



**TOWN OF LAKE PARK  
FLORIDA**



**Comprehensive Annual Financial Report  
FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**TOWN OF LAKE PARK, FLORIDA**

**Fiscal Year Ended September 30, 2018**

**Prepared by  
Finance Department**

# THE TOWN OF LAKE PARK, FLORIDA

## FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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# THE TOWN OF LAKE PARK, FLORIDA

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## INTRODUCTORY SECTION



November 22, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the Town of Lake Park, Florida, (the "Town") for the fiscal year ended September 30, 2018, is hereby submitted. Florida law and the Rules of the Auditor General for the State of Florida require every municipality to complete a set of audited financial statements annually within twelve months of the close of the fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2018.

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

The Town of Lake Park's financial statements have been audited by Nowlen, Holt & Miner, P.A., certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Lake Park for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in financial statements; assign the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Lake Park's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the Financial Section of this report on page 1.

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

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## PROFILE OF THE TOWN

Originally incorporated in 1923 as Kelsey City, the city was renamed in 1939 to the Town of Lake Park. The Town of Lake Park is a political subdivision of the State of Florida with a population of 8,248 residents (U.S.Census Bureau, 2011 estimate), ideally located in the southeastern part of the State on the Atlantic Intracoastal Waterway. The Town is primarily residential but has several types of light industry, commercial and retail businesses and shopping centers.

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

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

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

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

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

## LOCAL ECONOMY

The Town's economic growth continues to be stymied due to the national recession and collapse of the housing and real estate market. Property values increased dramatically throughout Palm Beach County and the Town of Lake Park between the years of 2002 through 2008. The taxable value of property within the Town decreased 6.3% in 2009, mainly due to the passage of Amendment One (Property Tax Reform), an additional 15.6% in 2010 due to the economic downturn, and values dropped an additional 18.3% in 2011, and 5.5% in 2012, and 3.6% in 2013. 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 and 6.14% in 2018. The relationship of commercial assessments compared to residential assessment has historically been around 50/50, but with the decline in the housing market, this relationship has shifted to approximately 54/46.

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

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

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

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

#### ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

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



## MAJOR INITIATIVES

There were three significant initiatives completed during the fiscal year: (2) a CDBG funded project to build and re-build the bathrooms in two Town parks, (3) CRA and Stormwater Projects on Park Avenue (4) Pavers and sidewalks.

A Community Development Block Grant (CDBG) application was initiated in began in fiscal year 2015 for building and re-building two Town Park Bathrooms. Town staff worked with Palm Beach County (PBC) grant staff and provided applications and other various documents. On March 10, 2015 the Town and PBC entered into an agreement for PBC to fund a grant of \$403,591 for the project. Subsequent to year-end, October 21, 2015, the Commission authorized the Town to contract with PTZ Architects for the project design.

The Town had not increased sanitation rates for five years and on July 16, 2014 the commission voted to adjust the residential rate by 28.7 percent. As a fundamental part of the rate adjustment the Sanitation Fund was able to enact a five year vehicle plan. That plan included the purchase of a commercial front load sanitation vehicle and the purchase of a residential side load sanitation vehicle. Those vehicles were placed in service in January of 2017.

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

## ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Lourdes Cariseo  
Finance Director

# TOWN OF LAKE PARK

## List of Principal Officials

September 30, 2018

### Mayor

Michael O'Rourke

### Vice Mayor

Kimberly Glas-Castro

### Town Commission

Erin Flaherty  
Roger Michuad  
Ann Lynch

### Town Manager

John O. D'Agostino

### Town Clerk

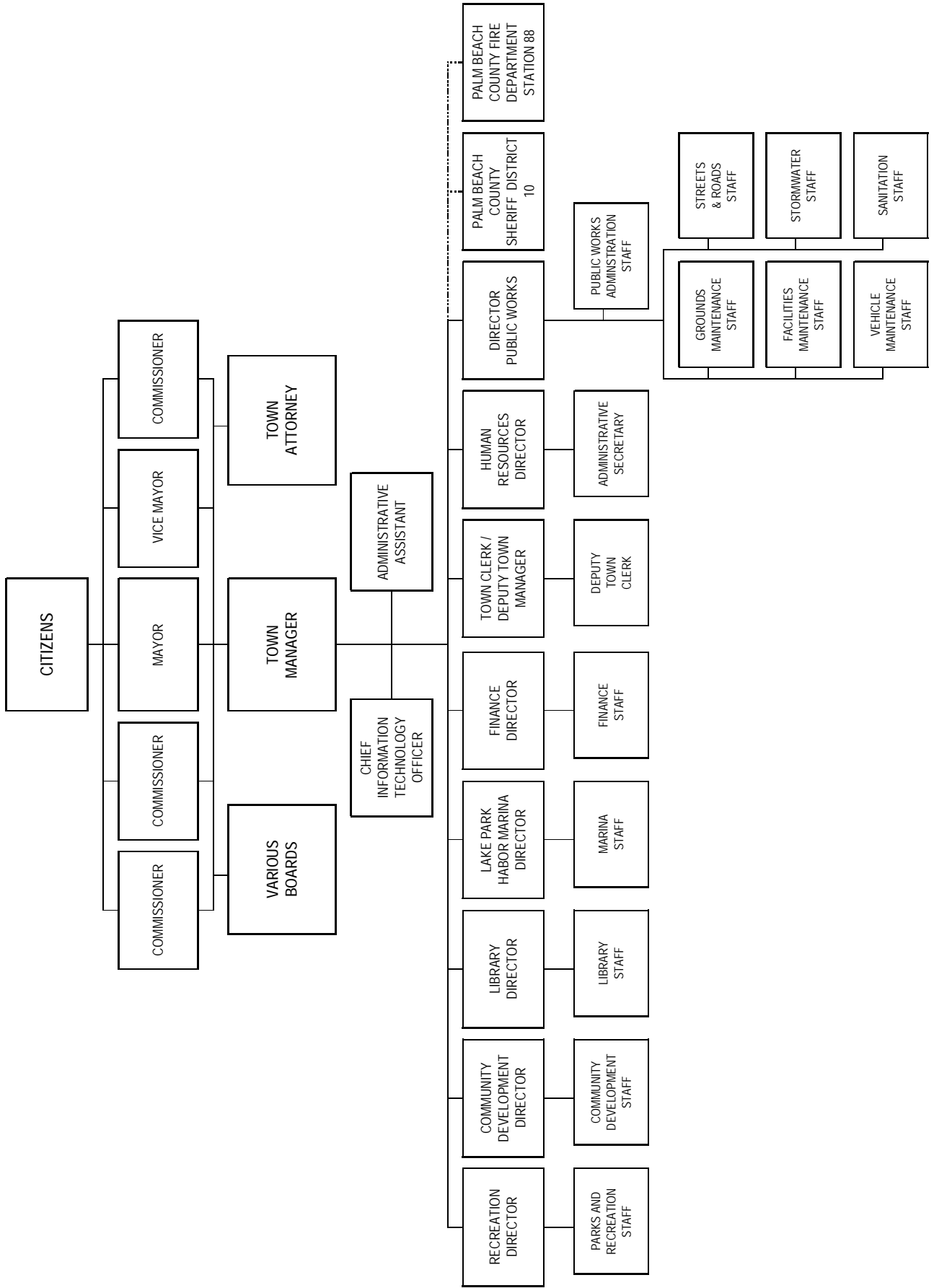
Vivian Mendez

### Finance Director

Lourdes Cariseo

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

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



## FINANCIAL SECTION



# NOWLEN, HOLT & MINER, P.A.

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JANET R. BARICEVICH, CPA  
TERRY L. MORTON, JR., CPA  
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RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 19 to the financial statements, the Town of Lake Park, Florida implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the fiscal year ended September 30, 2018. The net position of the governmental activities, the business-type activities, and the Enterprise Funds as of October 1, 2017 have been restated. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

### *Other Information*

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

The combining and budgetary statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the Town of Lake Park, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lake Park, Florida's internal control over financial reporting and compliance.

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

November 22, 2019  
West Palm Beach, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Lake Park, Florida (Town) administration offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter and the accompanying basic financial statements.

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

### Financial Highlights

#### *Government-Wide Financial Statements*

- The assets and deferred outflows of the Town of Lake Park exceeded its liabilities and deferred inflows at September 30, 2018 by \$13,348,898. Of this amount, unrestricted net position is \$1,841,236.
- The total net position increased by \$2,271,772. of which an increase of \$1,890,849. was attributed to governmental activities and a increase of \$380,923. was related to business-type activities. The change in net position of the business-type and governmental activities of the Town was primarily due to depreciation expense far exceeding investment in capital assets.

#### *Fund Financial Statements*

- As of the close of the 2018 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$2,102,053 an increase of \$217,237. from the prior year. Of the total, \$595,959 is restricted or non-spendable, while \$1,506,094 is unassigned and available for future uses by the Town Commission, an increase of \$326,487 in unassigned fund balance.
- At the end of the 2018 Fiscal Year, the unassigned fund balance for the General Fund represented just less than 20% of total General Fund expenditures or approximately 71 days of available funding.
- Total long-term obligations for the Town decreased by \$1,158,558. General Obligation Bond debt and loans payable decreased in the amount of \$1,007,483 due to scheduled principal payments.



## 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 outflows, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

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

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

## REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

**Notes to the financial statements**

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

**Other information**

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

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

The Town also adopts an annual budget for the Streets and Roads Fund, Insurance Fund, and Debt Service Fund. Budgetary comparison schedules for these funds are also included as Other Supplementary Information section of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information on pages 82-86 of this report.

**Government-Wide Financial Analysis**

**Net Position:** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, governmental activity assets exceeded liabilities and deferred inflows by \$8,119,676. Business-type activity assets exceeded liabilities and deferred inflows by \$5,229,222. The Town-wide total net position was \$13,348,898. at the close of the fiscal year ended September 30, 2018. The Statement of Net Position is on page 15 of this report.

The Town's investment in capital assets (e.g., land, buildings, equipment and vehicles, less any related debt used to acquire those assets that is still outstanding) was \$9,998,477 or over 75% of total net position at September 30, 2018. Capital assets total \$16,054,712 at September 30, 2018, or 75% of all assets, which total \$21,504,850. 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 \$1,509,135 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,841,286 may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

## Net Position

	Governmental Activities (1)		Business Activities (1)		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current and other assets	\$ 4,513,944	\$ 4,163,278	\$ 936,149	\$ 819,192	\$ 5,450,093	\$ 4,982,470
Capital assets	7,373,480	6,714,464	8,681,232	8,989,289	16,054,712	15,703,753
Total assets	<u>11,887,424</u>	<u>10,877,742</u>	<u>9,617,381</u>	<u>9,808,481</u>	<u>21,504,805</u>	<u>20,686,223</u>
<b>Deferred outflows of resources:</b>						
Pension related items	-	-	-	-	-	-
<b>Liabilities:</b>						
Long-term liabilities	3,102,884	3,890,506	4,186,318	4,550,688	7,289,202	8,441,194
Other liabilities	370,220	501,826	123,354	325,774	493,574	827,600
Total liabilities	<u>3,473,104</u>	<u>4,392,332</u>	<u>4,309,672</u>	<u>4,876,462</u>	<u>7,782,776</u>	<u>9,268,794</u>
<b>Deferred inflows of resources:</b>						
Pension related items	35,736	34,496	-	-	35,736	34,496
Deferred gain on bond refunding, net	-	-	78,487	83,720	78,487	83,720
Unearned revenue	258,908	222,087	-	-	258,908	222,087
	<u>294,644</u>	<u>256,583</u>	<u>78,487</u>	<u>83,720</u>	<u>373,131</u>	<u>340,303</u>
<b>Net position:</b>						
Invested in capital assets, net of related debt	5,431,953	3,862,515	4,566,524	4,506,945	9,998,477	8,369,460
Restricted	1,509,135	1,029,677	-	-	1,509,135	1,029,677
Unrestricted	1,178,588	1,336,635	662,698	341,354	1,841,286	1,677,989
Total net position	<u>\$ 8,119,676</u>	<u>\$ 6,228,827</u>	<u>\$ 5,229,222</u>	<u>\$ 4,848,299</u>	<u>\$ 13,348,898</u>	<u>\$ 11,077,126</u>

(1) As restated for GASB 75.

**Governmental Activities:** Net position of the governmental activities of the Town have increased \$1,890,849 from 2017. Total assets and deferred outflows of governmental activities have increased by \$1,009,682 and total liabilities and deferred inflows of resources have decreased by \$881,067. Unrestricted net position is down by \$158,047.

**Business Activities:** Net position for business activities have increased \$380,923. from 2017. Total assets decreased by \$194,100 while total liabilities and deferred inflows have decreased by \$572,023. Unrestricted net position has increased by \$321,344.

The following is a summary of the changes in net position for the years ended September 30, 2018 and 2017:

### Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,207,649	\$ 1,204,766	\$ 3,940,865	\$ 3,600,806	\$ 5,148,514	\$ 4,805,572
Operating grants and contributions	123,418	28,201	113,709	-	237,127	28,201
Capital grants and contributions	348,240	275,917	31,625	-	379,865	275,917
General revenues:						
Taxes	6,468,790	6,360,579	-	-	6,468,790	6,360,579
Intergovernmental	1,357,344	1,282,459	-	-	1,357,344	1,282,459
Investment earnings	47,015	54,286	5,720	3,609	52,735	57,895
Gain on sale of equipment	-	-	74,152	-	74,152	-
Total revenues	<u>\$ 9,552,456</u>	<u>\$ 9,206,208</u>	<u>\$ 4,166,071</u>	<u>\$ 3,604,415</u>	<u>\$ 13,718,527</u>	<u>\$ 12,810,623</u>

Overall total revenues are up by \$907,904. Program revenues increased by \$342,942 and general revenues increased by \$177,936.

**Governmental Activities:** Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have increased \$108,211. Property values within the Town increased in 2018, 6.4% over 2017. When combined with the loss in value from Amendment One, property tax reform, and the economy changing; property values within the Town's Taxable Value remains more than \$67.6 million dollars below the 2007 value. The increase in charges for services of governmental activities is attributable to the increase property values and holding the millage rate constant combined with volume increases in the Franchise Fees and Utility Service Taxes.

**Business Activities:** Total revenues for business activities of the Town have increased by \$561,656. This is primarily the result of increased Marina occupancy and increased residential Sanitation fees.

	Governmental Activities (1)		Business Activities (1)		Total	
	2018	2017	2018	2017	2018	2017
Expenses:						
General government	\$ 2,281,971	\$ 2,379,266	\$	\$	\$ 2,281,971	\$ 2,379,266
Public safety	3,769,881	3,616,758			3,769,881	3,616,758
Physical environment	243,451	337,601			243,451	337,601
Transportation	573,583	572,008			573,583	572,008
Culture and recreation	1,017,475	937,507			1,017,475	937,507
Economic environmnet	75,243	-			75,243	-
Interest on long-term debt	111,880	147,633			111,880	147,633
Marina			1,703,023	1,854,387	1,703,023	1,854,387
Sanitation			1,283,784	1,365,725	1,283,784	1,365,725
Stormwater			386,464	364,367	386,464	364,367
Total expenses	<u>8,073,484</u>	<u>7,990,773</u>	<u>3,373,271</u>	<u>3,584,479</u>	<u>11,446,755</u>	<u>11,575,252</u>
Transfers In/(Out)	<u>411,877</u>	<u>310,000</u>	<u>(411,877)</u>	<u>(310,000)</u>		
Change in net position	1,890,849	1,525,435	380,923	(290,064)	2,271,772	1,235,371
Net position - beginning of year	<u>6,228,827</u>	<u>4,703,392</u>	<u>4,848,299</u>	<u>5,138,363</u>	<u>11,077,126</u>	<u>9,841,755</u>
Net position - end of year	<u>\$ 8,119,676</u>	<u>\$ 6,228,827</u>	<u>\$ 5,229,222</u>	<u>\$ 4,848,299</u>	<u>\$ 13,348,898</u>	<u>\$ 11,077,126</u>

(1) As restated

Overall net position increased \$2,271,772. The increase in net position is related to the increase in property values combined with cost cutting measures that have been undertaken by the Town and the CRA.

