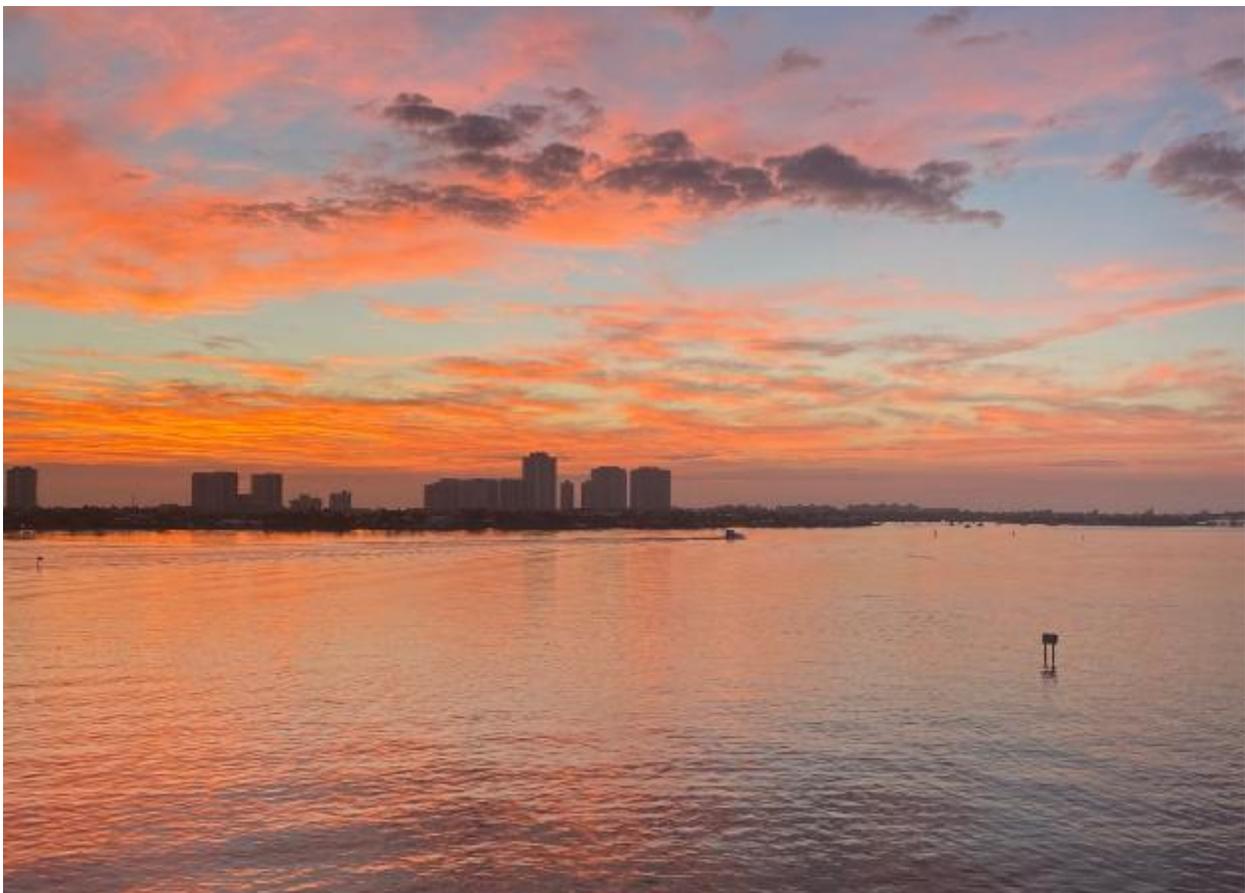




# TOWN OF LAKE PARK FLORIDA



**Annual Comprehensive Financial Report**  
**FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2021**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**TOWN OF LAKE PARK, FLORIDA**

**Fiscal Year Ended September 30, 2021**

**Prepared by  
Finance Department**

# THE TOWN OF LAKE PARK, FLORIDA

## FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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**THE TOWN OF LAKE PARK, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

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## INTRODUCTORY SECTION



June 30, 2022

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, 2021, 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, 2021.

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, 2021, 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, 2021, 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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Lake Park, FL 33403  
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[www.lakeparkflorida.gov](http://www.lakeparkflorida.gov)

## PROFILE OF THE TOWN

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

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

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

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

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

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

## LOCAL ECONOMY

The Town's economic growth continues to be stymied due to the national recession and collapse of the housing and real estate market. Property values increased dramatically throughout Palm Beach County and the Town of Lake Park between the years of 2002 through 2008. The taxable value of property within the Town decreased 6.3% in 2009, mainly due to the passage of Amendment One (Property Tax Reform), an additional 15.6% in 2010 due to the economic downturn, and values dropped an additional 18.3% in 2011, and 5.5% in 2012. The taxable value has recovered 3.90% in 2013, 7.1% in 2014, 9.1% in 2015, 10.1% in 2016, 8.6% in 2017, 6.14% in 2018, 8.6% in 2019, 7.3% in 2020 and 5.79% in 2021. The relationship of commercial assessments compared to residential assessment has historically been around 50/50, but with the decline in the housing market, this relationship has shifted to approximately 54/46.

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

The decrease in taxable values within the Town totaled peaked at more than \$302 million, now stands at a decrease of only than \$10 million. A small increase in the millage was adopted for Fiscal Year 2013-2014 and the millage was held at the same rate for Fiscal Year's 2014-2015, 2015-2016, 2017-2018, 2018-2019 and in 2019-2020. For fiscal year 2016 the Town adopted a MSTU for fire services during the year, thus the millage for the Fire Services was not included in the operating millage accounting for a decrease in revenue and expense of \$1,813,451. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less the fire millage of 3.4581). While public safety is paramount to the citizens of the Town, the cost of police services represent 45.03% of the General Fund expenditures and consume in excess of 100% of the ad valorem tax revenue. The operational cuts that were enacted across all departments, excluding public safety, to counter the loss of revenue; it will take years to reverse.

