letter

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

Marcum LLP

West Palm Beach, Florida
December 2, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415, FLORIDA STATUTES

To The Honorable Mayor and Town Commission
Town of Lake Park, Florida

We have examined the Town of Lake Park, Florida (the "Town") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

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

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
December 2, 2024

Marcum LLP / 525 Okeechobee Boulevard / Suite 750 / West Palm Beach, FL 33401 / **Phone** 561.653.7300 / **marcumllp.com**

Finance
Department

535 Park Avenue
Lake Park, FL 33403
Phone: (561) 881-3350
Fax: (561) 881-3358

www.lakeparkflorida.gov

December 2, 2024

Governing Board
Town of Lake Park

RE: Response to Report of Audit Findings Management Letter for Year ending September 30, 2023

SD2023-001 General Information Technology

The Chief Information Technology Officer is currently preparing I.T. policies that encompass, and address the findings of the audit. It is anticipated that this process will be completed by 12/31/2024.

SD2023-002 – Non-Compliance with Florida Statutes

There were a multitude of issues that delayed the Town having its annual financial audit completed within 9 months after the end of the fiscal year. There were personnel vacancies, which have been filled as of late June 2024. The employment market in South Florida is very challenging and the Town needed to employ multiple strategies to successfully resolve the issue. Additionally, the Town brought on new financial software in July 2023. This caused delays while employees worked through the learning curve to become fully functional in their positions. Finally, the engagement of new auditors took place too late for the process to successfully conclude by June 30, 2024. At this time, we expect to be in full compliance for June 30, 2025.

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

Sincerely,

Jeffrey DaSilva