**Governmental Activities:** Changes in the expenses for 2018 in Public Safety is attributable to a 2% increase in the Sheriff's contract countered by the MSTU effect. The change in the General government is attributable to an average raise of just over 3% for all employees, countered by decreases in expense items result from vacant positions in several departments, other cost saving measures, and continued debt service payments.

**Business-type Activities:** The decreased expenses for the Marina and Sanitation Funds results from cost cutting measures.

### Financial Analysis of the Governments' Funds

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

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

At September 30, 2018, the Town's primary operating fund, the General Fund, reported ending fund balance of \$2,102,053 an increase of \$217,237 from the prior year. Of this amount, \$1,506,094. is considered unassigned fund balance. However; \$10,000 is restricted for specific purposes; the Community Improvement Beautification (CIB) Fund. The unassigned balance of \$1,506,094 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. The remainder of fund balance (\$585,959.) 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 (\$21,121.) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$558,938.).

As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents approximately 20 percent (approximately 71 days) of total general fund expenditures, while total fund balance represents 28 percent of that same amount. A sound financial management policy would dictate that the unrestricted, unassigned fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2018 has been constructed to provide an increase in the fund balance at the end of the year, absent significant revenue shortfalls or at least be able to maintain the current level of fund balance in the event of revenue shortfalls.

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

The Marina Fund has a decrease in Net Position \$213,400 an amount less than as the depreciation expense charged to the fund for the year, bringing the fund's Total Net Position to \$2,896,677.

The Sanitation Fund has an increase in Net Position of \$322,472, bringing the fund's Total Net Position for the fund to \$1,027,465.

The Stormwater Fund has an increase in Net Position of \$271,944, bringing the fund's Total Net Position for the fund to \$1,193,988.

### **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 \$7,423,340 to \$7,623,878.

## Capital Asset and Debt Administration

**Capital assets.** The Town's total investment in capital assets at September 30, 2018 was \$16,054,712. (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, 2018 and 2017 are summarized as follows:

### Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,691,891	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,184,223	\$ 5,184,223
Construction in progress	438,062	330,601	417,588	378,346	855,650	708,947
Buildings	2,471,318	2,024,009	-	-	2,471,318	2,024,009
Equipment and vehicles	196,953	195,343	771,116	706,301	968,069	901,644
Streets, roads, and sidewalks	1,575,256	1,472,620	5,000,196	5,412,310	6,575,452	6,884,930
Total assets	<u>\$ 7,373,480</u>	<u>\$ 6,714,464</u>	<u>\$ 8,681,232</u>	<u>\$ 8,989,289</u>	<u>\$ 16,054,712</u>	<u>\$ 15,703,753</u>

Capital projects during Fiscal Year 2018 included the following:

- Roadway Improvements
- Sidewalk Repairs

Additional information on the Town's capital assets can be found in Note 6 7 of the Notes to Financial Statements.



**Long-term debt.** No new governmental debt was incurred during fiscal year 2018. The debt position of the Town is summarized as follows:

	Governmental Activities (1)		Business Activities (1)		Total	
	2018	2017	2018	2017	2018	2017
Loans Payable	\$ 2,422,491	\$ 3,069,022	\$ 4,014,448	\$ 4,375,400	\$ 6,436,939	\$ 7,444,422
Claims and settlements	66,667	100,000			66,667	100,000
Other Post- Emp. Benefits	86,720	85,835	33,935	33,636	120,655	119,471
Net pension liability	348,937	441,058			348,937	441,058
Compensated absences	178,069	194,591	37,673	41,272	215,742	235,863
Unamortized premium	-	-	100,260	106,944	100,260	106,944
<b>Total</b>	<b>\$ 3,102,884</b>	<b>\$ 3,890,506</b>	<b>\$ 4,186,316</b>	<b>\$ 4,557,252</b>	<b>\$ 7,289,200</b>	<b>\$ 8,447,758</b>

(1) As restated for GASB 75.

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

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

The Town, along with all other surrounding communities, Lake Park saw an increase in the taxable value of properties for the third year. However, prior to this values dropped within the Town for five consecutive years. The taxable assessed value of homes within the Town remain well below the 2008 level. Combined with the decreases of the previous seven years, and using the current millage rate, and including these modest increases, the loss of taxable value equates to a loss of more than \$2.2 million dollars in tax revenue per year.

For fiscal year 2018-2019 the Town Commission adopted a General Fund budget of \$8,462,431. compared with the budget for fiscal year 2017-2018 in the amount of \$7,995,067. The Town adopted a MSTU for fire services in 2015, thus the millage for the Fire Services was not included in the operating millage accounting for a decrease in revenue and expense of \$1,983,280. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less the fire millage of 3.34581)

The greatest impact on the General Fund expenditures is the contract with the Palm Beach County Sheriff for policing services which represents 35.9% of the total and uses 100% of the Ad Valorem property tax revenue plus an additional \$130,722. of other revenues of the Town. In an effort to off-set some of the impact on the General Fund revenue lost the Town continues to operate with many cuts implemented in prior years across all departments and must continue to limit capital and other projects.

There were no significant rate adjustments for fiscal year 2018-2019.

**Requests for Information**

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

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

## BASIC FINANCIAL STATEMENTS

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**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Net Position**  
**September 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Pooled cash and cash equivalents	\$ 3,280,196	\$ 1,257,293	\$ 4,537,489
Accounts receivable, net	276,187	121,990	398,177
Notes receivable	6,361		6,361
Due from other governments	327,074	101,239	428,313
Internal balances	601,722	(601,722)	
Inventory	9,982	31,682	41,664
Prepaid items	12,422	25,667	38,089
<b>Capital assets</b>			
Capital assets not being depreciated	3,129,953	2,909,920	6,039,873
Capital assets being depreciated, net of accumulated depreciation	4,243,527	5,771,312	10,014,839
<b>Total assets</b>	<u>11,887,424</u>	<u>9,617,381</u>	<u>21,504,805</u>
<b>Liabilities</b>			
Accounts payable	183,567	70,139	253,706
Accrued expenses	108,455	37,541	145,996
Accrued interest payable	3,333	2,888	6,221
Unearned revenue	9,854		9,854
Deposits	65,011	12,786	77,797
<b>Noncurrent liabilities:</b>			
Due within one year	355,396	313,609	669,005
Due in more than one year	2,747,488	3,872,709	6,620,197
<b>Total liabilities</b>	<u>3,473,104</u>	<u>4,309,672</u>	<u>7,782,776</u>
<b>Deferred inflows of resources</b>			
Pension related items	35,736		35,736
Deferred gain on bond refunding, net		78,487	78,487
Unearned revenue	258,908		258,908
<b>Total deferred inflows of resources</b>	<u>294,644</u>	<u>78,487</u>	<u>373,131</u>
<b>Net Position</b>			
Net investment in capital assets	5,431,953	4,566,524	9,998,477
<b>Restricted for:</b>			
Debt service	168,156		168,156
Capital projects	986,480		986,480
Economic environment	344,549		344,549
Other restrictions	10,000		10,000
Unrestricted	1,178,538	662,698	1,841,236
<b>Total net position</b>	<u>\$ 8,119,676</u>	<u>\$ 5,229,222</u>	<u>\$ 13,348,898</u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Activities</b>
Government:		
Governmental activities		
General government	\$ 2,281,971	\$ 123,428
Public safety	3,769,881	1,048,644
Physical environment	243,451	
Transportation	573,583	
Culture and recreation	1,017,475	35,577
Economic environment	75,243	
Interest on long-term debt	111,880	
Total governmental activities	<u>8,073,484</u>	<u>1,207,649</u>
Business-type activities		
Marina	1,703,023	1,475,452
Sanitation	1,283,784	1,696,560
Stormwater	386,464	768,853
Total business-type activities	<u>3,373,271</u>	<u>3,940,865</u>
Total	<u>\$ 11,446,755</u>	<u>\$ 5,148,514</u>

Program Revenues		Net Expense (Revenue) and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
		\$ (2,158,543)	\$	\$ (2,158,543)
		(2,721,237)		(2,721,237)
71,845		(171,606)		(171,606)
	25,007	(548,576)		(548,576)
51,573	323,233	(607,092)		(607,092)
		(75,243)		(75,243)
		(111,880)		(111,880)
<u>123,418</u>	<u>348,240</u>	<u>(6,394,177)</u>		<u>(6,394,177)</u>
23,261			(204,310)	(204,310)
79,162			491,938	491,938
11,286	31,625		425,300	425,300
<u>113,709</u>	<u>31,625</u>		<u>712,928</u>	<u>712,928</u>
<u>\$ 237,127</u>	<u>\$ 379,865</u>	(6,394,177)	712,928	(5,681,249)
General Revenues:				
Taxes:				
Property taxes		3,644,561		3,644,561
Infrastructure surtax		620,736		620,736
Franchise fees		632,237		632,237
Utility service taxes		1,025,980		1,025,980
Local option gas taxes		266,361		266,361
Communication services taxes		278,915		278,915
Unrestricted intergovernmental shared revenues		1,357,344		1,357,344
Gain on sale of capital assets			74,152	74,152
Investment earnings - unrestricted		47,015	5,720	52,735
Transfers		411,877	(411,877)	
Total general revenues and transfers		<u>8,285,026</u>	<u>(332,005)</u>	<u>7,953,021</u>
Change in net position		1,890,849	380,923	2,271,772
Net position, beginning of year, as restated		<u>6,228,827</u>	<u>4,848,299</u>	<u>11,077,126</u>
Net position, end of year		<u>\$ 8,119,676</u>	<u>\$ 5,229,222</u>	<u>\$ 13,348,898</u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2018**

	<u>Major Governmental Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total</u>
	<u>General</u>	<u>CRA Fund</u>	<u>Special Projects Fund</u>		<u>Governmental Funds</u>
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 2,062,520	\$ 486,342	\$ 281,345	\$ 184,749	\$ 3,014,956
Accounts receivable, net	276,187				276,187
Notes receivable		6,361			6,361
Due from other governments	150,110		137,142	39,822	327,074
Due from other funds			291,195	283,739	574,934
Advances to other funds	558,938				558,938
Inventory	9,982				9,982
Prepaid items	11,139	1,283			12,422
Total assets	<u>\$ 3,068,876</u>	<u>\$ 493,986</u>	<u>\$ 709,682</u>	<u>\$ 508,310</u>	<u>\$ 4,780,854</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 166,949	\$ 9,459	\$ 3,667	\$ 3,492	\$ 183,567
Accrued liabilities	103,943			4,512	108,455
Unearned revenue	9,854				9,854
Due to other funds	291,195		20,925		312,120
Advance from other funds		108,938			108,938
Deposits	65,011				65,011
Total liabilities	<u>636,952</u>	<u>118,397</u>	<u>24,592</u>	<u>8,004</u>	<u>787,945</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	70,963		80,199	11,440	162,602
Unearned revenue	258,908				258,908
	<u>329,871</u>		<u>80,199</u>	<u>11,440</u>	<u>421,510</u>
<b>Fund balances</b>					
<b>Nonspendable:</b>					
Inventories and prepaids	21,121	1,283			22,404
Advances to other funds	558,938				558,938
<b>Restricted for:</b>					
Debt service				168,156	168,156
Transportation				249,893	249,893
Infrastructure			719,994		719,994
Capital projects				16,593	16,593
Community improvement	10,000				10,000
Economic environment		344,549			344,549
<b>Assigned to:</b>					
Subsequent years expenditures	5,900	29,757		44,220	79,877
Special revenue fund				10,004	10,004
<b>Unassigned</b>					
	1,506,094		(115,103)		1,390,991
Total fund balances	<u>2,102,053</u>	<u>375,589</u>	<u>604,891</u>	<u>488,866</u>	<u>3,571,399</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,068,876</u>	<u>\$ 493,986</u>	<u>\$ 709,682</u>	<u>\$ 508,310</u>	<u>\$ 4,780,854</u>

See notes to the financial statements.



**TOWN OF LAKE PARK, FLORIDA**  
**Reconciliation of the Balance Sheet – Governmental Funds**  
**to the Statement of Net Position**  
**Governmental Activities**  
**September 30, 2018**

Total fund balances - governmental funds \$ 3,571,399

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	\$ 18,883,040	
Less accumulated depreciation	<u>(11,509,560)</u>	7,373,480

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

Current year grant revenues	162,602
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences	(178,069)	
Other post employment benefits	(86,720)	
Net pension liability	(348,937)	
Loans payable	<u>(2,422,491)</u>	(3,036,217)

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

Pension related deferred inflows	(35,736)
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Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

<u>84,148</u>
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Net position of governmental activities	<u><u>\$ 8,119,676</u></u>
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See notes to the financial statements.

**TOWN OF LAKE PARK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2018**

	<u>Major Governmental Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>	<u>Special Projects Fund</u>		
Revenues					
Taxes	\$ 4,897,339	\$	\$ 620,736	\$ 405,439	\$ 5,923,514
Licenses and permits	820,631				820,631
Intergovernmental	1,322,816	307,994	470,338	368,105	2,469,253
Charges for services	411,005				411,005
Fines and forfeitures	159,231				159,231
Miscellaneous	176,746	4,564	11,892	34	193,236
Total revenues	<u>7,787,768</u>	<u>312,558</u>	<u>1,102,966</u>	<u>773,578</u>	<u>9,976,870</u>
Expenditures					
Current					
General government	1,976,738	384,174	3,248		2,364,160
Public safety	3,769,659				3,769,659
Physical environment	241,094				241,094
Transportation	268,779			240,572	509,351
Culture and recreation	913,563				913,563
Capital outlay	45,965	43,432	636,387	387,281	1,113,065
Debt service					
Principal	275,282			371,249	646,531
Interest charges	103,726			12,293	116,019
Grants and aids		75,243			75,243
Total expenditures	<u>7,594,806</u>	<u>502,849</u>	<u>639,635</u>	<u>1,011,395</u>	<u>9,748,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>192,962</u>	<u>(190,291)</u>	<u>463,331</u>	<u>(237,817)</u>	<u>228,185</u>
Other financing sources (uses)					
Transfers in	596,002	571,727			1,167,729
Transfer out	(571,727)	(196,002)		(90,000)	(857,729)
Total other financing sources (uses)	<u>24,275</u>	<u>375,725</u>		<u>(90,000)</u>	<u>310,000</u>
Net change in fund balances	217,237	185,434	463,331	(327,817)	538,185
Fund balances					
Beginning of year	1,884,816	190,155	141,560	816,683	3,033,214
End of year	<u>\$ 2,102,053</u>	<u>\$ 375,589</u>	<u>\$ 604,891</u>	<u>\$ 488,866</u>	<u>\$ 3,571,399</u>

See notes to the financial statements.