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

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

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

## ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual budget approved by the government's governing body. Activities of the General Fund, Community Redevelopment Agency, Debt Service Fund and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which

expenditures cannot legally exceed the appropriated amount) is established at the department level within the individual fund. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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

## MAJOR INITIATIVES

The Lake Shore Drive improvement project was the major initiative for the fiscal year, however during recent years, the Town has devoted a significant amount of time, energy and resources to the continuing growth and redevelopment of the Town. 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,



Jeffrey P. Duvall  
Finance Director

# TOWN OF LAKE PARK

## List of Principal Officials

September 30, 2021

### Mayor

Michael O'Rourke

### Vice Mayor

Kimberly Glas-Castro

### Town Commission

Erin Flaherty  
Roger Michaud  
John Linden

### Town Manager

John O. D'Agostino

### Town Clerk

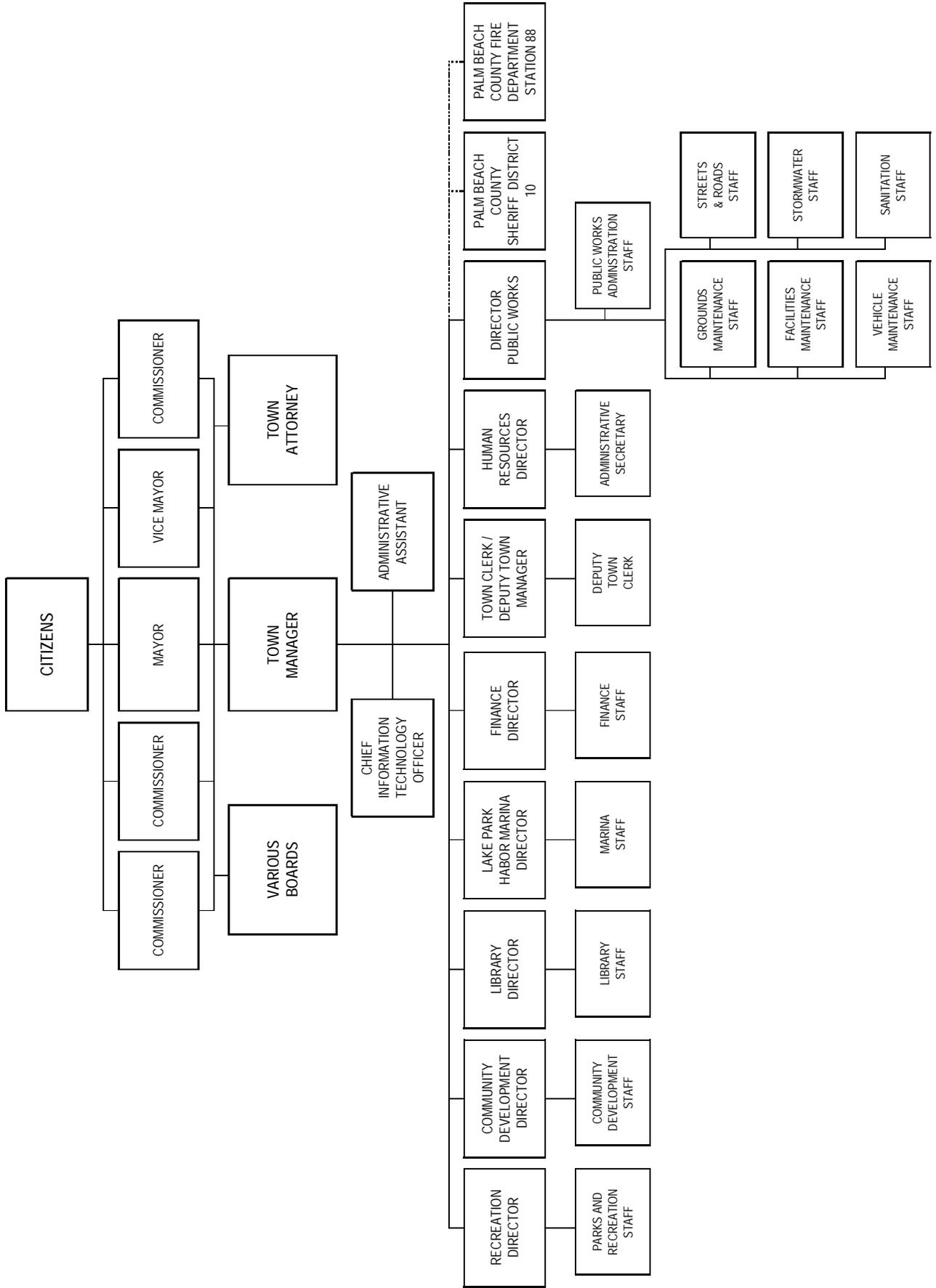
Vivian Mendez

### Finance Director

Lourdes Cariseo

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

Roberto Travieso  
Nadia DiTomasso  
Judith Cooper  
Riunite Franks  
Stephen Bogner  
Bambi McKibbon-Turner  
Hoa Hoang



## FINANCIAL SECTION



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

## INDEPENDENT AUDITOR'S REPORT

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BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, Pension and Other Postemployment Benefit trend information on pages 73 through 77, and budgetary comparison information on pages 78 through 85 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Town of Lake Park, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lake Park, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lake Park, Florida's internal control over financial reporting and compliance.

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

June 30, 2022  
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, 2021. 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, 2021 by \$20,033,546. Of this amount, unrestricted net position is \$2,437,711.
- The total net position increased by \$2,639,630 of which an increase of \$138,777 was attributed to governmental activities and an increase of \$2,500,853 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 2021 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$2,493,760 an increase of \$228,386 from the prior year. Of the total, \$1,105,282 is assigned, restricted or non-spendable, while \$1,388,478 is unassigned and available for future uses by the Town Commission, an increase of \$100,834 in unassigned fund balance.
- At the end of the 2021 Fiscal Year, the unassigned fund balance for the General Fund represented just 15% of total General Fund expenditures or approximately 54 days of available funding.

## USING THIS ANNUAL REPORT

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

## REPORTING THE TOWN AS A WHOLE

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

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

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

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

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

## REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

- Governmental funds - Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 18-23 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 24-26 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 27-28 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 29-72 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 73 -77 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 78-85 to demonstrate compliance with the budget.

The Town also adopts an annual budget for the Streets and Roads Fund and Insurance Fund. Budgetary comparison schedules for these funds are also included as Other Supplementary Information section of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information on pages 86-89 of this report.