**TOWN OF LAKE PARK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of the Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2018**

Net change in fund balances - total governmental funds	\$	538,185
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	\$ 1,049,026	
Capital asset transferred from enterprise fund	101,877	
Less: current year depreciation	<u>(491,887)</u>	659,016
Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.		
Current year grants	162,602	
Prior year grants	<u>(224,569)</u>	(61,967)
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:		
General obligation bonds	371,249	
Loans payable	<u>275,282</u>	646,531
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	16,522	
Change in other post employment benefits	(885)	
Change in net pension liability and related deferred amounts	90,881	
Change in accrued interest	<u>4,139</u>	110,657
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
Net income allocable to governmental activities		<u>(1,573)</u>
Change in net position of governmental activities	\$	<u><u>1,890,849</u></u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2018**

	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
<b>Assets</b>					
<b>Current assets</b>					
Pooled cash and cash equivalents	\$ 437,899	\$ 346,152	\$ 473,242	\$ 1,257,293	\$ 265,240
Accounts receivable, net	13,409	104,084	4,497	121,990	
Due from other governments	23,261	58,924	19,054	101,239	
Due from other funds			20,925	20,925	
Prepaid items	25,667			25,667	
Inventory	31,682			31,682	
Total current assets	<u>531,918</u>	<u>509,160</u>	<u>517,718</u>	<u>1,558,796</u>	<u>265,240</u>
<b>Noncurrent assets</b>					
Capital assets not being depreciated	2,428,175	64,157	417,588	2,909,920	
Capital assets net of accumulated depreciation	4,700,933	756,346	314,033	5,771,312	
Total noncurrent assets	<u>7,129,108</u>	<u>820,503</u>	<u>731,621</u>	<u>8,681,232</u>	
Total assets	<u>7,661,026</u>	<u>1,329,663</u>	<u>1,249,339</u>	<u>10,240,028</u>	<u>265,240</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	17,454	32,435	20,250	70,139	
Accrued liabilities	14,566	18,063	4,912	37,541	
Due to other funds	267,075		16,664	283,739	
Deposits payable - slip rentals	12,786			12,786	
Accrued interest payable		2,888		2,888	3,333
Compensated absences payable, current portion	1,854	4,300	1,380	7,534	
Bonds payable, current maturities	207,808	98,267		306,075	33,333
Total current liabilities	<u>521,543</u>	<u>155,953</u>	<u>43,206</u>	<u>720,702</u>	<u>36,666</u>
<b>Long-term liabilities</b>					
Compensated absences payable, less current portion	7,418	17,202	5,521	30,141	
Other post-employment benefits	4,296	23,015	6,624	33,935	
Advance from other funds	450,000			450,000	
Bonds payable, net of unamortized premium and current maturities	<u>3,702,605</u>	<u>106,028</u>		<u>3,808,633</u>	<u>33,334</u>
Total long-term liabilities	<u>4,164,319</u>	<u>146,245</u>	<u>12,145</u>	<u>4,322,709</u>	<u>33,334</u>
Total liabilities	<u>4,685,862</u>	<u>302,198</u>	<u>55,351</u>	<u>5,043,411</u>	<u>70,000</u>
<b>Deferred inflows of resources</b>					
Deferred gain on bond refunding, net	<u>78,487</u>			<u>78,487</u>	
<b>Net position</b>					
Net investment in capital assets	3,218,695	616,208	731,621	4,566,524	
Unrestricted	<u>(322,018)</u>	<u>411,257</u>	<u>462,367</u>	<u>551,606</u>	<u>195,240</u>
Total net position	<u>\$ 2,896,677</u>	<u>\$ 1,027,465</u>	<u>\$ 1,193,988</u>	<u>5,118,130</u>	<u>\$ 195,240</u>
Adjustment to reflect consolidation of internal service fund activities				<u>111,092</u>	
Net position of business-type activities				<u>\$ 5,229,222</u>	

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2018**

	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
Operating revenue					
Charges for services	\$ 1,464,220	\$ 1,693,546	\$ 768,853	\$ 3,926,619	\$ 195,887
Miscellaneous	11,232	3,014		14,246	
Total operating revenues	<u>1,475,452</u>	<u>1,696,560</u>	<u>768,853</u>	<u>3,940,865</u>	<u>195,887</u>
Operating expenses					
Personal services	220,368	490,600	175,527	886,495	41,849
Operating expenses	808,220	701,473	169,936	1,679,629	154,038
Depreciation	545,663	84,476	40,439	670,578	
Total operating expenses	<u>1,574,251</u>	<u>1,276,549</u>	<u>385,902</u>	<u>3,236,702</u>	<u>195,887</u>
Operating income (loss)	<u>(98,799)</u>	<u>420,011</u>	<u>382,951</u>	<u>704,163</u>	
Nonoperating revenues (expenses)					
Interest revenue		5,655	65	5,720	
Interest expense	(127,862)	(6,508)	(439)	(134,809)	(3,333)
Gain on sale of property and equipment		74,152		74,152	
Operating grant	23,261	79,162	11,286	113,709	
Total nonoperating revenues (expenses)	<u>(104,601)</u>	<u>152,461</u>	<u>10,912</u>	<u>58,772</u>	<u>(3,333)</u>
Income (loss) before transfers	<u>(203,400)</u>	<u>572,472</u>	<u>393,863</u>	<u>762,935</u>	<u>(3,333)</u>
Capital contributions			31,625	31,625	
Transfers					
Transfers out	(10,000)	(250,000)	(151,877)	(411,877)	
Change in net position	(213,400)	322,472	273,611	382,683	(3,333)
Net position - beginning of year, as restated	<u>3,110,077</u>	<u>704,993</u>	<u>920,377</u>	<u>4,735,447</u>	<u>198,573</u>
Net position - ending	<u>\$ 2,896,677</u>	<u>\$ 1,027,465</u>	<u>\$ 1,193,988</u>	<u>\$ 5,118,130</u>	<u>\$ 195,240</u>
Change in net position				\$ 382,683	
Adjustment to reflect consolidation of internal service fund activities				(1,760)	
Change in net position of business-type activities				<u>\$ 380,923</u>	

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2018**

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,469,581	\$ 1,726,793	\$ 767,788	\$ 3,964,162	\$
Operating grants		20,238		20,238	
Cash paid to suppliers	(814,585)	(863,614)	(198,918)	(1,877,117)	(195,887)
Cash paid to employees	(218,360)	(495,440)	(175,641)	(889,441)	
Payments to other funds	(132,925)		(4,261)	(137,186)	
Payments from other funds					195,887
Net cash provided (used) by operating activities	<u>303,711</u>	<u>387,977</u>	<u>388,968</u>	<u>1,080,656</u>	
Cash flows from noncapital financing activities:					
Principal repayments					(33,333)
Transfers (out)	(10,000)	(250,000)	(50,000)	(310,000)	
Net cash provided (used) by noncapital financing activities	<u>(10,000)</u>	<u>(250,000)</u>	<u>(50,000)</u>	<u>(310,000)</u>	<u>(33,333)</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		74,152		74,152	
Capital contributions			23,857	23,857	
Acquisition and construction of capital assets		(158,534)	(203,987)	(362,521)	
Acquisition and construction of capital assets transferred to Governmental Activities			(101,877)	(101,877)	
Interest paid on debt	(133,549)	(7,897)	(439)	(141,885)	
Principal repayments on revenue bonds	(207,807)	(98,267)	(54,878)	(360,952)	
Net cash provided (used) by capital and related financing activities	<u>(341,356)</u>	<u>(190,546)</u>	<u>(337,324)</u>	<u>(967,235)</u>	
Cash flows from investing activities:					
Interest on investments		5,655	65	5,720	
Net cash provided (used) by investing activities		<u>5,655</u>	<u>65</u>	<u>5,720</u>	
Net increase (decrease) in cash and cash equivalents	(47,645)	(46,914)	1,709	(92,850)	(33,333)
Cash and cash equivalents at beginning of year	485,544	393,066	471,533	1,350,143	298,573
Cash and cash equivalents at end of year	<u>\$ 437,899</u>	<u>\$ 346,152</u>	<u>\$ 473,242</u>	<u>\$ 1,257,293</u>	<u>\$ 265,240</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (98,799)	\$ 420,011	\$ 382,951	\$ 704,163	
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	538,339	84,476	40,439	663,254	
Operating grant	11,286	79,162	11,286	101,734	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(5,153)	30,233	(1,065)	24,015	
(Increase) decrease in due from other governments	(11,286)	(58,924)	(11,286)	(81,496)	
(Increase) decrease in inventory	1,132			1,132	
(Increase) decrease in prepaid expenses	1,711			1,711	
Payments from(to) other funds	(132,925)		(4,261)	(137,186)	
Increase (decrease) in accounts payable	(1,884)	(162,141)	(28,982)	(193,007)	
Increase (decrease) in accrued liabilities	(812)	(379)	449	(742)	
Increase (decrease) in deposits	(718)			(718)	
Increase (decrease) in compensated absences	1,676	(4,634)	76	(2,882)	
Increase (decrease) in other post-employment benefits	1,144	173	(639)	678	
Total adjustments	402,510	(32,034)	6,017	376,493	
Net cash provided (used) by operating activities	<u>\$ 303,711</u>	<u>\$ 387,977</u>	<u>\$ 388,968</u>	<u>\$ 1,080,656</u>	<u>\$</u>
Noncash activities					
Amortization of premium on bonds	\$ (6,684)	\$	\$	\$ (6,684)	\$
Amortization of refunding gain on bonds	\$ (5,233)	\$	\$	\$ (5,233)	\$

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Fiduciary Net Position**  
**Retired Police Officers' Pension Trust Fund**  
**September 30, 2018**

Assets	
Cash and cash equivalents	44,667
Investments:	
Equity exchange traded funds	787,037
Foreign equity exchange traded funds	115,311
Fixed income exchange traded funds	152,877
Real estate exchange traded funds	62,975
Global fixed income mutual funds	220,713
Prepaid retirement benefits	9,627
Total assets	<u>1,393,207</u>
Net position	
Held in trust for pension benefits	<u><u>\$ 1,393,207</u></u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Changes in Fiduciary Net Position**  
**Retired Police Officers Pension Trust Fund**  
**For the Year Ended September 30, 2018**

Additions	
Contributions	
Employer	\$ 71,508
Investment income	
Net increase fair value of investments	90,356
Interest and dividends	25,413
Total investment income	<u>115,769</u>
Less investment expenses	<u>(1,116)</u>
Net investment income	<u>114,653</u>
Total additions	186,161
Deductions	
Retirement benefits	148,482
Administrative expenses	34,266
Total deductions	<u>182,748</u>
Change in net position	3,413
Net position held in trust for pension benefits	
Net position - beginning of year	<u>1,389,794</u>
Net position - end of year	<u><u>\$ 1,393,207</u></u>

See notes to the financial statements.



**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

*A. Reporting Entity*

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

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

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

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

Based upon application of the above criteria, the Town of Lake Park has determined that there are two legally separate entities to consider as potential component units. The Town of Lake Park Retired Police Officers’ Pension Fund is a component unit as it is fiscally dependent on and imposes a specific financial burden on the Town. It is reported in the Town’s financial statements as a pension trust fund.

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*B. Government-wide and Fund Financial Statements*

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

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

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

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

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

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

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

The Town reports the following major governmental funds:

*General Fund*

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

*CRA Fund*

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

*Special Projects Fund*

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

The Town reports the following major proprietary funds:

*Marina Fund*

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

*Sanitation Fund*

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

*Stormwater Utility Fund*

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

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

*Special Revenue Fund*

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

*Debt Service Fund*

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

*Capital Projects Fund*

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

*Internal Service Fund*

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

*Fiduciary Funds*

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

*D. Assets, Liabilities, and Net Position or Equity*

*Cash and Cash Equivalents*

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

*Investments*

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

*Accounts Receivable*

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

*Interfund Transactions*

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

*Inventories*

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

*Prepaid Items/Expenses*

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

*Capital Assets and Depreciation*

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

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

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

*Capital Assets and Depreciation* (Continued)

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

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

*Compensated Absences*

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

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. Benefits that were earned but not used during the current year were accrued at employees' pay rates in effect at September 30, 2018. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the General Fund. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the government-wide financial statements as well as the Enterprise Fund.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

*Deferred Outflows and Inflows of Resources*

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

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

*Unearned Revenue*

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

*Long-Term Obligations*

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

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



**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

*Net Position*

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

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

*Fund Equity*

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

- Nonspendable fund balance represents amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts that can be spent only for specific purposes stipulated by external providers (e.g. creditors, grantors, contributor, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance represents amounts that can be used only for the specific purposes pursuant to constraints imposed by Town Commission by the adoption of an ordinance, the Town’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by the adoption of an ordinance.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

*Fund Equity* (Continued)

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

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

*Use of Estimates*

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

*Statement of Cash Flows*

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*A. Budgetary Data*

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

The procedures for establishing budgetary data are as follows:

- Prior to September 1<sup>st</sup>, the Town Manager submits a proposed operating budget to the Town Commission for the next fiscal year commencing the following October 1<sup>st</sup>. The proposed budget includes expenditures and the means of financing them.
- Public hearings are conducted at the Town Hall to obtain taxpayer comments.
- The Town advises the Palm Beach County Tax Collector's office of the proposed millage rate, the rolled back millage rate and the day, time and place of the public hearing for budget acceptance.
- A public hearing is held to obtain taxpayer input and to adopt the final budget and millage rate.
- Upon completion of the public hearings and prior to October 1<sup>st</sup>, a final operating budget and related millage rates are legally enacted through the passage of an ordinance. Estimated beginning fund balances are considered in the budgetary process. Effective for fiscal year ending September 30, 2018, a final operating budget and related millage rates are legally enacted through the passage of a resolution.
- Changes or amendments to the total budgeted expenditures of the Town must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
- All unencumbered balances lapse on September 30th.

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

*A. Budgetary Data* (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end are reported as restricted, committed or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Outstanding encumbrances at year end were \$5,900 for the general fund, \$29,757 for the community redevelopment fund and \$44,200 for the streets and roads fund.

*B. Property Taxes*

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

The tax levy of the Town is established by the Town Commission prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the Town for the year ended September 30, 2018, was 6.0149 (\$6.0149 for each \$1,000 of assessed valuation), which includes 0.6675 mills for debt service.

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, 2018, unpaid delinquent taxes are not material and have not been recorded by the Town.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits

As of September 30, 2018, the carrying amount of deposits (including fiduciary funds) was \$2,079,835 and the bank balances were \$2,126,380. The Town also had \$760 of petty cash. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Town's deposits at year end are considered insured for custodial credit risk purposes.

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

Investments

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

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Investments (Continued)

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

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

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

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

As of September 30, 2018, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Investments (Continued)

As of September 30, 2018, the Town held the following investments:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>	<u>Fair Value Measurement Level 1</u>
<i><u>Fiduciary Fund</u></i>			
Global Fixed Income Mutual Funds	N/A	\$ 220,713	\$ 220,713
Equity ETF	N/A	787,037	787,037
Foreign Equity ETF	N/A	115,311	115,311
Fixed Income ETF	N/A	152,877	152,877
Real Estate ETF	N/A	62,975	62,975
		<u>1,338,913</u>	<u>\$ 1,338,913</u>
<b>Investments Reported at Amortized Cost:</b>			
<i><u>Governmental and Proprietary Funds</u></i>			
Florida PRIME	33 Days	<u>2,501,562</u>	
Total Investments		<u>\$ 3,840,475</u>	

*Interest rate risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The Town limits its exposure to fair value losses resulting from rising interest rates by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements. The Retirement Funds do not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

*Credit risk* – For an investment, credit risk is the risk that an issuer or other counter party to an investment will not fulfill their obligations. The Town’s investment policies limit its investments to high quality investments to control credit risk. At September 30, 2018, Florida PRIME was rated AAA(m) by Standard and Poor's Ratings Services.

*Custodial credit risk* – For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. At September 30, 2018, all investments were insured or collateralized, except the Town’s pension fund, in which the underlying securities are held by counterparty, or by its trust department or agent but not in the Town’s name and is uninsured and unregistered. However, all securities are registered in the funds’ names.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Investments (Continued)

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

The Town is authorized to invest its funds as follows:

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



**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Investments (Continued)

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

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

Investments (Continued)

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

By Category:	
Deposits	\$ 2,079,835
Petty cash	760
Investments	3,840,475
Total deposits and investments	<u>\$ 5,921,070</u>
Presented in the statement of net position	
Governmental activities	
Cash and cash equivalents	\$ 3,280,196
Business-type activities	
Cash and cash equivalents	1,257,293
Total statements of net position	<u>4,537,489</u>
Presented in the statement of fiduciary net position	
Pension trust funds	
Cash and cash equivalents	44,668
Investments	1,338,913
Total fiduciary funds	<u>1,383,581</u>
Total deposits and investments	<u>\$ 5,921,070</u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 4 – NOTES RECEIVABLES AND GRANT COMMITMENTS**

The CRA has a program to give grants and low interest loans for business development and façade improvements. The loans bear interest at 2% and are payable monthly for terms of five to ten years. The grants are to be repaid if the business is sold within five years and one fifth of the grant is forgiven each year. Both the loans and grants are secured by a lien on the improvements and/or the property of the business. At September 30, 2018, there were \$6,361 of loans outstanding which are recorded as notes receivable and all of the grants have been forgiven.