## **Government-Wide Financial Analysis**

**Net Position:** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, governmental activity assets exceeded liabilities and deferred inflows by \$11,977,831. Business-type activity assets exceeded liabilities and deferred inflows by \$8,055,715. The Town-wide total net position was \$20,033,546 at the close of the fiscal year ended September 30, 2021. 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 \$13,852,303 or over 69% of total net position at September 30, 2021. Capital assets total \$20,556,066 at September 30, 2021, or 67% of all assets, which total \$30,681,649. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$3,743,532 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$2,437,711 may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

## Net Position

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 8,876,588	\$ 7,563,917	\$ 1,248,995	\$ 1,087,465	\$ 10,125,583	\$ 8,651,382
Capital assets	9,435,185	8,793,104	11,120,881	8,788,739	20,556,066	17,581,843
Total assets	<u>18,311,773</u>	<u>16,357,021</u>	<u>12,369,876</u>	<u>9,876,204</u>	<u>30,681,649</u>	<u>26,233,225</u>
<b>Deferred outflows of resources:</b>						
Pension related items	-	24,956	-	-	-	24,956
<b>Liabilities:</b>						
Current liabilities	2,647,825	442,799	610,924	141,909	3,258,749	584,708
Long-term liabilities	3,305,651	3,851,547	3,640,449	4,111,412	6,946,100	7,962,959
Total liabilities	<u>5,953,476</u>	<u>4,294,346</u>	<u>4,251,373</u>	<u>4,253,321</u>	<u>10,204,849</u>	<u>8,547,667</u>
<b>Deferred inflows of resources:</b>						
Pension related items	127,591	-	-	-	127,591	-
Deferred gain on bond refunding, net	-	-	62,788	68,021	62,788	68,021
Unearned revenue	252,875	248,577	-	-	252,875	248,577
	<u>380,466</u>	<u>248,577</u>	<u>62,788</u>	<u>68,021</u>	<u>443,254</u>	<u>316,598</u>
<b>Net position:</b>						
Invested in capital assets, net of related debt	6,733,248	5,822,996	7,119,055	4,766,405	13,852,303	10,589,401
Restricted	3,743,532	4,511,884	-	-	3,743,532	4,511,884
Unrestricted	1,501,051	1,504,174	936,660	788,457	2,437,711	2,292,631
Total net position	<u>\$ 11,977,831</u>	<u>\$ 11,839,054</u>	<u>\$ 8,055,715</u>	<u>\$ 5,554,862</u>	<u>\$ 20,033,546</u>	<u>\$ 17,393,916</u>

**Governmental Activities:** Net position of the governmental activities of the Town have increased \$138,777 from 2020. Total assets and deferred outflows of governmental activities have increased by \$1,929,796 and total liabilities and deferred inflows of resources have decreased by \$1,791,019. Unrestricted net position is down by \$3,123.

**Business Activities:** Net position for business activities have increased \$2,500,853 from 2020. Total assets increased by \$2,493,672 while total liabilities and deferred inflows have decreased by \$7,181. Unrestricted net position has increased by \$148,203.

The following is a summary of the changes in net position for the years ended September 30, 2021 and 2020:

### Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,422,534	\$ 1,563,724	\$ 4,448,339	\$ 3,989,191	\$ 5,870,873	\$ 5,552,915
Operating grants and contributions	217,225	166,230	111,385	101,802	328,610	268,032
Capital grants and contributions	30,388	1,952,715	2,155,778	15,614	2,186,166	1,968,329
General revenues:						
Taxes	6,916,011	6,459,575	-	-	6,916,011	6,459,575
Intergovernmental	1,624,209	1,435,228	-	-	1,624,209	1,435,228
Investment earnings	14,925	108,585	617	4,331	15,542	112,916
Gain on sale of equipment	-	-	-	35,735	-	35,735
Total revenues	<u>\$ 10,225,292</u>	<u>\$ 11,686,057</u>	<u>\$ 6,716,119</u>	<u>\$ 4,146,673</u>	<u>\$ 16,941,411</u>	<u>\$ 15,832,730</u>

Overall total revenues are up by \$1,108,681. Program revenues increased by \$596,373 and general revenues increased by \$512,308.

**Governmental Activities:** Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have increased \$456,436. This is due in large part to an increase in property taxes of \$291,394 caused by increase in the property values in 2021.

**Business Activities:** Total revenues for business activities of the Town have increased by \$2,569,446. This is primarily the result of an increase in Stormwater revenues due to grant funds for Lake Shore Drive improvements.

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses:						
General government	\$ 1,929,635	\$ 2,114,917	\$ -	\$ -	\$ 1,929,635	\$ 2,114,917
Public safety	4,211,942	3,987,837	-	-	4,211,942	3,987,837
Physical environment	388,350	250,097	-	-	388,350	250,097
Transportation	819,468	738,997	-	-	819,468	738,997
Culture and recreation	843,683	1,150,406	-	-	843,683	1,150,406
Economic environmnet	831,683	786,273	-	-	831,683	786,273
Interest on long-term debt	119,915	120,947	-	-	119,915	120,947
Marina	-	-	2,375,706	1,768,741	2,375,706	1,768,741
Sanitation	-	-	2,076,764	1,746,142	2,076,764	1,746,142
Stormwater	-	-	704,635	596,912	704,635	596,912
Total expenses	<u>9,144,676</u>	<u>9,149,474</u>	<u>5,157,105</u>	<u>4,111,795</u>	<u>14,301,781</u>	<u>13,261,269</u>
Transfers In/(Out)	<u>(941,839)</u>	<u>-</u>	<u>941,839</u>	<u>-</u>		
Change in net position	138,777	2,536,583	2,500,853	34,878	2,639,630	2,571,461
Net position - beginning of year	<u>11,839,054</u>	<u>9,302,471</u>	<u>5,554,862</u>	<u>5,519,984</u>	<u>17,393,916</u>	<u>14,822,455</u>
	<u>\$ 11,977,831</u>	<u>\$ 11,839,054</u>	<u>\$ 8,055,715</u>	<u>\$ 5,554,862</u>	<u>\$ 20,033,546</u>	<u>\$ 17,393,916</u>

Overall, net position increased \$2,639,630. The increase in net position is related to \$2.1 million grant award and the increase in property values.