On December 20, 2017, the CRA awarded a \$400,000 grant over 5 years to a business to relocate within the CRA. In the current fiscal year \$70,243 was paid leaving a remaining commitment of \$329,757.

**NOTE 5 – ACCOUNTS RECEIVABLES**

Receivables at September 30, 2018, were as follows:

	<u>General Fund</u>	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>
Accounts receivable	\$ 58,070	\$ 13,409	\$ 115,729	\$ 4,497
Accrued receivables	<u>223,491</u>			
Total receivables	<u>281,561</u>	<u>13,409</u>	<u>115,729</u>	<u>4,497</u>
Less: allowance for uncollectible accounts	<u>(5,374)</u>		<u>(11,645)</u>	
Accounts receivable, net	<u><u>\$ 276,187</u></u>	<u><u>\$ 13,409</u></u>	<u><u>\$ 104,084</u></u>	<u><u>\$ 4,497</u></u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 6 – CAPITAL ASSETS**

Capital Assets activity for the year ended September 30, 2018, was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,691,891	\$	\$	\$ 2,691,891
Construction in progress	330,601	433,949	(326,488)	438,062
Capital assets being depreciated:				
Buildings	7,357,691	614,534		7,972,225
Improvements	5,253,922	371,510		5,625,432
Machinery and equipment	<u>2,098,032</u>	<u>57,398</u>		<u>2,155,430</u>
Total at historical cost:	17,732,137	1,477,391	(326,488)	18,883,040
Less accumulated depreciation for:				
Buildings	(5,333,682)	(167,225)		(5,500,907)
Improvements	(3,781,302)	(268,874)		(4,050,176)
Machinery and equipment	<u>(1,902,689)</u>	<u>(55,788)</u>		<u>(1,958,477)</u>
Total accumulated depreciation	<u>(11,017,673)</u>	<u>(491,887)</u>		<u>(11,509,560)</u>
Governmental activities capital assets, net	<u>\$ 6,714,464</u>	<u>\$ 985,504</u>	<u>\$ (326,488)</u>	<u>\$ 7,373,480</u>

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

**Governmental activities:**

General government	\$ 315,005
Public safety	179
Physical environment	3,257
Transportation	66,085
Culture and recreation	<u>107,361</u>

**Total depreciation expense governmental activities** \$ 491,887

Construction Commitments

- \$280,375 for lakeshore drainage engineering work

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

The capital asset activity of business-type activities for the year ended September 30, 2018, was as follows:

Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,492,332	\$	\$	\$ 2,492,332
Construction in progress	378,346	39,242		417,588
Capital assets being depreciated:				
Improvements	11,201,679	164,745		11,366,424
Machinery and equipment	3,542,997	158,534	(423,942)	3,277,589
Total at historical cost:	<u>17,615,354</u>	<u>362,521</u>	<u>(423,942)</u>	<u>17,553,933</u>
Less accumulated depreciation for:				
Improvements	(5,789,369)	(576,859)		(6,366,228)
Machinery and equipment	(2,836,696)	(93,719)	423,942	(2,506,473)
Total accumulated depreciation	<u>(8,626,065)</u>	<u>(670,578)</u>	<u>423,942</u>	<u>(8,872,701)</u>
Business-type activities capital assets, net	<u>\$8,989,289</u>	<u>\$ (308,057)</u>	<u>\$</u>	<u>\$8,681,232</u>

**NOTE 7 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amount due within one year
<u>Governmental activities:</u>					
Bonds and loans payable	\$ 3,069,022	\$	\$ (646,531)	\$ 2,422,491	\$ 286,449
Net pension liability (1)	441,058		(92,121)	348,937	
OPEB (see note 12)	85,835	885		86,720	
Compensated absences payable	194,591	214,172	(230,694)	178,069	35,614
Claims and settlements	100,000		(33,333)	66,667	33,333
Total	<u>\$ 3,890,506</u>	<u>\$ 215,057</u>	<u>\$(1,002,679)</u>	<u>\$ 3,102,884</u>	<u>\$ 355,396</u>

(1) See note 11.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Amount due within one year
<u>Business-type activities:</u>					
Loans payable	\$ 4,375,400	\$	\$ (360,952)	\$ 4,014,448	\$ 306,075
OPEB (see note 12)	33,636	299		33,935	
Compensated absences payable	41,272	39,726	(43,325)	37,673	7,534
Total	<u>\$ 4,450,308</u>	<u>\$ 40,025</u>	<u>\$ (404,277)</u>	4,086,056	<u>\$ 313,609</u>
Unamortized premium				<u>100,260</u>	
				<u>\$ 4,186,316</u>	

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

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

Year Ending September 30	Principal	Interest	Total Amount
2019	\$ 33,334	\$ 3,333	\$ 36,667
2020	33,333	1,667	35,000
Total	<u>\$ 66,667</u>	<u>\$ 5,000</u>	<u>\$ 71,667</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

General Obligation Bonds: The debt service for general obligation bonds are payable from a separate ad valorem tax levy for the debt service fund. The Town's outstanding governmental activities general obligation bonds at September 30, 2018, are summarized as follows:

General Obligation Bond, Series 1998: On November 17, 1998, the Town issued a \$5,000,000 Town of Lake Park, Florida, General Obligation Bond, Series 1998. This bond represents the second and final series of the bonds approved by the voters of the Town in a special referendum on March 11, 1997, for the purpose of financing the repair and redevelopment of the Town Hall, marina and other projects, and the construction of a new fire/medical facility and library addition. Principal and interest at 4.46% are payable in semi-annual installments of \$194,329 on January 1 and July 1, commencing July 1, 1999, through maturity on July 1, 2018. The last payment on these bonds was paid in the current fiscal year.

Revenue Bonds, Series 2016

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Revenue Bonds, Series 2016 (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2018, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	4.00	\$ 180,000	\$ 104,412	\$ 284,412
2020	3.00	185,000	97,213	282,213
2021	3.00	190,000	91,663	281,663
2022	4.00	200,000	85,962	285,962
2023	2.00	200,000	77,963	277,963
2024	2.00	210,000	73,962	283,962
2025	2.25	215,000	69,762	284,762
2026	2.25	220,000	64,925	284,925
2027	2.50	225,000	59,975	284,975
2028	3.00	225,000	54,350	279,350
2029	5.00	230,000	47,600	277,600
2030	5.00	245,000	36,100	281,100
2031	3.00	260,000	23,850	283,850
2032	3.00	265,000	16,050	281,050
2033	3.00	<u>270,000</u>	<u>8,100</u>	<u>278,100</u>
		<u>\$ 3,320,000</u>	<u>\$ 911,887</u>	<u>\$ 4,231,887</u>

Promissory Note, Series 2008A

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



**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Promissory Note, Series 2008A: (Continued)

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

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 1,892,814
Business-type activities	<u>323,706</u>
	<u>\$ 2,216,520</u>

Annual debt service requirements to maturity are as follows:

Governmental Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2019	\$ 208,792	\$ 65,635	\$ 274,427
2020	216,455	57,832	274,287
2021	224,399	49,742	274,141
2022	232,634	41,355	273,989
2023	241,172	32,661	273,833
2024-2028	769,362	72,623	841,985
Total	<u>\$ 1,892,814</u>	<u>\$ 319,848</u>	<u>\$ 2,212,662</u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2019	\$ 27,377	\$ 11,378	\$ 38,755
2020	28,382	10,354	38,736
2021	29,423	9,294	38,717
2022	30,503	8,194	38,697
2023	31,623	7,054	38,677
2024-2028	176,398	16,651	193,049
Total	<u>\$ 323,706</u>	<u>\$ 62,925</u>	<u>\$ 386,631</u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

Promissory Note, Series 2008B

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

Annual debt service requirements to maturity are as follows:

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2019	\$ 12,173	\$ 10,872	\$ 23,045
2020	12,998	10,019	23,017
2021	13,879	9,108	22,987
2022	14,820	8,135	22,955
2023	15,825	7,096	22,921
2024-202	96,752	17,258	114,010
Total	<u>\$ 166,447</u>	<u>\$ 62,488</u>	<u>\$ 228,935</u>

Promissory Note, Series 2009

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

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	<u>\$ 529,677</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Promissory Note, Series 2009 (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities:

Year Ending September 30	Principal	Interest	Total Amount
2019	\$ 77,657	\$ 27,067	\$ 104,724
2020	81,625	23,098	104,723
2021	85,795	18,927	104,722
2022	90,180	14,543	104,723
2023	94,789	9,935	104,724
2024	99,631	5,092	104,723
Total	<u>\$ 529,677</u>	<u>\$ 98,662</u>	<u>\$ 628,339</u>

Government Obligation Notes, Series 2016

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

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2019	\$ 100,831	\$ 5,333	\$ 106,164
2020	103,464	2,700	106,164
Total	<u>\$ 204,295</u>	<u>\$ 8,033</u>	<u>\$ 212,328</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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, 2018 were \$9,933,115 and the related debt service was \$720,644.

Annual Maturities

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

Year Ending September 30	Principal	Interest	Total Amount
2019	\$ 640,165	\$ 228,029	\$ 868,194
2020	661,256	202,883	864,139
2021	543,496	178,734	722,230
2022	568,137	158,189	726,326
2023	583,409	134,709	718,118
2024-2028	2,237,142	434,600	2,671,742
2029-2033	1,270,000	131,700	1,401,700
Total	<u>\$ 6,503,605</u>	<u>\$ 1,468,844</u>	<u>\$ 7,972,449</u>

**NOTE 8 – LEASES**

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

Year Ending September 30	
2019	\$ 91,491
2020	91,491
2021	91,491
2022	91,491
2023	68,617
Total	<u>\$ 434,581</u>

Payments were \$22,873 for the fiscal year ending September 30, 2018.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 9 – DEFERRED COMPENSATION PLAN ASSETS**

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

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

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

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

**NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN**

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

The Town is required to contribute 7.5% of the plan members’ annual compensation and match 50% of the employees’ voluntary contributions under the deferred compensation plan, up to a maximum of 2.5% of participants’ annual compensation. For the year ended September 30, 2018, the Town had pension expense of \$222,308, and there were forfeitures of \$2,672. The Town had \$6,196 of contributions payable at September 30, 2018.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 10 – DEFINED CONTRIBUTION PENSION PLAN** (continued)

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

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

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

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

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

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

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

Effective October 1, 2001, the Palm Beach County Sheriff's Office (PBSO) was contracted to provide police services for the Town in connection with the transfer of Town police services to the PBSO, the active plan members of the plan were terminated and 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.

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 11 – DEFINED BENEFIT PENSION PLAN** (Continued)

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

The Town is required to contribute actuarially determined amounts sufficient to fund the plan. At October 1, 2017, the date of the latest actuarial valuation, the RPOPF included three service retirees, three disability retirees and one survivor receiving death benefits.

Asset Allocation. The plan’s adopted asset allocation policy as of September 30, 2018, is as follows:

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

Rate of Return. For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 8.72 percent adjusted for the changing amounts actually invested.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions applied to the September 30, 2018, measurement period.

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 11 – DEFINED BENEFIT PENSION PLAN** (Continued)

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, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.56%
Fixed Income	0.89%
Cash	0.00%

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



**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 11 – DEFINED BENEFIT PENSION PLAN** (Continued)

The components of the net pension liability of the Town at September 30, 2018, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 1,830,852	\$ 1,389,794	\$ 441,058
Changes due to:			
Interest	131,746		131,746
Differences between expected and actual experience	(71,972)		(71,972)
Change of assumptions			
Employer contributions		71,508	(71,508)
Benefit payments and refunds	(148,482)	(148,482)	
Net investment income		114,653	(114,653)
Administrative expenses		(34,266)	34,266
Total changes	(88,708)	3,413	(92,121)
Balances at September 30, 2018	<u>\$ 1,742,144</u>	<u>\$ 1,393,207</u>	<u>\$ 348,937</u>

The Plan fiduciary net position was 79.97% of the total pension liability as of September 30, 2018.

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town's net pension liability	<u>\$ 456,267</u>	<u>\$ 348,937</u>	<u>\$ 255,422</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 11 – DEFINED BENEFIT PENSION PLAN** (Continued)

Pension expense and deferred outflows and inflows of resources. For the fiscal year ended September 30, 2018, the Town recognized pension expense of \$(19,373). In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 35,736
Total	\$ 35,736

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
2019	\$ 348
2020	(21,244)
2021	(11,922)
2022	(2,918)
2023	
Thereafter	\$ (35,736)

At September 30, 2018, the Town did not have any payables to the plan for outstanding contributions.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description*

The Town provides a single employer defined benefit health care 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 are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

*Contributions*

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

*Plan Membership*

The following table provides a summary of the participants in the plan as of September 30, 2018, the latest valuation date:

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

*Discount Rate*

The Town does not have a dedicated trust to pay retiree healthcare benefits. For plans that do not have assets held in a dedicated trust, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. As of the measurement date of September 30, 2018, the rate was 4.18% based on the high-quality municipal bond rate based on the week closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corporation’s AA rating. The discount rate as of the beginning of the measurement year was 3.64%.

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

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

At September 30, 2018, the Town reported a total OPEB liability of \$120,655. For the fiscal year ended September 30, 2018, the Town recognized OPEB expense of \$11,842. As of September 30, 2018, the Town did not report any deferred outflows of resources or deferred in flows of resources related to OPEB.

*Actuarial Methods and Assumptions*

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

Significant methods and assumptions were as follows:

Valuation date	October 1, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry Age Cost Method
Inflation	2.50%
Discount rate	4.18%
Retirement rates	100% at age 61
Mortality tables	RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA
Healthcare cost trend rates	Initially 8.50% trending to 4.00% in 56 years
Marital status	80% married with male spouses 3 years older than female spouses
Healthcare participation	20% participation with 50% electing spouse coverage

*Changes in Assumptions*

The discount rate was changed from 3.64% as of the beginning of the measurement period to 4.18% as of September 30, 2018. This change is reflected in the schedule of changes in total OPEB liability. There were no benefit changes during the year.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

*Total OPEB Liability*

The components of the total OPEB liability as of September 30, 2018 were as follows:

	Total OPEB Liability
Balance at September 30, 2017, as restated	\$ 119,471
Changes for the Year:	
Service Cost	9,362
Interest Cost	4,555
Changes of Assumptions and Other Inputs	(5,275)
Differences Between Expected and Actual Experience	
Benefit Payments	(7,458)
Net Change in Total OPEB Liability	1,184
Balance at September 30, 2018	\$ 120,655

*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 4.18% 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 (3.18%)	Discount Rate (4.18%)	1.0% Increase (5.18%)
Total OPEB Liability	\$ 130,711	\$ 120,655	\$ 111,742

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

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

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

	1.0% Decrease (7.5% decreasing to 3%)	Healthcare cost Trend Rates (8.5% decreasing to 4%)	1.0% Increase (9.5% decreasing to 5%)
Total OPEB Liability	\$ 110,342	\$ 120,655	\$ 132,482

**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 \$71,630 to Seacoast during the fiscal year for water and sewer service.

**NOTE 14 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance through the Florida League of Cities, Inc., a statewide commercial insurance program. The policy for comprehensive property, casualty and liability insurance provides coverage with a deductible of \$5,000 for property and casualty and \$25,000 for liability claims per occurrence, with a combined annual cap of \$2 million. The Town does not retain any risk of loss under this policy.

Florida Statutes limit the Town’s maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts. There have been no significant reductions in insurance coverage in the prior year. No settlements exceeded insurance coverage for the past three years.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 14 – RISK MANAGEMENT** (Continued)

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

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

Grants

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

Litigation

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

**NOTE 15 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS**

The General Fund provides the other funds with various management services. Administrative costs totaling \$70,000 for the CRA Fund, \$60,000 for the Marina Fund, \$140,002 for the Sanitation Fund, and \$60,000 for the Stormwater Utility Fund were charged for 2018.