**Governmental Activities:** Changes in the expenses for 2021 in Public Safety is attributable to an increase in the Sheriff's contract countered by the MSTU effect. The change in the General government is attributable to an average raise of just over 3% for all employees, countered by decreases in expense items result from vacant positions in several departments, other cost saving measures, and continued debt service payments.

**Business-type Activities:** The increased expenses for the Sanitation Fund results from filling vacant positions and increased indirect cost allocations and the increased expenses for the Marina fund is a result of filling vacant positions and increased operating expenses.

### 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, 2021, the Town's primary operating fund, the General Fund, reported ending fund balance of \$2,493,760 an increase of \$228,386 from the prior year. Of this amount, \$1,388,478 is considered unassigned fund balance and is available for spending at the Town's discretion. However, it is recommended that these funds be maintained at this level in the event of an emergency such as a hurricane. However; \$10,000 is restricted for specific purposes; the Community Improvement Beautification (CIB) Fund. The remainder of fund balance (\$991,153) 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 (\$141,153) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$850,000).

As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents approximately 15 percent (approximately 54 days) of total general fund expenditures, while total fund balance represents 25 percent of that same amount. A sound financial management policy would dictate that the unrestricted, unassigned fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2021 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 \$462,514 an amount less than the depreciation expense charged to the fund for the year, bringing the fund's Total Net Position to \$1,699,0312.

The Sanitation Fund has a decrease in Net Position of \$63,206, bringing the fund's Total Net Position for the fund to \$1,184,128.

The Stormwater Fund has an increase in Net Position of \$3,026,573, bringing the fund's Total Net Position for the fund to \$5,055,837. This increase is largely due to capital improvements funded by grants.

### **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 \$9,703,864 to \$10,480,281.

## Capital Asset and Debt Administration

**Capital assets.** The Town's total investment in capital assets at September 30, 2021 was \$20,556,066. (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, 2021 and 2020 are summarized as follows:

### Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,767,746	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,260,078	\$ 5,184,223
Construction in progress	707,146	98,610	3,470,126	698,121	4,177,272	796,731
Buildings	2,053,852	2,088,328	-	-	2,053,852	2,088,328
Equipment and vehicles	1,995,278	1,988,921	1,176,978	1,402,294	3,172,256	3,391,215
Streets, roads, and sidewalks	1,911,163	1,925,354	3,981,445	4,195,992	5,892,608	6,121,346
Total assets	<u>\$ 9,435,185</u>	<u>\$ 8,793,104</u>	<u>\$ 11,120,881</u>	<u>\$ 8,788,739</u>	<u>\$ 20,556,066</u>	<u>\$ 17,581,843</u>

Capital projects during Fiscal Year 2021 included the following:

- Roadway Improvements
- Town Hall Improvements
- Replacement of a stormwater outfall

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

**Long-term debt.** No new governmental debt was incurred during fiscal year 2020. The debt position of the Town is summarized as follows:

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Loans Payable	\$ 1,527,767	\$ 1,837,961	\$ 3,306,851	\$ 3,731,077	\$ 4,834,618	\$ 5,569,038
Capital lease obligations	1,377,012	1,431,057	155,806	204,365	1,532,818	1,635,422
Claims and settlements	-	-	-	-	-	-
Other Post-Emp. Benefits	92,521	88,571	36,673	35,060	129,194	123,631
Net pension liability	55,281	226,395	-	-	55,281	226,395
Compensated absences	253,070	267,563	60,911	54,019	313,981	321,582
Unamortized premium	-	-	80,208	86,891	80,208	86,891
<b>Total</b>	<b>\$ 3,305,651</b>	<b>\$ 3,851,547</b>	<b>\$ 3,640,449</b>	<b>\$ 4,111,412</b>	<b>\$ 6,946,100</b>	<b>\$ 7,962,959</b>

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

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

For the fiscal year 2021-2022, the Town Commission adopted a General Fund budget of \$10,480,281, compared with the budget for the fiscal year 2020-2021 for \$9,703,864. The Town adopted a MSTU for fire services in 2015, thus the millage for the Fires Services is not included in the operating millage. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less fire millage of 3.34581).

The greatest impact on the General Fund expenditures is the contract with the Palm Beach County Sheriff for policing services, which represents 31% of the total and uses 99% of the Ad Valorem property tax revenue. In an effort to off-set some of the impact on the General Fund revenue constraints the Town continues to operate with many cuts implemented in prior years across all departments and must continue to limit capital and other projects.

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

## **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

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Pooled cash and cash equivalents	\$ 7,106,853	\$ 775,157	\$ 7,882,010
Accounts receivable, net	297,579	90,529	388,108
Due from other governments	291,582	1,362,745	1,654,327
Internal balances	1,038,709	(1,038,709)	
Land held for resale	58,809		58,809
Inventory	15,008	37,995	53,003
Prepaid items	68,048	21,278	89,326
<b>Capital assets</b>			
Capital assets not being depreciated	3,474,892	5,962,458	9,437,350
Capital assets being depreciated, net of accumulated depreciation	5,960,293	5,158,423	11,118,716
<b>Total assets</b>	<b>18,311,773</b>	<b>12,369,876</b>	<b>30,681,649</b>
<b>Liabilities</b>			
Accounts payable	348,358	101,032	449,390
Contracts payable and retainage		458,961	458,961
Accrued expenses	68,981	24,622	93,603
Accrued interest payable	25,131	9,180	34,311
Unearned revenue	2,162,640	2,999	2,165,639
Deposits	42,715	14,130	56,845
<b>Noncurrent liabilities:</b>			
Due within one year	430,427	363,954	794,381
Due in more than one year	2,875,224	3,276,495	6,151,719
<b>Total liabilities</b>	<b>5,953,476</b>	<b>4,251,373</b>	<b>10,204,849</b>
<b>Deferred inflows of resources</b>			
Pension related items	127,591		127,591
Deferred gain on bond refunding, net		62,788	62,788
Deferred revenue	252,875		252,875
<b>Total deferred inflows of resources</b>	<b>380,466</b>	<b>62,788</b>	<b>443,254</b>
<b>Net Position</b>			
Net investment in capital assets	6,733,248	7,119,055	13,852,303
<b>Restricted for:</b>			
Debt service	170,101		170,101
Capital projects	2,620,053		2,620,053
Economic environment	943,378		943,378
Other restrictions	10,000		10,000
Unrestricted	1,501,051	936,660	2,437,711
<b>Total net position</b>	<b>\$ 11,977,831</b>	<b>\$ 8,055,715</b>	<b>\$ 20,033,546</b>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Activities</u>
Government:		
Governmental activities		
General government	\$ 1,929,635	\$ 108,933
Public safety	4,211,942	1,299,583
Physical environment	388,350	
Transportation	819,468	
Culture and recreation	843,683	14,018
Economic environment	831,683	
Interest on long-term debt	119,915	
Total governmental activities	<u>9,144,676</u>	<u>1,422,534</u>
Business-type activities		
Marina	2,375,706	1,624,539
Sanitation	2,076,764	1,904,997
Stormwater	704,635	918,803
Total business-type activities	<u>5,157,105</u>	<u>4,448,339</u>
 Total	 <u>\$ 14,301,781</u>	 <u>\$ 5,870,873</u>