**NOTE 16 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

The composition of interfund balances at September 30, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to/from</u>	<u>Advance</u>	<u>Total</u>
General Fund	CRA Fund	\$	\$ 108,938	\$ 108,938
General Fund	Marina Fund		450,000	450,000
Nonmajor				
Governmental	General Fund	291,195		291,195
Nonmajor				
Governmental	Marina Fund	267,075		267,045
Stormwater	Special Projects	20,925		20,925
	Fund			
Nonmajor				
Governmental	Stormwater Fund	16,664		16,664

The payable to the General Fund from the CRA Fund of \$173,442 was for the purpose of land acquisitions and improvements in the CRA.

All other payables and receivables were for cash flow purposes.

Interfund transfers during the year ended September 30, 2018, are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 196,002	
CRA Fund		196,002
General Fund	90,000	
Nonmajor Governmental		90,000
General Fund	10,000	
Marina Fund		10,000
General Fund	50,000	
Stormwater Fund		50,000
General Fund	250,000	
Sanitation Fund		250,000
CRA Fund	571,727	
General Fund		571,727
Stormwater Fund	101,877	
Governmental Activities		101,877

The transfer of \$196,002 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.



**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

The transfer of \$571,727 from the General Fund to the CRA Fund was for the 2018 incremental tax obligation.

The transfer of \$101,877 from the Stormwater Fund to the Governmental Activities was to transfer a capital asset.

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

**NOTE 17 – INTER-LOCAL AGREEMENTS**

*Fire Protection and Emergency Medical Services*

The Town has opted into the County’s Fire-Rescue Municipal Services Taxing Unit (“MSTU”) for the provision of fire rescue, fire protection, and related services from the County commencing on October 1, 2015. The tax for the MSTU is included in the maximum 10 mills the Town is legally allowed to assess. On September 30, 2018, the MSTU millage rate was 3.4581 mills.

*Palm Beach County Sheriff’s Office Inter-Local Agreement*

On April 11, 2006, the Town and the Palm Beach County Sheriff’s Office entered into an agreement for law enforcement services beginning October 1, 2005. The fourteenth addendum to the contract extended the term of service from October 1, 2018, thru September 30, 2019, and the Town will pay \$2,950,818 in equal monthly installments.

**NOTE 18 – SUBSEQUENT EVENTS**

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

- \$285,395 for the purchase and installation of a vehicle license plate recognition system
- \$180,181 to replace a stormwater outfall
- \$1,494,679 for a lease purchase for the installation and renewal of facility infrastructure
- \$612,561 for the purchase of two sanitation vehicles

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLES**

Implementation of GASB Statements: The Town implemented the following GASB Statements during the fiscal year ended September 30, 2018:

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. This standard did not have any impact on the current fiscal year.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The cumulative effect of applying this statement is required to be reported as a restatement of beginning net position.

A reconciliation of the prior period ending net position to the current period beginning net position is as follows:

	Balance 9/30/17, as previously reported	GASB 75 Adjustment	Balance 9/30/17, as restated
<u>Primary Government</u>			
Governmental Activities	\$ 6,248,310	\$ (19,483)	\$ 6,228,827
Business-type Activities	4,854,863	(6,564)	4,848,299
<u>Major Funds</u>			
Marina	3,111,171	(1,094)	3,110,077
Sanitation	708,796	(3,803)	704,993
Stormwater	922,044	(1,667)	920,377

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**NOTE 20 – NEW ACCOUNTING STANDARDS**

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

In May 2017 the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2021.

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2020.

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for the fiscal year ending September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

FIDUCIARY FUNDS

Pension Trust Funds

*Retired Police Officers' Pension Trust Fund*

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplemental Information**  
**Retired Police Officers' Retirement Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**September 30, 2018**

**Last Ten Fiscal Years**

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

Change of Assumptions

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplemental Information**  
**Retired Police Officers' Retirement Fund**  
**September 30, 2018**

**Last Ten Fiscal Years**

**Schedule of Contributions**

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

**Schedule of Investment Returns**

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplemental Information**  
**Retired Police Officers' Retirement Fund**  
**Notes to the Schedule of Contributions**  
**September 30, 2018**

**Methods and assumptions used in calculations of determined contributions.**

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

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



**OTHER POST-EMPLOYMENT BENEFITS**

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplementary Information**  
**Schedule of Changes in Total OPEB Liability**  
**September 30, 2018**

	2018
Total OPEB liability - beginning	\$ 119,471
Changes for the year:	
Service cost	9,362
Interest	4,555
Changes of assumptions	(5,275)
Benefit payments	(7,458)
Net change in total OPEB liability	1,184
Total OPEB liability - ending	\$ 120,655

Change in Assumptions

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

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

GENERAL FUND

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 3,186,567	\$ 3,238,584	\$ 3,239,122	\$ 538
Franchise taxes				
Electricity	578,000	578,000	568,674	(9,326)
Gas	9,000	14,800	14,805	5
Solid Waste	31,000	48,500	48,758	258
Utility taxes				
Electricity	789,779	779,235	799,885	20,650
Water	160,029	160,029	182,935	22,906
Gas	47,609	47,609	43,160	(4,449)
Total taxes	<u>4,801,984</u>	<u>4,866,757</u>	<u>4,897,339</u>	<u>30,582</u>
Licenses and permits				
Building permits	103,800	141,902	373,187	231,285
Alarm permits	16,000	16,000	16,025	25
Signage permits	9,000	9,000	10,600	1,600
Business tax receipts	335,000	335,000	311,025	(23,975)
Business tax confirmation	12,000	12,000	17,880	5,880
Reinspection fees	1,600	1,600	14,105	12,505
Cost recovery	30,000	30,000	73,159	43,159
Special event fees	1,000	1,000	1,475	475
Contractors fees	2,400	2,400	3,175	775
Total licenses and permits	<u>510,800</u>	<u>548,902</u>	<u>820,631</u>	<u>271,729</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	704,693	704,693	699,489	(5,204)
Local communication services taxes	279,280	279,280	278,915	(365)
State revenue sharing	279,214	279,214	259,391	(19,823)
Alcoholic beverage licenses	8,744	8,744	9,279	535
Motor fuel tax refund	5,500	5,500	4,454	(1,046)
County shared revenues				
County business tax	11,487	11,487	24,076	12,589
Grant revenues				
FEMA grant			10,266	10,266
State aid to libraries	7,125	36,973	36,946	(27)
Total intergovernmental revenues	<u>\$ 1,296,043</u>	<u>\$ 1,325,891</u>	<u>\$ 1,322,816</u>	<u>\$ (3,075)</u>

(Continued)

See notes to the budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 140,000	\$ 140,000	\$ 140,002	\$ 2
CRA	70,000	70,000	70,000	
Stormwater utility	60,000	60,000	60,000	
Marina	60,000	60,000	60,000	
Plan review fees	9,000	9,000	15,700	6,700
Bank registration fees	1,000	1,000	750	(250)
Parks and recreation	32,000	32,000	34,004	2,004
Other charges for services	26,570	31,991	30,549	(1,442)
Total charges for services	<u>398,570</u>	<u>403,991</u>	<u>411,005</u>	<u>7,014</u>
Fines and forfeitures				
Court fines	12,000	12,000	24,528	12,528
Code violations	140,000	140,000	110,985	(29,015)
Code violations - administrative cost	13,000	39,982	19,736	(20,246)
Alarm violations	5,000	5,000	3,150	(1,850)
Library fines	1,000	1,000	832	(168)
Total fines and forfeitures	<u>171,000</u>	<u>197,982</u>	<u>159,231</u>	<u>(38,751)</u>
Miscellaneous revenue				
Interest earnings	20,000	20,000	42,649	22,649
Interest earnings - tax collector			276	276
Rent	49,019	49,019	48,192	(827)
Sale of surplus property			12,065	12,065
Sale of scrap material	100	100	483	383
Fuel reimbursement from Sheriff	5,000	5,000	5,572	572
Reimbursement from Stormwater utility	32,448	32,448	32,448	
Miscellaneous revenues	14,600	23,866	35,061	11,195
Total miscellaneous revenues	<u>121,167</u>	<u>130,433</u>	<u>176,746</u>	<u>46,313</u>
Total revenues	<u>\$ 7,299,564</u>	<u>\$ 7,473,956</u>	<u>\$ 7,787,768</u>	<u>\$ 313,812</u> (Continued)

See notes to the budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,309	\$ 51,309	\$ 51,294	\$ 15
Operating expenditures	23,182	23,182	48,339	(25,157)
Total legislative	<u>74,491</u>	<u>74,491</u>	<u>99,633</u>	<u>(25,142)</u>
Town manager				
Personal services	276,106	262,001	259,748	2,253
Operating expenditures	89,060	75,248	70,027	5,221
Total town manager	<u>365,166</u>	<u>337,249</u>	<u>329,775</u>	<u>7,474</u>
Personnel				
Personal services	143,588	162,634	157,159	5,475
Operating expenditures	37,375	63,122	62,443	679
Total personnel	<u>180,963</u>	<u>225,756</u>	<u>219,602</u>	<u>6,154</u>
Town clerk				
Personal services	149,477	157,357	155,445	1,912
Operating expenditures	64,312	71,936	66,081	5,855
Total town clerk	<u>213,789</u>	<u>229,293</u>	<u>221,526</u>	<u>7,767</u>
Finance				
Personal services	466,164	445,097	417,397	27,700
Operating expenditures	99,971	113,186	95,221	17,965
Total finance	<u>566,135</u>	<u>558,283</u>	<u>512,618</u>	<u>45,665</u>
Legal				
Operating expenditures	161,000	251,982	251,982	-
Total legal	<u>161,000</u>	<u>251,982</u>	<u>251,982</u>	<u>-</u>
Information technology				
Personal services	110,372	117,738	115,925	1,813
Operating expenditures	64,535	79,595	74,892	4,703
Capital outlay		26,146		26,146
Total information technology	<u>174,907</u>	<u>223,479</u>	<u>190,817</u>	<u>32,662</u>
Non-departmental				
Personal services	150,576	71,508	71,508	
Operating expenditures	210,119	209,619	79,355	130,264
Debt service	379,288	379,288	379,008	280
Total non-departmental	<u>739,983</u>	<u>660,415</u>	<u>529,871</u>	<u>130,544</u>
Total general government	<u>2,476,434</u>	<u>2,560,948</u>	<u>2,355,824</u>	<u>205,124</u>
Public Safety				
Law enforcement				
Operating expenditures	<u>2,868,026</u>	<u>2,868,026</u>	<u>2,868,267</u>	<u>(241)</u>

(Continued)

See notes to the budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Public Safety(Continued)				
Disaster				
Operating expenditures	\$ 1,000	\$ 1,000	\$	\$ 1,000
Total disaster	<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
Community development				
Personal services	406,926	398,913	380,674	18,239
Operating expenditures	191,115	286,258	520,718	(234,460)
Total community development	<u>598,041</u>	<u>685,171</u>	<u>901,392</u>	<u>(216,221)</u>
Total public safety	<u>3,467,067</u>	<u>3,554,197</u>	<u>3,769,659</u>	<u>(215,462)</u>
Physical environment				
Public works- administration				
Personal services	144,926	109,747	93,995	15,752
Operating expenditures	11,125	12,975	12,890	85
Total Public works- administration	<u>156,051</u>	<u>122,722</u>	<u>106,885</u>	<u>15,837</u>
Vehicle maintenance				
Personal services	79,513	85,202	81,944	3,258
Operating expenditures	40,400	52,560	52,187	373
Total vehicle maintenance	<u>119,913</u>	<u>137,762</u>	<u>134,131</u>	<u>3,631</u>
Total physical environment	<u>275,964</u>	<u>260,484</u>	<u>241,016</u>	<u>19,468</u>
Transportation				
Facility maintenance				
Personal services	114,379	72,539	81,583	(9,044)
Operating expenditures	161,311	186,354	187,196	(842)
Capital outlay		11,801	5,901	5,900
Total facility maintenance	<u>275,690</u>	<u>270,694</u>	<u>274,680</u>	<u>(3,986)</u>
Total transportation	<u>275,690</u>	<u>270,694</u>	<u>274,680</u>	<u>(3,986)</u>
Culture and recreation				
Library				
Personal services	255,706	249,238	246,275	2,963
Operating expenditures	61,260	66,354	64,856	1,498
Capital outlay		40,065	40,064	1
Total library	<u>316,966</u>	<u>355,657</u>	<u>351,195</u>	<u>4,462</u>
Recreation				
Personal services	137,988	134,676	133,012	1,664
Operating expenditures	76,438	86,479	78,901	7,578
Total recreation	<u>214,426</u>	<u>221,155</u>	<u>211,913</u>	<u>9,242</u>

(Continued)

See notes to the budgetary comparison schedules.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Public works - ground maintenance				
Personal services	\$ 330,853	\$ 312,001	\$ 299,734	\$ 12,267
Operating expenditures	65,940	88,742	90,785	(2,043)
Total public works - ground maintenance	<u>396,793</u>	<u>400,743</u>	<u>390,519</u>	<u>10,224</u>
Total culture and recreation	<u>928,185</u>	<u>977,555</u>	<u>953,627</u>	<u>23,928</u>
Total expenditures	<u>7,423,340</u>	<u>7,623,878</u>	<u>7,594,806</u>	<u>29,072</u>
Excess (deficiency) of revenues over (under) revenues	<u>(123,776)</u>	<u>(149,922)</u>	<u>192,962</u>	<u>342,884</u>
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads	90,000	90,000	90,000	
Transfer from CRA	260,503	260,503	196,002	(64,501)
Transfer from Marina	10,000	10,000	10,000	
Transfer from Stormwater	50,000	50,000	50,000	
Transfer from Sanitation	250,000	250,000	250,000	
Total transfers in	<u>660,503</u>	<u>660,503</u>	<u>596,002</u>	<u>(64,501)</u>
Transfers out				
Transfer out CRA	(571,727)	(571,727)	(571,727)	
Balance brought forward	<u>35,000</u>	<u>35,000</u>		<u>(35,000)</u>
Contingency, reserves and unappropriated		<u>26,146</u>		<u>(26,146)</u>
Total other financing sources (uses)	<u>123,776</u>	<u>149,922</u>	<u>24,275</u>	<u>(125,647)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 217,237</u>	<u>\$ 217,237</u>

See notes to the budgetary comparison schedules.



CRA FUND

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule -**  
**Community Redevelopment Fund**  
**For the Year Ended September 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
Revenues				
Intergovernmental	\$ 310,455	\$ 310,455	\$ 307,994	\$ (2,461)
Miscellaneous revenue	2,700	2,700	4,564	1,864
Transfer from General Fund	571,727	571,727	571,727	
Balance brought forward		50,000		(50,000)
Total revenues	<u>884,882</u>	<u>934,882</u>	<u>884,285</u>	<u>(50,597)</u>
Expenditures				
General government	460,286	460,286	384,174	76,112
Capital outlay	29,330	79,330	43,432	35,898
Grants and aids	134,687	134,687	75,243	59,444
Transfers	260,579	260,579	196,002	64,577
Total expenditures	<u>884,882</u>	<u>934,882</u>	<u>698,851</u>	<u>236,031</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 185,434</u>	<u>\$ 185,434</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2018**

**NOTE A - BUDGETARY ACCOUNTING**

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

The Town follows these procedures in establishing the annual budget:

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

**TOWN OF LAKE PARK**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
**SEPTEMBER 30, 2018**

**NOTE A - BUDGETARY ACCOUNTING** (Continued)

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

**NOTE B – EXPENDITURES OVER APPROPRIATIONS**

There were no expenditures in excess of appropriations.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Special Revenue Funds  
*Streets and Roads Fund*

Capital Projects Funds  
*Capital Projects Fund*  
*Special Projects Fund*

**TOWN OF LAKE PARK, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	<b>Debt Service Fund</b>	<b>Special Revenue Fund Streets &amp; Roads Fund</b>	<b>Capital Projects Fund Capital Projects Bond Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Pooled cash and cash equivalents	\$ 168,156	\$	\$ 16,593	\$ 184,749
Due from other governments		39,822		39,822
Due from other funds		283,739		283,739
Total assets	<u>\$ 168,156</u>	<u>\$ 323,561</u>	<u>\$ 16,593</u>	<u>\$ 508,310</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$	\$ 3,492	\$	\$ 3,492
Accrued items		4,512		4,512
Total liabilities		<u>8,004</u>		<u>8,004</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue		<u>11,440</u>		<u>11,440</u>
<b>Fund balances</b>				
<b>Restricted for:</b>				
Debt service	168,156			168,156
Transportation		249,893		249,893
Capital projects			16,593	16,593
<b>Assigned to:</b>				
Subsequent years expenditures		44,220		44,220
Special revenue fund		10,004		10,004
Total fund balances	<u>168,156</u>	<u>304,117</u>	<u>16,593</u>	<u>488,866</u>
Total liabilities and fund balances	<u>\$ 168,156</u>	<u>\$ 323,561</u>	<u>\$ 16,593</u>	<u>\$ 508,310</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2018**

	<b>Debt Service Fund</b>	<b>Special Revenue Fund Streets &amp; Roads Fund</b>	<b>Capital Projects Fund Capital Projects Bond Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues				
Taxes	\$ 405,439	\$	\$	\$ 405,439
Intergovernmental		368,105		368,105
Miscellaneous	34			34
Total revenues	<u>405,473</u>	<u>368,105</u>		<u>773,578</u>
Expenditures				
Current				
Transportation		240,572		240,572
Capital outlay		387,281		387,281
Debt service				
Principal	371,249			371,249
Interest charges	12,293			12,293
Total expenditures	<u>383,542</u>	<u>627,853</u>		<u>1,011,395</u>
Excess of revenues over (under) expenditures	<u>21,931</u>	<u>(259,748)</u>		<u>(237,817)</u>
Other financing sources (uses)				
Transfers out		(90,000)		(90,000)
Total other financing sources (uses)		<u>(90,000)</u>		<u>(90,000)</u>
Net changes in fund balances	21,931	(349,748)		(327,817)
Fund balances - beginning (deficit)	<u>146,225</u>	<u>653,865</u>	<u>16,593</u>	<u>816,683</u>
Fund balances - ending (deficit)	<u>\$ 168,156</u>	<u>\$ 304,117</u>	<u>\$ 16,593</u>	<u>\$ 488,866</u>



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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Taxes	\$ 397,833	\$ 397,833	\$ 405,439	\$ 7,606
Investment earnings	100	100	34	(66)
Total revenues	<u>397,933</u>	<u>397,933</u>	<u>405,473</u>	<u>7,540</u>
Expenditures				
Debt service	<u>397,933</u>	<u>397,933</u>	<u>383,542</u>	<u>14,391</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 21,931</u>	<u>\$ 21,931</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Budgetary Comparison Schedule -**  
**Streets and Roads Fund**  
**For the Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Revenues				
Intergovernmental	\$ 378,388	\$ 378,388	\$ 368,105	\$ (10,283)
Balance brought forward	18,422	434,683		(434,683)
Total revenues	<u>396,810</u>	<u>813,071</u>	<u>368,105</u>	<u>(444,966)</u>
Expenditures				
Transportation	241,096	292,907	240,572	52,335
Capital outlay	49,063	413,513	387,281	26,232
Debt service	16,651	16,651		16,651
Transfer to General fund	90,000	90,000	90,000	
Total expenditures	<u>396,810</u>	<u>813,071</u>	<u>717,853</u>	<u>95,218</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (349,748)</u>	<u>\$ (349,748)</u>

**PROPRIETARY FUNDS**

**Internal Service Fund**  
*Insurance Fund*

STATISTICAL SECTION

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
Revenues				
Contributed revenue	\$ 211,664	\$ 211,664	\$ 195,887	\$ (15,777)
Total revenues	<u>211,664</u>	<u>211,664</u>	<u>195,887</u>	<u>(15,777)</u>
Expenditures				
Personal services	29,963	29,963	41,849	(11,886)
Operating expenses	181,701	181,701	154,038	27,663
Total expenditures	<u>211,664</u>	<u>211,664</u>	<u>195,887</u>	<u>15,777</u>
Operating income (loss)				
Nonoperating revenues (expenses)				
Interest expense			(3,333)	3,333
Net change in net position - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (3,333)</u>	<u>\$ (3,333)</u>

## STATISTICAL SECTION

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

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

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 2,062,366	\$ 2,204,432	\$ 2,225,160	\$ 2,400,557	\$ 1,778,341
Restricted	96,090	86,902	241,509	267,633	304,159
Unrestricted	3,320,736	2,531,305	1,817,156	1,720,723	233,468
<b>Total governmental activities net position</b>	<b>\$ 5,479,192</b>	<b>\$ 4,822,639</b>	<b>\$ 4,283,825</b>	<b>\$ 4,388,913</b>	<b>\$ 2,315,968</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 4,297,968	\$ 3,809,874	\$ 5,690,265	\$ 5,205,987	\$ 4,902,259
Restricted	96,090	86,902	241,509	99,592	37,338
Unrestricted	(1,028,259)	(1,332,901)	(1,599,465)	(2,077,983)	731,212
<b>Total business-type activities net position</b>	<b>\$ 3,269,709</b>	<b>\$ 2,476,973</b>	<b>\$ 4,090,800</b>	<b>\$ 3,227,596</b>	<b>\$ 5,670,809</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 6,360,334	\$ 6,014,306	\$ 7,915,425	\$ 7,606,544	\$ 6,680,600
Restricted	96,090	86,902	241,509	367,225	341,497
Unrestricted	2,292,477	1,198,404	217,691	(357,260)	964,680
<b>Total primary government net position</b>	<b>\$ 8,748,901</b>	<b>\$ 7,299,612</b>	<b>\$ 8,374,625</b>	<b>\$ 7,616,509</b>	<b>\$ 7,986,777</b>
	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Governmental activities</b>					
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
<b>Total governmental activities net position</b>	<b>\$ 3,007,240</b>	<b>\$ 3,965,885</b>	<b>\$ 4,722,875</b>	<b>\$ 6,248,310</b>	<b>\$ 8,119,676</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 4,662,043	\$ 4,909,675	\$ 4,690,541	\$ 4,506,945	\$ 4,566,524
Restricted	96,090	86,902	241,509	99,592	37,338
Unrestricted	607,291	350,817	535,262	347,918	662,698
<b>Total business-type activities net position</b>	<b>\$ 5,269,334</b>	<b>\$ 5,260,492</b>	<b>\$ 5,225,803</b>	<b>\$ 4,854,863</b>	<b>\$ 5,229,222</b>
<b>Primary government</b>					
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
<b>Total primary government net position</b>	<b>\$ 8,276,574</b>	<b>\$ 9,226,377</b>	<b>\$ 9,948,678</b>	<b>\$ 11,103,173</b>	<b>\$ 13,348,898</b>

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,656,309	\$ 2,543,961	\$ 2,371,297	\$ 1,938,137	\$ 1,543,348
Public safety	5,421,845	5,723,360	4,910,050	4,726,961	4,578,728
Physical environment	319,993	349,637	333,799	286,687	289,172
Transportation	659,113	600,669	662,871	619,207	565,936
Culture and recreation	1,242,156	987,778	1,022,770	846,998	919,506
Economic environment		32,063	49,637	3,458	1,921
Interest on long-term debt	420,671	430,289	388,633	354,828	316,601
<b>Total governmental activities expenses</b>	<u>10,720,087</u>	<u>10,667,757</u>	<u>9,739,057</u>	<u>8,776,276</u>	<u>8,215,212</u>
Business-type activities:					
Marina	1,734,561	2,005,435	1,856,283	1,632,308	1,591,055
Sanitation	1,430,694	1,412,372	1,464,491	1,396,191	1,396,551
Stormwater	208,668	313,994	353,584	384,366	414,106
<b>Total business-type activities expenses</b>	<u>3,373,923</u>	<u>3,731,801</u>	<u>3,674,358</u>	<u>3,412,865</u>	<u>3,401,712</u>
<b>Total primary government expenses</b>	<u>\$ 14,094,010</u>	<u>\$ 14,399,558</u>	<u>\$ 13,413,415</u>	<u>\$ 12,189,141</u>	<u>\$ 11,616,924</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 43,756	\$ 58,700	\$ 69,481	\$ 70,516	\$ 79,381
Public safety	775,124	768,338	743,715	795,284	754,094
Physical environment					
Transportation		40,396	41,964	35,608	29,015
Culture and recreation	58,785	75,384	96,576	57,038	69,116
Operating contributions and grants:					
General government			2,100	3,259	
Public safety					
Physical environment					5,000
Transportation					
Culture and recreation	11,639	15,926	12,608	20,165	11,371
Capital contributions and grants:					
General government					
Public safety	4,295	3,379	1,311		
Physical environment					
Transportation	22,903	16,180	16,665	17,910	18,141
Culture and recreation	160,597	43,250	77,506	117,533	36,580
<b>Total governmental activities program revenues</b>	<u>1,077,099</u>	<u>1,021,553</u>	<u>1,061,926</u>	<u>1,117,313</u>	<u>1,002,698</u>
Business-type activities:					
Charges for services:					
Marina	1,017,094	1,166,201	1,149,451	890,305	801,716
Sanitation	1,401,682	1,510,419	1,496,006	1,468,553	1,459,636
Stormwater	455,587	514,865	516,126	503,251	505,271
Operating contributions and grants					
Marina					
Sanitation					
Stormwater					
Capital contributions and grants					
Marina	110,276		2,400,000		
Stormwater	95,755	4,246			
<b>Total business-type activities program revenues</b>	<u>3,080,394</u>	<u>3,195,731</u>	<u>5,561,583</u>	<u>2,862,109</u>	<u>2,766,623</u>
<b>Total primary government program revenues</b>	<u>\$ 4,157,493</u>	<u>\$ 4,217,284</u>	<u>\$ 6,623,509</u>	<u>\$ 3,979,422</u>	<u>\$ 3,769,321</u>



<b>Fiscal Year</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 1,608,593	\$ 1,622,346	\$ 2,119,258	\$ 2,379,266	\$ 2,281,971
4,749,126	4,927,037	3,460,558	3,616,758	3,769,881
268,706	279,885	313,900	337,601	243,451
564,501	589,970	566,643	572,008	573,583
815,290	842,876	859,896	937,507	1,017,475
39,905	1,429	3,925		75,243
276,467	233,655	191,384	147,633	111,880
<u>8,322,588</u>	<u>8,497,198</u>	<u>7,515,564</u>	<u>7,990,773</u>	<u>8,073,484</u>
1,600,962	1,728,929	1,664,332	1,854,387	1,703,023
1,152,304	1,163,127	1,205,728	1,365,725	1,282,784
402,905	335,711	392,237	364,367	386,464
<u>3,156,171</u>	<u>3,227,767</u>	<u>3,262,297</u>	<u>3,584,479</u>	<u>3,372,271</u>
<u>\$ 11,478,759</u>	<u>\$ 11,724,965</u>	<u>\$ 10,777,861</u>	<u>\$ 11,575,252</u>	<u>\$ 11,445,755</u>
\$ 82,406	\$ 89,112	\$ 111,930	\$ 109,601	\$ 123,425
778,395	762,073	873,864	1,068,425	1,048,644
31,056	27,680	290		
46,549	52,827	16,995	26,740	35,577
3,517	2,470	4,951	3,980	71,845
9,024	9,230	7,116	24,221	51,573
18,642	19,245	19,822	23,997	25,007
45,416	9,065	56,726	251,920	323,233
<u>1,015,005</u>	<u>971,702</u>	<u>1,091,694</u>	<u>1,508,884</u>	<u>1,679,304</u>
1,105,139	1,357,287	1,340,328	1,403,726	1,475,452
1,445,086	1,672,392	1,707,491	1,691,438	1,696,560
489,396	487,537	487,878	505,642	768,853
				23,261
				79,162
				11,286
				31,625
<u>3,039,621</u>	<u>3,517,216</u>	<u>3,535,697</u>	<u>3,600,806</u>	<u>4,086,199</u>
<u>\$ 4,054,626</u>	<u>\$ 4,488,918</u>	<u>\$ 4,627,391</u>	<u>\$ 5,109,690</u>	<u>\$ 5,765,503</u>

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Net (expense) revenue</b>					
Governmental activities	\$ (9,642,988)	\$ (9,628,204)	\$ (8,677,131)	\$ (7,658,963)	\$ (7,212,514)
Business-type activities	(293,529)	(536,070)	1,887,225	(550,756)	(635,089)
<b>Total primary government net expense</b>	<u>\$ (9,936,517)</u>	<u>\$ (10,164,274)</u>	<u>\$ (6,789,906)</u>	<u>\$ (8,209,719)</u>	<u>\$ (7,847,603)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 6,827,668	\$ 5,448,106	\$ 4,730,840	\$ 4,434,500	\$ 4,315,899
Infrastructure surtax					
Franchise fees	603,269	569,868	572,846	545,895	493,884
Utility service taxes	690,743	771,384	796,663	804,467	849,228
Local option gas taxes	236,037	236,960	230,060	229,780	230,639
Communication sales tax	539,808	464,184	414,748	375,003	356,437
Intergovernmental, unrestricted	893,510	1,144,701	1,072,929	1,012,470	1,033,832
Gain on sale of surplus property		174			2,043
Miscellaneous revenue	102,096				
Investment earnings	54,121	54,473	36,181	37,586	26,307
Transfers	212,554	281,801	284,050	324,350	(2,168,700)
<b>Total governmental activities</b>	<u>10,159,806</u>	<u>8,971,651</u>	<u>8,138,317</u>	<u>7,764,051</u>	<u>5,139,569</u>
Business-type activities					
Investment earnings	7,100	16,780	10,652	11,902	11,214
Gain on sale of equipment		8,355			18,388
Miscellaneous revenues					880,000
Transfers	(212,554)	(281,801)	(284,050)	(324,350)	2,168,700
<b>Total business-type activities</b>	<u>(205,454)</u>	<u>(256,666)</u>	<u>(273,398)</u>	<u>(312,448)</u>	<u>3,078,302</u>
<b>Total primary government</b>	<u>\$ 9,954,352</u>	<u>\$ 8,714,985</u>	<u>\$ 7,864,919</u>	<u>\$ 7,451,603</u>	<u>\$ 8,217,871</u>
<b>Changes in net position</b>					
Governmental activities	\$ 516,818	\$ (656,553)	\$ (538,814)	\$ 105,088	\$ (2,072,945)
Business-type activities	(498,983)	(792,736)	1,613,827	(863,204)	2,443,213
<b>Total primary government</b>	<u>\$ 17,835</u>	<u>\$ (1,449,289)</u>	<u>\$ 1,075,013</u>	<u>\$ (758,116)</u>	<u>\$ 370,268</u>

Fiscal Year				
2014	2015	2016	2017	2018
\$ (7,307,583)	\$ (7,525,493)	\$ (6,423,870)	\$ (6,481,889)	\$ (6,394,177)
<u>(116,550)</u>	<u>289,469</u>	<u>273,400</u>	<u>16,327</u>	<u>712,928</u>
<u>\$ (7,424,133)</u>	<u>\$ (7,236,024)</u>	<u>\$ (6,150,470)</u>	<u>\$ (6,465,562)</u>	<u>\$ (5,681,249)</u>
\$ 4,554,358	\$ 4,839,895	\$ 3,496,377	\$ 3,791,642	\$ 3,644,561
			389,411	620,736
651,664	598,424	605,622	627,219	632,237
926,495	952,772	975,706	1,006,475	1,025,980
236,922	251,894	257,756	269,595	266,361
324,291	315,322	286,682	276,237	278,915
1,093,000	1,196,655	1,222,771	1,282,459	1,357,344
	320,000			
12,705	20,104	25,946	54,286	47,015
<u>199,420</u>	<u>303,078</u>	<u>310,000</u>	<u>310,000</u>	<u>411,877</u>
<u>7,998,855</u>	<u>8,798,144</u>	<u>7,180,860</u>	<u>8,007,324</u>	<u>8,285,026</u>
814	4,767	1,911	3,609	5,720
				74,152
<u>(199,420)</u>	<u>(303,078)</u>	<u>(310,000)</u>	<u>(310,000)</u>	<u>(411,877)</u>
<u>(198,606)</u>	<u>(298,311)</u>	<u>(308,089)</u>	<u>(306,391)</u>	<u>(332,005)</u>
<u>\$ 7,800,249</u>	<u>\$ 8,499,833</u>	<u>\$ 6,872,771</u>	<u>\$ 7,700,933</u>	<u>\$ 7,953,021</u>
\$ 691,272	\$ 1,272,651	\$ 756,990	\$ 1,525,435	\$ 1,890,849
<u>(315,156)</u>	<u>(8,842)</u>	<u>(34,689)</u>	<u>(290,064)</u>	<u>380,923</u>
<u>\$ 376,116</u>	<u>\$ 1,263,809</u>	<u>\$ 722,301</u>	<u>\$ 1,235,371</u>	<u>\$ 2,271,772</u>