<u>Program Revenues</u>		<u>Net Expense (Revenue) and Changes in Net Position</u>		
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 64,714	\$	\$ (1,755,988)	\$	\$ (1,755,988)
75,014		(2,912,359)		(2,912,359)
	27,009	(313,336)		(313,336)
77,497	3,379	(792,459)		(792,459)
		(748,789)		(748,789)
		(831,683)		(831,683)
		(119,915)		(119,915)
<u>217,225</u>	<u>30,388</u>	<u>(7,474,529)</u>		<u>(7,474,529)</u>
11,385			(739,782)	(739,782)
100,000	2,155,778		(171,767)	(171,767)
<u>111,385</u>	<u>2,155,778</u>		<u>2,469,946</u>	<u>2,469,946</u>
			<u>1,558,397</u>	<u>1,558,397</u>
<u>\$ 328,610</u>	<u>\$ 2,186,166</u>	(7,474,529)	1,558,397	(5,916,132)
General Revenues:				
Taxes:				
Property taxes		4,012,875		4,012,875
Infrastructure surtax		713,453		713,453
Franchise fees		635,073		635,073
Utility service taxes		1,042,374		1,042,374
Local option gas taxes		249,902		249,902
Communication services taxes		262,334		262,334
Unrestricted intergovernmental shared revenues		1,624,209		1,624,209
Investment earnings - unrestricted		14,925	617	15,542
Transfers		(941,839)	941,839	
Total general revenues and transfers		<u>7,613,306</u>	<u>942,456</u>	<u>8,555,762</u>
Change in net position		138,777	2,500,853	2,639,630
Net position, beginning of year		<u>11,839,054</u>	<u>5,554,862</u>	<u>17,393,916</u>
Net position, end of year		<u>\$ 11,977,831</u>	<u>\$ 8,055,715</u>	<u>\$ 20,033,546</u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

	<b>Major Governmental Funds</b>				
	<b>General</b>	<b>CRA Fund</b>	<b>Public Improvement Fund</b>	<b>ARPA Grant Fund</b>	<b>Special Projects Fund</b>
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 1,638,321	\$ 867,111	\$ 1,556,284	\$ 2,142,691	\$ 355,398
Accounts receivable, net	297,579				
Due from other governments	182,395				81,980
Due from other funds	136,098	121,332			169,330
Advances to other funds	850,000				
Land held for resale	58,809				
Inventory	15,008				
Prepaid items	67,336	712			
Total assets	<u>3,245,546</u>	<u>989,155</u>	<u>\$ 1,556,284</u>	<u>\$ 2,142,691</u>	<u>\$ 606,708</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 232,703	\$ 45,065	\$ 30,000		\$ 7,724
Accrued liabilities	66,908				
Deferred revenue	8,779			2,142,652	
Due to other funds	121,332				
Deposits	42,715				
Total liabilities	<u>472,437</u>	<u>45,065</u>	<u>30,000</u>	<u>2,142,652</u>	<u>7,724</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	26,474				
Unearned revenue	252,875				
	<u>279,349</u>				
<b>Fund balances</b>					
<b>Nonspendable:</b>					
Inventories, prepaids, and land held for resale	141,153	712			
Advances to other funds	850,000				
<b>Restricted for:</b>					
Debt service					
Transportation					
Infrastructure					623,243
Capital projects					
Community improvement	10,000				
Public improvements			1,510,177		
Economic environment		943,378			
<b>Assigned to:</b>					
Subsequent years expenditures	104,129				
Capital project fund			16,107		
Special revenue fund				39	
Unassigned	1,388,478				(24,259)
Total fund balances	<u>2,493,760</u>	<u>944,090</u>	<u>1,526,284</u>	<u>39</u>	<u>598,984</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>3,245,546</u>	<u>989,155</u>	<u>\$ 1,556,284</u>	<u>\$ 2,142,691</u>	<u>\$ 606,708</u>

See notes to the financial statements.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 341,014	\$ 6,900,819
	297,579
27,207	291,582
	426,760
	850,000
	58,809
	15,008
	68,048
<u>\$ 368,221</u>	<u>\$ 8,908,605</u>

\$ 32,866	\$ 348,358
2,073	68,981
11,209	2,162,640
	121,332
	42,715
<u>46,148</u>	<u>2,744,026</u>

	26,474
	252,875
<u></u>	<u>279,349</u>

	141,865
	850,000
170,101	170,101
470,040	470,040
	623,243
16,593	16,593
	10,000
	1,510,177
	943,378
	104,129
	16,107
	39
(334,661)	1,029,558
<u>322,073</u>	<u>5,885,230</u>
<u>\$ 368,221</u>	<u>\$ 8,908,605</u>

See notes to the financial statements.

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**TOWN OF LAKE PARK, FLORIDA**  
**Reconciliation of the Balance Sheet – Governmental Funds**  
**to the Statement of Net Position**  
**Governmental Activities**  
**September 30, 2021**

Total fund balances - governmental funds \$ 5,885,230

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	\$ 22,271,767	
Less accumulated depreciation	<u>(12,836,582)</u>	9,435,185

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		26,474
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable on long-term debt	(25,130)	
Compensated absences	(253,070)	
Other post employment benefits	(92,521)	
Net pension liability	(55,281)	
Capital lease payable	(1,377,012)	
Loans payable	<u>(1,527,767)</u>	(3,330,781)

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		(127,591)
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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.

89,314

Net position of governmental activities		<u><u>\$ 11,977,831</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, 2021**

	Major Governmental Funds				
	General	CRA Fund	Public Improvement Fund	ARPA Grant Fund	Special Projects Fund
Revenues					
Taxes	\$ 5,690,322	\$	\$	\$	\$ 713,453
Licenses and permits	1,089,750				
Intergovernmental	1,717,154	476,859			3,379
Charges for services	1,622,555				
Fines and forfeitures	193,156				
Miscellaneous	92,892		2,716	39	
Total revenues	<u>10,405,829</u>	<u>476,859</u>	<u>2,716</u>	<u>39</u>	<u>716,832</u>
Expenditures					
Current					
General government	2,609,501				3,469
Public safety	4,211,378				
Physical environment	574,401				
Transportation	342,421				
Culture and recreation	991,331				
Economic environment		750,620			
Capital outlay	172,043	232,891	2,555		805,011
Debt service					
Principal	364,238				
Interest charges	120,903				
Grants and aids		81,063			
Total expenditures	<u>9,386,216</u>	<u>1,064,574</u>	<u>2,555</u>		<u>808,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,019,613</u>	<u>(587,715)</u>	<u>161</u>	<u>39</u>	<u>(91,648)</u>
Other financing sources (uses)					
Transfers in	195,371	878,598			
Transfer out	(986,598)	(185,371)	(287,268)		(556,571)
Total other financing sources (uses)	<u>(791,227)</u>	<u>693,227</u>	<u>(287,268)</u>		<u>(556,571)</u>
Net change in fund balances	228,386	105,512	(287,107)	39	(648,219)
Fund balances					
Beginning of year	2,265,374	838,578	1,813,391		1,247,203
End of year	<u>\$ 2,493,760</u>	<u>\$ 944,090</u>	<u>\$ 1,526,284</u>	<u>\$ 39</u>	<u>\$ 598,984</u>

See notes to the financial statements.

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$	\$ 6,403,775
	1,089,750
351,509	2,548,901
	1,622,555
	193,156
	95,647
351,509	11,953,784
	2,612,970
	4,211,378
	574,401
434,018	776,439
	991,331
	750,620
34,777	1,247,277
	364,238
	120,903
	81,063
468,795	11,730,620
(117,286)	223,164
	1,073,969
	(2,015,808)
	(941,839)
(117,286)	(718,675)
439,359	6,603,905
\$ 322,073	\$ 5,885,230

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, 2021**

Net change in fund balances - total governmental funds	\$	(718,675)
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	\$ 1,232,107	
Less: current year depreciation	<u>(590,026)</u>	642,081
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	26,474	
Prior year grants	<u>(205,439)</u>	(178,965)
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:		
Capital lease payable	54,045	
Loans payable	<u>310,194</u>	364,239
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	14,493	
Change in other postemployment benefits	(3,950)	
Change in net pension liability and related deferred amounts	18,567	
Change in accrued interest	<u>987</u>	<u>30,097</u>
Change in net position of governmental activities	\$	<u><u>138,777</u></u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2021**

	<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	\$ 204,360	\$ 570,797	\$	\$ 775,157	\$ 206,034
Accounts receivable, net		85,799	4,730	90,529	
Due from other governments			1,362,745	1,362,745	
Prepaid items	21,278			21,278	
Inventory	37,995			37,995	
Total current assets	<u>263,633</u>	<u>656,596</u>	<u>1,367,475</u>	<u>2,287,704</u>	<u>206,034</u>
<b>Noncurrent assets</b>					
Capital assets not being depreciated	2,428,175	64,157	3,470,126	5,962,458	
Capital assets net of accumulated depreciation	3,198,652	923,008	1,036,763	5,158,423	
Total noncurrent assets	<u>5,626,827</u>	<u>987,165</u>	<u>4,506,889</u>	<u>11,120,881</u>	
Total assets	<u>5,890,460</u>	<u>1,643,761</u>	<u>5,874,364</u>	<u>13,408,585</u>	<u>206,034</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	17,251	73,334	10,447	101,032	
Contracts payable and retainage			458,961	458,961	
Accrued liabilities	12,172	9,329	3,121	24,622	
Deferred revenue	2,999			2,999	
Due to other funds		136,098	169,330	305,428	
Deposits payable - slip rentals	14,130			14,130	
Accrued interest payable		7,414	1,766	9,180	
Compensated absences payable, current portion	3,168	6,634	2,380	12,182	
Bonds payable, current maturities	245,323	56,240	50,209	351,772	
Total current liabilities	<u>295,043</u>	<u>289,049</u>	<u>696,214</u>	<u>1,280,306</u>	
<b>Long-term liabilities</b>					
Compensated absences payable, less current portion	12,674	26,537	9,518	48,729	
Other post-employment benefits	5,118	24,357	7,198	36,673	
Advance from other funds	850,000			850,000	
Bonds payable, net of unamortized premium and current maturities	2,965,806	119,690	105,597	3,191,093	
Total long-term liabilities	<u>3,833,598</u>	<u>170,584</u>	<u>122,313</u>	<u>4,126,495</u>	
Total liabilities	<u>4,128,641</u>	<u>459,633</u>	<u>818,527</u>	<u>5,406,801</u>	
<b>Deferred inflows of resources</b>					
Deferred gain on bond refunding, net	62,788			62,788	
<b>Net position</b>					
Net investment in capital assets	2,415,698	811,235	3,892,122	7,119,055	
Unrestricted	(716,667)	372,893	1,163,715	819,941	206,034
Total net position	<u>\$ 1,699,031</u>	<u>\$ 1,184,128</u>	<u>\$ 5,055,837</u>	<u>7,938,996</u>	<u>\$ 206,034</u>
Adjustment to reflect consolidation of internal service fund activities				116,719	
Net position of business-type activities				<u>\$ 8,055,715</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, 2021**