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<i>Pre GASB 54</i>					
<b>General fund</b>					
Reserved	\$ 2,209,117	\$ 2,526,148	\$	\$	\$
Unreserved					
Designated	28,814	32,424			
Undesignated	1,176,019	510,773			
<i>Post GASB 54</i>					
<b>General fund</b>					
Nonspendable			2,582,849	3,045,989	435,992
Restricted			118,164	54,100	33,929
Assigned					
Subsequent year's expenditures			84,887		70,648
Unassigned			277,015	20,643	198,722
Total general fund	<u>\$ 3,413,950</u>	<u>\$ 3,069,345</u>	<u>\$ 3,062,915</u>	<u>\$ 3,120,732</u>	<u>\$ 739,291</u>
<i>Pre GASB 54</i>					
<b>All other governmental funds</b>					
Reserved	\$ 638,293	\$ 241,608	\$	\$	\$
Unreserved					
Undesignated, reported in:					
Special revenue funds	1,156,193	842,342			
Capital projects fund	49,634	42,786			
<i>Post GASB 54</i>					
<b>All other governmental funds</b>					
Nonspendable			4,022		1,640
Restricted			123,345	213,533	270,230
Assigned					
Subsequent year's expenditures			181,592		
Special revenue funds			8,374		
Capital projects funds			24,863	18,458	26,915
Unassigned				(236,283)	(224,590)
Total all other governmental funds	<u>\$ 1,844,120</u>	<u>\$ 1,126,736</u>	<u>\$ 342,196</u>	<u>\$ (4,292)</u>	<u>\$ 74,195</u>
Fiscal Year					
<i>Post GASB 54</i>					
<b>General fund</b>					
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	<u>\$ 945,331</u>	<u>\$ 1,365,845</u>	<u>\$ 1,656,837</u>	<u>\$ 1,884,816</u>	<u>\$ 2,105,053</u>
<i>Post GASB 54</i>					
<b>All other governmental funds</b>					
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	<u>\$ 98,603</u>	<u>\$ 562,434</u>	<u>\$ 664,166</u>	<u>\$ 1,148,398</u>	<u>\$ 1,469,346</u>

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>					
Taxes	\$ 6,789,358	\$ 7,825,211	\$ 6,100,349	\$ 5,784,862	\$ 5,659,011
Licenses and permits	526,201	529,487	467,389	470,844	502,279
Intergovernmental	1,938,633	2,198,263	1,833,846	1,765,296	1,718,020
Charges for services	375,283	293,756	467,931	431,057	418,675
Fines and forfeitures	120,890	213,105	132,963	183,345	185,451
Miscellaneous	302,937	184,381	310,590	291,484	167,701
<b>Total revenues</b>	<u>10,053,302</u>	<u>11,244,203</u>	<u>9,313,068</u>	<u>8,926,888</u>	<u>8,651,137</u>
<b>Expenditures</b>					
General government	2,432,667	2,361,396	2,382,504	1,915,421	1,429,575
Public safety	5,484,119	5,413,894	4,906,546	4,725,084	4,578,945
Physical environment	308,366	287,322	292,967	256,855	267,232
Transportation	581,424	553,392	533,475	517,457	471,465
Culture and recreation	858,955	1,087,407	870,465	697,998	776,567
Economic environment	32,063		49,637	3,458	1,921
Capital outlay	490,174	2,369,922	153,252	234,513	70,763
Debt service					
Principal	765,541	746,625	801,042	827,516	865,224
Interest	442,783	397,670	398,200	361,607	323,700
Other debt service charges		<b>19,450</b>			
<b>Total expenditures</b>	<u>11,396,092</u>	<u>13,237,078</u>	<u>10,388,088</u>	<u>9,539,909</u>	<u>8,785,392</u>
Excess of revenues over (under) expenditures	(1,342,790)	(1,992,875)	(1,075,020)	(613,021)	(134,255)
<b>Other financing sources (uses)</b>					
Transfers in	1,248,816	1,392,713	1,109,374	986,222	866,943
Transfers out	(967,015)	(1,180,159)	(825,324)	(661,872)	(3,035,643)
Proceeds from sale of assets					
Bonds issued					
Loan proceeds		1,209,449			
Capital lease obligations					
<b>Total other financing sources (uses)</b>	<u>281,801</u>	<u>1,422,003</u>	<u>284,050</u>	<u>324,350</u>	<u>(2,168,700)</u>
Net change in fund balances	<u>\$ (1,060,989)</u>	<u>\$ (570,872)</u>	<u>\$ (790,970)</u>	<u>\$ (288,671)</u>	<u>\$ (2,302,955)</u>
Debt service as a percentage of non-capital expenditures	<u>11.08%</u>	<u>10.55%</u>	<u>11.72%</u>	<u>12.78%</u>	<u>13.64%</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	6,132,517	\$ 6,391,091	\$ 5,077,705	\$ 5,814,747	\$ 5,923,514
	537,298	622,763	732,567	727,048	820,631
	1,742,766	1,827,646	1,821,757	1,971,076	2,469,253
	347,788	408,911	345,977	365,978	411,005
	167,991	80,929	100,810	290,900	159,231
	144,617	470,381	162,649	187,875	193,236
	<u>9,072,977</u>	<u>9,801,721</u>	<u>8,241,465</u>	<u>9,357,624</u>	<u>9,976,870</u>
	1,459,677	1,610,692	1,812,849	2,285,666	2,364,160
	4,754,459	4,926,858	3,458,641	3,612,914	3,769,659
	269,391	277,727	307,054	329,059	241,094
	488,139	477,058	480,458	472,046	509,351
	718,737	709,111	701,248	803,814	913,563
	39,905	1,429	3,925		75,243
	122,795	111,467	222,166	338,565	1,113,065
	904,943	915,002	948,039	982,074	646,531
	283,903	241,454	199,556	156,080	116,019
	<u>9,041,949</u>	<u>9,270,798</u>	<u>8,133,936</u>	<u>8,980,218</u>	<u>9,748,685</u>
	31,028	530,923	107,529	377,406	228,185
	846,898	1,304,254	993,767	1,084,848	1,167,729
	(647,478)	(950,832)	(683,767)	(774,848)	(857,729)
	<u>199,420</u>	<u>353,422</u>	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>
\$	<u>230,448</u>	<u>\$ 884,345</u>	<u>\$ 417,529</u>	<u>\$ 687,406</u>	<u>\$ 538,185</u>
	<u>13.33%</u>	<u>12.63%</u>	<u>14.50%</u>	<u>13.17%</u>	<u>8.83%</u>

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Franchise Fees</b>	<b>Utility Service Taxes</b>	<b>Communication Services Taxes</b>	<b>Sales Tax</b>	<b>Totals</b>
<b>2009</b>	\$ 6,827,668	\$ 613,269	\$ 690,713	\$ 539,808	\$ 558,085	\$ 9,229,543
<b>2010</b>	5,698,210	569,868	771,384	464,184	559,351	8,062,997
<b>2011</b>	4,894,342	572,846	796,663	414,748	579,262	7,257,861
<b>2012</b>	4,434,500	545,895	804,467	375,003	533,602	6,693,467
<b>2013</b>	4,315,899	493,884	849,228	356,437	563,688	6,579,136
<b>2014</b>	4,554,358	651,664	926,495	324,291	605,562	7,062,370
<b>2015</b>	4,839,895	598,424	952,772	315,322	650,565	7,356,978
<b>2016</b>	3,496,377	605,622	975,706	286,682	673,639	6,038,026
<b>2017</b>	3,791,642	627,219	1,006,475	276,237	1,067,305 (1)	6,768,878
<b>2018</b>	3,644,561	632,237	1,025,980	278,915	1,320,225	6,901,918

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



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

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter- governmental</b>	<b>Charges for Services</b>
2009	\$ 7,825,211	\$ 529,487	\$ 2,198,263	\$ 293,756
2010	6,030,552	526,201	1,299,144	352,993
2011	5,315,754	467,389	1,253,538	420,027
2012	5,784,862	470,844	1,765,296	431,057
2013	5,659,011	502,279	1,718,020	418,675
2014	6,132,517	537,298	1,742,766	347,788
2015	6,391,091	622,763	1,827,646	408,911
2016	5,077,705	732,567	1,821,757	345,977
2017	5,814,747	727,048	1,971,076	365,978
2018	5,923,514	820,631	2,469,253	411,005

<u>Fiscal Year</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Other Financing Sources</u>	<u>Total</u>	<u>Annual Percentage Increase (Decrease)</u>
2009	\$ 213,105	\$ 184,381	\$ 1,209,449	\$ 12,453,652	(16.2) %
2010	120,890	294,946	665,080	9,289,806	(25.4) %
2011	132,963	302,661	755,494	8,647,826	(6.9) %
2012	183,345	291,484	324,350	9,251,238	7.0 %
2013	185,451	167,701	376,907	9,028,044	(2.4) %
2014	167,991	144,617	251,300	9,324,277	3.3 %
2015	80,929	470,381	353,422	10,155,143	8.9 %
2016	100,810	162,649	310,000	8,551,465	(15.8) %
2017	290,900	187,875	310,000	9,667,624	13.1 %
2018	159,231	193,236	310,000	10,286,870	6.4 %

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

Tax Year	Real Property		Personal Property	Centrally Assessed Property	Assessed Value for Operations	Total Direct Tax Rate	Total Taxable Value (1)
	Residential	Commerical					
2009	\$ 223,053,149	\$ 310,344,797	\$ 44,930,557	\$ 1,338,599	\$ 579,667,102	9.9163	\$ 579,667,102
2010	177,057,371	251,733,749	43,531,640	1,200,814	473,523,574	10.2163	473,523,574
2011	179,035,832	229,986,440	37,217,462	1,257,953	447,497,687	10.3283	447,497,687
2012	168,646,621	227,349,266	33,926,821	1,236,975	431,159,683	10.2920	431,159,683
2013	180,958,234	232,119,848	33,942,130	910,919	447,931,131	10.5455	447,931,131
2014	199,990,131	244,391,470	34,480,712	1,079,128	479,941,441	10.4705	479,941,441
2015	225,062,210	262,052,591	34,999,307	1,271,593	523,385,701	10.3455	523,385,701
2016	247,734,289	290,478,840	36,381,709	1,404,468	575,999,306	10.2335	575,999,306
2017	271,762,954	318,484,359	34,296,329	1,494,679	626,038,321	9.4730	626,038,321
2018	290,066,574	339,045,111	34,962,598	1,568,074	665,642,357	8.8055	665,642,357

(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

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

Tax Year	Town of Lake Park Property Tax Rates			Overlapping Property Tax Rates - (1) Palm Beach County			
	(2) Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage
2009	8.5163	1.1500	9.6663	3.7811	0.1845		3.9656
2010	8.5163	1.7000	10.2163	4.3440	0.2174		4.5614
2011	8.5083	1.8200	10.3283	4.7815	0.2110		4.9925
2012	8.5000	1.7920	10.2920	4.7815	0.2087		4.9902
2013	8.8055	1.7400	10.5455	4.7815	0.2037		4.9852
2014	8.8055	1.6650	10.4705	4.7815	0.1914		4.9729
2015	5.3474	1.5400	6.8874	4.7815	0.1462	3.4581	4.9277
2016	5.3474	1.4280	6.7754	4.7815	0.1327	3.4581	8.3723
2017	5.3474	0.6675	6.0149	4.7815	0.1208	3.4581	8.3604
2018	5.3474	-	5.3474	4.7815	0.1165	3.4581	8.3561

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

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

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

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

**Overlapping Property Tax Rates - (1)**

<b>Palm Beach County School District</b>			<b>Palm Beach</b>	
<b>Operating Millage</b>	<b>General Obligation Debt Service</b>	<b>Total School Millage</b>	<b>County Special Districts</b>	<b>Total</b>
7.251	-	7.251	2.2569	23.9749
7.983	-	7.983	2.4934	25.2541
8.180	-	8.180	2.3433	25.8441
7.778	-	7.778	2.3154	25.3756
7.586	-	7.586	2.2280	25.3447
7.594	-	7.594	2.1732	25.2106
7.512	-	7.512	2.0974	21.4245
7.070	-	7.070	1.9453	24.1630
6.769	-	6.769	1.7818	22.9261
6.572	-	6.572	1.6920	21.9675

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

	<b>2018</b>			
	<b>Taxable Assessed Valuation</b>	<b>Taxes</b>	<b>Rank</b>	<b>Percentage of Total Taxes Levied</b>
Mariners Key Owners, LLC	\$ 34,803,387	\$ 186,108	1	5.23%
Wal Mart Stores East LP	17,873,745	95,578	2	2.69%
SC Lake Park Associates, LLLP	15,749,580	84,219	3	2.37%
Florida Power & Light Co.	14,961,525	80,250	4	2.25%
Mullinax Ford of PBC, LLC	14,389,442	71,423	5	2.01%
Lake Park Square Joint Venture	11,918,972	62,030	6	1.74%
Kelsey Industrial, LLC	10,456,805	54,176	7	1.52%
Northlake Square East LLC	9,376,817	50,141	8	1.41%
Congress Ave Properties, LLC	9,322,215	64,152	9	1.80%
Trust Lake Park LTD	6,480,000	32,918	10	0.92%
	\$ 145,332,488	\$ 780,995		21.94%

Source: Palm Beach County Property Appraiser.