	<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	\$ 1,623,726	\$ 1,903,844	\$ 918,803	\$ 4,446,373	\$ 201,413
Miscellaneous	813	1,153		1,966	
Total operating revenues	<u>1,624,539</u>	<u>1,904,997</u>	<u>918,803</u>	<u>4,448,339</u>	<u>201,413</u>
Operating expenses					
Personal services	374,310	536,414	130,422	1,041,146	40,288
Operating expenses	1,377,439	1,382,110	408,801	3,168,350	161,125
Depreciation	520,049	152,290	159,014	831,353	
Total operating expenses	<u>2,271,798</u>	<u>2,070,814</u>	<u>698,237</u>	<u>5,040,849</u>	<u>201,413</u>
Operating income (loss)	<u>(647,259)</u>	<u>(165,817)</u>	<u>220,566</u>	<u>(592,510)</u>	
Nonoperating revenues (expenses)					
Interest revenue		561	56	617	
Interest expense	(103,908)	(5,950)	(6,398)	(116,256)	
Gain on sale of property and equipment					
Operating grant	11,385		100,000	111,385	
Total nonoperating revenues (expenses)	<u>(92,523)</u>	<u>(5,389)</u>	<u>93,658</u>	<u>(4,254)</u>	
Income (loss) before transfers	<u>(739,782)</u>	<u>(171,206)</u>	<u>314,224</u>	<u>(596,764)</u>	
Capital contributions			<u>2,155,778</u>	<u>2,155,778</u>	
Transfers					
Transfers in	287,268	108,000	556,571	951,839	
Transfers out	(10,000)			(10,000)	
Total transfers	<u>277,268</u>	<u>108,000</u>	<u>556,571</u>	<u>941,839</u>	
Change in net position	<u>(462,514)</u>	<u>(63,206)</u>	<u>3,026,573</u>	<u>2,500,853</u>	
Net position - beginning of year	<u>2,161,545</u>	<u>1,247,334</u>	<u>2,029,264</u>	<u>5,438,143</u>	<u>206,034</u>
Net position - ending	<u>\$ 1,699,031</u>	<u>\$ 1,184,128</u>	<u>\$ 5,055,837</u>	<u>\$ 7,938,996</u>	<u>\$ 206,034</u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2021**

	Marina Fund	Sanitation Fund	Stormwater Fund	Total Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,682,646	\$ 1,914,415	\$ 919,758	\$ 4,516,819	\$
Operating grants	12,593	35,509	100,000	148,102	
Cash paid to suppliers	(1,063,826)	(783,121)	(288,809)	(2,135,756)	(201,413)
Cash paid to employees	(372,616)	(546,785)	(135,513)	(1,054,914)	
Payments to other funds	(327,529)	(412,946)	(122,010)	(862,485)	
Payments from other funds			152,666	152,666	201,413
Net cash provided (used) by operating activities	<u>(68,732)</u>	<u>207,072</u>	<u>626,092</u>	<u>764,432</u>	
Cash flows from noncapital financing activities:					
Transfers in	287,268	108,000	556,571	951,839	
Transfers (out)	(10,000)			(10,000)	
Net cash provided (used) by noncapital financing activities	<u>277,268</u>	<u>108,000</u>	<u>556,571</u>	<u>941,839</u>	
Cash flows from capital and related financing activities:					
Capital contributions			795,678	795,678	
Acquisition and construction of capital assets	(77,268)		(2,627,266)	(2,704,534)	
Interest paid on debt	(114,858)	(16,205)	(6,948)	(138,011)	
Principal payments on debt	(233,302)	(190,924)	(48,559)	(472,785)	
Net cash provided (used) by capital and related financing activities	<u>(425,428)</u>	<u>(207,129)</u>	<u>(1,887,095)</u>	<u>(2,519,652)</u>	
Cash flows from investing activities:					
Interest on investments		561	56	617	
Net cash provided (used) by investing activities		<u>561</u>	<u>56</u>	<u>617</u>	
Net increase (decrease) in cash and cash equivalents	(216,892)	108,504	(704,376)	(812,764)	
Cash and cash equivalents at beginning of year	421,252	462,293	704,376	1,587,921	206,034
Cash and cash equivalents at end of year	<u>\$ 204,360</u>	<u>\$ 570,797</u>	<u>\$</u>	<u>\$ 775,157</u>	<u>\$ 206,034</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (647,259)	\$ (165,817)	\$ 220,566	\$ (592,510)	\$
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	520,049	152,290	159,014	831,353	
Operating grant	12,593	35,509	100,000	148,102	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	65,773	9,418	955	76,146	
(Increase) decrease in inventory	(17,009)			(17,009)	
(Increase) decrease in prepaid expenses		221		221	
Payments from(to) other funds		136,098	152,666	288,764	
Increase (decrease) in accounts payable	3,093	49,724	(2,018)	50,799	
Increase (decrease) in accrued liabilities	(4,816)	(14,139)	(3,319)	(22,274)	
Increase (decrease) in deposits	720			720	
Increase (decrease) in deferred revenue	(8,386)			(8,386)	
Increase (decrease) in compensated absences	6,032	2,971	(2,110)	6,893	
Increase (decrease) in other post-employment benefits	478	797	338	1,613	
Total adjustments	<u>578,527</u>	<u>372,889</u>	<u>405,526</u>	<u>1,356,942</u>	
Net cash provided (used) by operating activities	<u>\$ (68,732)</u>	<u>\$ 207,072</u>	<u>\$ 626,092</u>	<u>\$ 764,432</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, 2021**

Assets		
Cash and cash equivalents	\$	50,557
Investments:		
Equity exchange traded funds		864,662
Foreign equity exchange traded funds		108,332
Fixed income exchange traded funds		146,487
Real estate exchange traded funds		58,283
Global fixed income mutual funds		216,608
Prepaid retirement benefits		6,598
Total assets		<u>1,451,527</u>
Net position		
Held in trust for pension benefits	\$	<u>1,451,527</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, 2021**