	<b>2009</b>			
	<b>Taxable Assessed Valuation</b>	<b>Taxes</b>	<b>Rank</b>	<b>Percentage of Total Taxes Levied</b>
Lake Park Owners LLC	\$ 20,000,000	\$ 170,326	1	2.56%
Walmart Stores East LP	18,370,731	156,451	2	2.35%
Congress Ave Properties LTD	17,326,109	147,554	3	2.22%
SC Lake Park Associates LLLP	13,789,073	117,432	4	1.77%
Lake Park Square Joint Venture	11,200,012	95,384	4	1.43%
Mullinax Ford of PBC, LLC	10,599,180	90,266	5	1.36%
Trust Lake Park, LTD	10,000,000	85,163	7	1.28%
Twin Cities Investors, Inc.	9,557,864	81,396	6	1.22%
Northlake Square East, LLC	9,000,999	76,655	8	1.15%
Earl Stewart, LLC	8,073,090	68,753	10	1.03%
	\$ 127,917,058	\$ 1,089,380		16.37%

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*

<b>Tax Year</b>	<b>Total Tax Levy</b>	<b>Amount of Current Taxes Collected (1)</b>	<b>Percent of Current Taxes Collected (1)</b>	<b>Amount of Delinquent Taxes Collected</b>
2009	\$ 6,649,031	\$ 6,281,877	\$ 94.5 %	\$ 19,880
2010	5,754,637	5,391,827	93.7 %	12,057
2011	4,822,342	4,638,001	96.1 %	113,182
2012	4,621,891	4,409,912	95.4 %	42,039
2013	4,723,657	4,272,897	90.5 %	55,412
2014	5,025,228	4,550,477	90.6 %	8,107
2015	3,604,768	2,577,893	71.5 %	411
2016	3,905,670	3,460,856	88.6 %	48,873
2017	3,767,181	3,720,816	98.8 %	37,598
2018	3,559,456	3,633,065	102.1 %	11,806

<b>Tax Year</b>	<b>Total Collected for the Year</b>	<b>Ratio of Total Taxes Collected to Current Levy</b>	<b>Accumulated Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Current Levy</b>
2009	\$ 6,301,757	94.8 %	\$ 145,225	2.2 %
2010	5,403,884	93.9 %	-	- %
2011	4,751,183	98.5 %	-	- %
2012	4,451,951	96.3 %	-	- %
2013	4,328,309	91.6 %	-	- %
2014	4,558,584	90.7 %	-	- %
2015	2,578,304	71.5 %	-	- %
2016	3,509,729	89.9 %	-	- %
2017	3,758,414	99.8 %	-	- %
2018	3,644,871	102.4 %	-	- %

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

Source: Palm Beach County Property Appraiser

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

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capital Lease Obligations</b>	<b>Loans Payable</b>	<b>Total Governmental Activities</b>	<b>Percentage of Taxable Value of Property</b>	<b>Per Capita</b>
<b>2009</b>	\$ 5,329,323	\$ 28,702	\$ 4,721,352	\$ 10,079,377	2.13%	\$ 1235.98
<b>2010</b>	4,804,644	9,767	4,498,425	9,312,836	2.08%	1129.10
<b>2011</b>	4,254,912		4,256,908	8,511,820	1.97%	1023.79
<b>2012</b>	3,679,109	-	4,005,195	7,684,304	1.72%	919.18
<b>2013</b>	3,076,238	-	3,742,842	6,819,080	1.42%	931.60
<b>2014</b>	2,444,756	-	3,469,381	5,914,137	1.13%	684.51
<b>2015</b>	1,782,535	-	3,216,600	4,999,135	0.87%	578.60
<b>2016</b>	1,088,763	-	2,962,333	4,051,096	0.65%	468.61
<b>2017</b>	371,249	-	2,697,456	3,068,705	0.46%	356.62
<b>2018</b>	-	-	2,422,491	2,422,491	0.36%	281.52

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

<b>Business-type Activities</b>				<b>Primary Government</b>			
<b>Marina Revenue Bonds</b>	<b>Loans Payable</b>	<b>Capital Lease Obligations</b>	<b>Total Business-type Activities</b>	<b>Total Primary Government</b>	<b>Population</b>	<b>Percent Of Average Household Income</b>	<b>Per Capita</b>
\$ 4,365,000	\$ 1,646,951	\$ 7,060	\$ 6,019,011	\$ 6,019,011	8,732	1.52%	\$ 689.30
4,270,000	1,482,147	2,403	5,754,550	15,833,927	8,732	3.85%	1,813.32
4,170,000	1,308,383	-	5,478,383	14,791,219	8,155	3.83%	1,813.76
4,065,000	1,426,473	-	5,491,473	14,003,293	8,248	3.55%	1,697.78
3,950,000	1,192,615	-	5,142,615	12,826,919	8,314	3.51%	1,542.81
3,830,000	948,963	-	4,778,963	11,598,043	8,360	2.85%	1,387.33
3,705,000	757,064	-	4,462,064	10,376,201	8,448	2.68%	1,228.24
3,575,000	1,070,087	-	4,645,087	9,644,222	8,640	2.18%	1,116.23
3,490,000	885,400	-	4,375,400	8,426,496	8,645	2.11%	974.72
3,320,000	694,447	-	4,014,447	7,083,152	8,605	1.61%	823.14

**TOWN OF LAKE PARK, FLORIDA**  
*Ratios of General Bonded Debt Outstanding*  
*As of September 30, 2018*

*Unaudited*

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
<b>2009</b>	\$ 5,329,323	\$ 96,090	\$ 5,233,233	0.90%	663
<b>2010</b>	4,804,644	86,902	4,717,742	1.00%	537
<b>2011</b>	4,254,912	106,753	4,148,159	0.93%	509
<b>2012</b>	3,679,109	123,385	3,555,724	0.82%	431
<b>2013</b>	3,076,238	106,624	2,969,614	0.66%	357
<b>2014</b>	2,444,756	90,898	2,353,858	0.49%	282
<b>2015</b>	1,782,535	94,030	1,688,505	0.32%	200
<b>2016</b>	1,088,763	106,900	981,863	0.17%	114
<b>2017</b>	371,249	146,225	225,024	0.04%	26
<b>2018</b>	-	-	-	-	-

**TOWN OF LAKE PARK, FLORIDA**  
*Direct and Overlapping Governmental Activities Debt*  
*As of September 30, 2018*

*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated (1) Percentage Applicable to Town of Lake Park</u>	<u>Estimated (1) Share of Direct and Overlapping Debt</u>
<b>Overlapping debt:</b>			
<b>Direct debt - Town of Lake Park</b>			
General obligation bonds	\$ -	100.0%	\$ -
Loans payable	2,422,489	100.0%	2,422,489
	<u>2,422,489</u>		<u>2,422,489</u>
<b>Other debt</b>			
Palm Beach County	82,850,000	0.718%	594,863
Palm Beach County School Board	9,853,000	0.718%	70,745
	<u>92,703,000</u>		<u>665,608</u>
<b>Total direct and overlapping debt</b>			3,088,097
Estimated town population			<u>8,605</u>
Total per capita			<u>\$ 358.87</u>

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

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

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

<b>Marina Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Operating Expense (1)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service (2)</b>	<b>Coverage</b>
<b>2009</b>	\$ 1,018,448	\$ 1,029,912	\$ (11,464)	\$ 315,900	(0.04)
<b>2010</b>	1,184,628	1,271,621	(86,993)	313,050	(0.28)
<b>2011</b>	1,168,626	1,127,092	41,534	313,300	0.13
<b>2012</b>	880,405	923,846	(43,441)	318,050	(0.14)
<b>2013</b>	806,493	890,456	(83,963)	317,013	(0.26)
<b>2014</b>	1,157,019	940,047	216,972	315,713	0.69
<b>2015</b>	1,357,287	974,610	382,677	315,713	1.21
<b>2016</b>	1,340,329	911,991	428,338	314,150	1.36
<b>2017</b>	1,403,726	1,157,953	245,773	317,325	0.77
<b>2018</b>	1,475,452	1,028,588	446,864	279,513	1.60

(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*

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Average Household Income (1)</b>	<b>Median Age (1)</b>	<b>Education Level in Years of Formal Schooling</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2009	7,898	19,939	45,458	36	N/A	344	11.7%
2010	8,783	20,185	47,108	36	N/A	374	11.7%
2011	8,155	16,898	47,375	34	N/A	366	10.9%
2012	8,248	18,885	47,813	36	N/A	343	9.0%
2013	8,314	20,978	44,014	37	N/A	323	7.1%
2014	8,360	22,071	48,691	37	N/A	341	6.0%
2015	8,448	18,774	45,780	37	N/A	350	4.9%
2016	8,640	20,984	51,182	38	N/A	348	5.3%
2017	8,645	20,160	46,175	36	N/A	352	4.1%
2018	8,605	20,999	51,186	40	N/A	368	3.4%

**Data Sources:**

- (1) The Population for 2012, 2013, 2014, 2015, 2016, 2017, 2018 was obtained from the US Census Bureau Fact Fi  
Per Capita, Avg Household Income & Median Age was obtained from the US Census Bureau Fact Finder
- (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*

Employer	2018			2009		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Palm Beach County School District	21,200	1	N/A	21,718	1	N/A
Tenet Healthcare Corp	6,136	2	N/A	4,500	3	N/A
Palm Beach County	5,928	3	N/A	11,319	2	N/A
Next Era Energy (Parent Co, FPL)	4,021	4	N/A	3632	4	N/A
HCA Palm Beach Hospitals	3,550	5	N/A	3,395	5	N/A
Boca Raton Regional Hospital	2,800	6	N/A	2,100	10	N/A
Florida Atlantic University	2,761	7	N/A	2,838	7	N/A
Veterans Health Administration	2,468	6	N/A	2,207	8	N/A
Bethesda Health Inc	2,200	8	N/A	N/A	N/A	N/A
Office Depot	2,034	9	N/A	2100	9	N/A
Florida Crystals	2,034	9	N/A	N/A	N/A	N/A
The Breakers	2,000	10	N/A	N/A	N/A	N/A
<b>Totals</b>	<u>57,132</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

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

N/A: Not available.



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General government</b>										
Town Manager	3	3	3	2	2	2	2	2	3	2
Personnel	2	1	1	1	2	2	2	2	2	2
Town Clerk	2	2	2	2	2	1	1	2	2	2
Finance	4	4	4	4	4	4	5	5	5	6
Information technology	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Community Development	7	5	5	5	6	6	6	6	6	5
<b>Physical Environment</b>										
Public works	11	7	8	9	8	8	8	8	8	5
Vehicle maintenance	2	1	1	1	1	1	1	2	2	2
<b>Transportation</b>										
Transportation	2	2	2	2	2	2	2	2	2	2
<b>Culture and Recreation</b>										
Library	1	2	2	4	4	5	5	5	5	5
Park maintenance	6	5	5	5	6	6	6	5	6	6
Recreation	1	1	1	1	1	1	1	1	3	3
<b>Marina</b>	3	3	2	3	3	3	3	3	4	4
<b>Sanitation</b>	<u>10</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>
<b>Total</b>	<u>55</u>	<u>48</u>	<u>47</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>56</u>	<u>52</u>

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
<b>Community development</b>										
Code violations	1,026	638	636	396	385	503	451	723	651	703
Building permits issued	651	590	555	566	564	581	663	830	792	990
Value of permits (in thousands)									9,871	33,464
<b>Transportation</b>										
Street resurfacing (miles)	-	-	-	-	-	-	-	-		1
Pot holes repaired	160	232	253	140	215	127	450	441	512	585
<b>Culture and Recreation</b>										
<b>Library</b>										
Circulation	23,316	23,316	27,656	26,942	27,240	27,360	27,010	29,790	27,300	8,790
Programs offered	434	434	280	942	1,283	1,282	1,314	1,300	980	1,015
<b>Park maintenance</b>										
Acres of parks	69	69	69	69	69	69	69	69	69	69
<b>Recreation</b>										
Recreation programs offered	9	7	7	3	3	3	3	-	1	7
Recreation program attendance	305	315	305	136	75	825	825	-	880	134
Youth athletic participants	125	150	140	21	-	-	-	-	-	74.0
<b>Marina</b>										
Available slips	103	103	103	112	112	112	112	112	112	112
<b>Sanitation</b>										
Residential customers	3,596	3,645	3,666	3,666	3,666	3,666	3,666	3,666	3,666	3,397
Commercial customers	272	264	259	264	268	375	375	375	288	293
Refuse collected (tons)	9,178	9,293	8,466	8,598	9,056	8,970	9,385	9,827	10,246	10,362
Recyclables collected (tons)	645	627	666	670	424	392	398	391	361	377

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety (contracted to Palm Beach County)</b>										
Police Station - County	1	1	1	1	1	1	1	1	1	1
Fire Station - County	1	1	1	1	1	1	1	1	1	1
<b>Transportation</b>										
Roads & Streets										
Street Lights	340	340	340	340	340	340	340	340	340	340
Lane Miles	64	64	64	64	64	64	64	64	64	64
<b>Culture and Recreation</b>										
Marina										
Wet Slips	103	103	103	112	112	112	112	112	112	112
Library										
Books	33,710	33,710	36,119	35,611	34,676	35,435	35,000	37,000	37,695	42,340
<b>Leisure Services</b>										
Ballfields - lighted	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Parks	6	6	7	7	7	7	7	7	7	7
<b>Sanitation</b>										
Garbage Trucks	14	13	13	13	13	13	13	14	14	14
<b>Water /Sewer</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Provided by Seacoast Utility)										

N/A: Not applicable

Source: Town Departments, Town of Lake Park, Florida

## OTHER REPORTS



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
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EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lake Park, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated November 22, 2019.

### Internal Control Over Financial Reporting

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

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

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

### **Finding 2013-1 Written Accounting Procedures Manual**

*Criteria:* A detailed Policies and Procedures Manual needs to be developed and periodically updated to reflect changes in the Town's structure and current best practices. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficiencies, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and provide continuity when experienced employees leave.

*Condition:* The Town was working on the accounting policy manual during the year and subsequent to fiscal year end a detailed and comprehensive Policies and Procedures Manual was completed. However, during the current fiscal year not all of the necessary policies were in place.

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

- Bank reconciliations were not timely performed and reviewed.
- We noted errors in the recording and reconciliations of Grants received.

*Recommendation:* Now that the Policies and Procedures Manual is completed the Town needs to periodically review and update it to ensure that it meets the current needs of the Town. One area that needs additional detail are the policies and procedures relating to grant funding. We also recommend periodic monitoring of the procedures in place to ensure compliance and identify areas where additional training or improvements to the policies are needed.

### **Compliance and Other Matters**

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

## **Town of Lake Park, Florida's Response to Findings**

Town of Lake Park, Florida's response to the finding identified in our audit is described in the attached letter dated November 22, 2019. Town of Lake Park, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

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

November 22, 2019  
West Palm Beach, Florida



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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WILLIAM C. KISKER, CPA  
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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

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

### Report on the Financial Statements

We have audited the financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2018, and have issued our report thereon dated November 22, 2019.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated November 22, 2019, 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. Finding 2013-1 *Written Accounting Procedures Manual* still applies in the current year and was in the prior two years' reports and Findings 2017-1 and 2017-2 still apply and were in the prior year's report.



## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

## **Financial Condition and Management**

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 of Lake Park, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Town of Lake Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2018.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the recommendations noted below.

### **Finding 2017-1 Fund Reimbursements and Administrative Fees**

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

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

### **Finding 2017-2 Annual Financial Report**

*Condition:* We noted that the audit report and the Annual Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2018 were not filed timely.

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

### **Special District Component Units**

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

### **Additional Matters**

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

### **Single Audits**

The Town expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2018, and was not required to have a federal single audit or a state single audit.

### **Response to Management Letter**

The Town of Lake Park, Florida's responses to the findings identified in our audit are described in the attached letter dated November 22, 2019. We did not audit Town of Lake Park, Florida's responses and, accordingly, we express no opinion on them.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and state awarding agencies and pass-through agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

November 22, 2019  
West Palm Beach, Florida



**NOWLEN, HOLT & MINER, P.A.**

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

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

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

We have examined the Town of Lake Park, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management of the Town of Lake Park, Florida is responsible for the Town of Lake Park, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town of Lake Park, Florida’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the Town of Lake Park, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2018.

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

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

West Palm Beach, Florida  
November 22, 2019



Finance  
Department

November 22, 2019

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

RE: Response to the Report on Internal Control and the  
Management Letter required by the Rules of the  
Auditor General for the State of Florida for the Fiscal  
Year ended September 30, 2018.

#### REPORT ON INTERNAL CONTROLS

##### *2013-1: Written Accounting Procedure Manual*

We recognize that a detailed manual is important towards the safeguarding of the Town's assets. Funds were budgeted in fiscal year 2017-18 and the Accounting Procedures Manual was completed. The Town has worked diligently to continue to improve and make additions to the Procedures Manual. Twenty seven new procedures have been added and implemented since the last fiscal year. The added accounting procedures were put in place for fiscal year 2018-2019, and implemented. Policies and procedures will be added for grant funding and monitoring. The Town will continue to review and update the Policy and Procedures manual to ensure that it meets the current needs of the Town.

#### REPORT ON FINANCIAL MANAGEMENT

##### *2017-1 Fund Reimbursements and Administrative Fees*

The Town will update and review the allocations used and use administrative fees or wage reclassification for apportioning costs and transfers for operating purposes to simplify the process and reduce duplication of charges.

##### *2017-2 Annual Financial Reporting*

The Town will review the financial reporting process and make any changes required to facilitate the timely preparation of financial reports

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

Sincerely,

Lourdes Cariseo  
Finance Director

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

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