Additions	
Contributions	
Employer	\$ 62,090
Investment income	
Net increase fair value of investments	255,242
Interest and dividends	27,970
Total investment income	<u>283,212</u>
Less investment expenses	<u>(739)</u>
Net investment income	<u>282,473</u>
Total additions	344,563
Deductions	
Retirement benefits	132,389
Administrative expenses	33,464
Total deductions	<u>165,853</u>
Change in net position	178,710
Net position held in trust for pension benefits	
Net position - beginning of year	1,272,817
Net position - end of year	<u><u>\$ 1,451,527</u></u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

*A. Reporting Entity*

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

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

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

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

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

Lake Park Community Redevelopment Agency (the “CRA”) is a dependent special district established by the Town of Lake Park, Florida, under authority granted by Florida Statute 163, Section III. The CRA is included in the Town’s financial reporting entity as a blended component unit reported as a governmental (special revenue) fund, the *Community Redevelopment Fund*. The CRA is a legally separate entity and the governing body of the CRA consists of the Town Commission plus two other members appointed by the Town Commission and the Town handles the management and administration of the CRA’s financial matters. Separate financial statements for the CRA are prepared.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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, 2021**

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

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

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

The Town reports the following major governmental funds:

*General Fund*

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

*CRA Fund*

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

*Public Improvement Fund*

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

*ARPA Grant Fund*

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

*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.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

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

Major proprietary funds: (Continued)

*Stormwater Utility Fund*

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

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

*Special Revenue Fund*

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

*Debt Service Fund*

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

*Capital Projects Fund*

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

*Internal Service Fund*

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

*Fiduciary Fund*

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

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

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.

*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.”

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

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

*Interfund Transactions* (Continued)

Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

*Inventories*

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

*Prepaid Items/Expenses*

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.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

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

*Capital Assets and Depreciation* (Continued)

Capital assets of the enterprise funds are capitalized in the fund. The valuation basis for enterprise fund capital assets is the same as those used for general capital assets. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings and infrastructure	20-50 years
Building improvements	7-50 years
Equipment and vehicles	5-15 years
Docks and channels	20 years

*Compensated Absences*

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

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. Benefits that were earned but not used during the current year were accrued at employees' pay rates in effect at September 30, 2021. 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, 2021**

**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, 2021**

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

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

*Net Position*

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

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

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

*Fund Equity*

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

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

*Fund Equity* (Continued)

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

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

*Use of Estimates*

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

*Statement of Cash Flows*

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

*A. Budgetary Data*

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

The procedures for establishing budgetary data are as follows:

- Prior to September 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 a resolution. Estimated beginning fund balances are considered in the budgetary process.
- Changes or amendments to the total budgeted expenditures of the Town must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
- All unencumbered balances lapse on September 30th.

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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 \$104,129 for the general fund, \$24,115 for the CRA fund and \$16,486 for the streets and road fund.

*B. Property Taxes*

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of State law. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for operating purposes. The tax rate for the Palm Beach County Fire/Rescue Municipal Service Taxing Unit (MSTU) is included in the 10 mills and was 3.4581.

The tax levy of the Town is established by the Town Commission prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the Town for the year ended September 30, 2021, was 5.3474 (\$5.3474 for each \$1,000 of assessed valuation).

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

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2021, 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, 2021**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits

As of September 30, 2021, the carrying amount of deposits (including fiduciary funds) was \$335,933 and the bank balances were \$1,248,484. The Town also had \$5,730 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, 2021**

**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, 2021, 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, 2021**

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

Investments (Continued)

As of September 30, 2021, the Town held the following investments:

	<b>Weighted Average Maturity</b>	<b>Fair Value</b>	<b>Fair Value Measurement Level 1</b>
<i><u>Fiduciary Fund</u></i>			
Global Fixed Income Mutual Funds	N/A	\$ 216,608	\$ 216,608
Equity ETF	N/A	864,662	864,662
Foreign Equity ETF	N/A	108,332	108,332
Fixed Income ETF	N/A	146,487	146,487
Real Estate ETF	N/A	58,283	58,283
		1,394,372	\$ 1,394,372

Investments Reported at Amortized Cost:

<i><u>Governmental and Proprietary Funds</u></i>		
Florida PRIME	37 Days	7,590,904
Total Investments		\$ 8,985,276

*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, 2021, 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, 2021, 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, 2021**

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

Investments (Continued)

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

The Town is authorized to invest its funds as follows:

1. Interest-bearing checking or savings accounts in qualified public depositories, as defined in Chapter 280, Florida Statutes;
2. Interest-bearing time deposits in qualified public depositories, as defined in Chapter 280, Florida Statutes;
3. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Chapter 163, Florida Statutes;
4. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
5. Direct obligations of the United States Treasury;

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Investments (Continued)

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

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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	\$ 335,933
Petty cash	5,730
Investments	8,985,276
Total deposits and investments	<u><u>\$ 9,326,939</u></u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$ 7,832,753
Business-type activities	
Cash and cash equivalents	49,257
Total statements of net position	<u><u>7,882,010</u></u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	50,557
Investments	1,394,372
Total fiduciary funds	<u><u>1,444,929</u></u>
Total deposits and investments	<u><u>\$ 9,326,939</u></u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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

The CRA has a program to give grants and low interest loans for business development and façade improvements. The loans bear interest at 2% and are payable monthly for terms of five to ten years. The grants are to be repaid if the business is sold within five years and one fifth of the grant is forgiven each year. Both the loans and grants are secured by a lien on the improvements and/or the property of the business. There are no loans outstanding at September 30, 2021.

In fiscal year 2018, the CRA awarded a \$400,000 grant to a business to relocate within the CRA. In the current fiscal year \$54,063 was paid leaving a remaining commitment of \$49,138. In fiscal year 2020, two grants totaling \$57,800 were awarded and paid. In the current fiscal year two grants totaling \$30,000 were awarded with \$27,000 being paid and a balance of \$3,000.

**NOTE 5 – ACCOUNTS RECEIVABLES**

Receivables at September 30, 2021, were as follows:

	<u>General Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Fund</u>
Accounts receivable	\$ 49,270	\$ 95,087	\$ 4,730
Accrued receivables	<u>249,501</u>		
Total receivables	<u>298,771</u>	<u>95,087</u>	<u>4,730</u>
Less: allowance for uncollectible accounts	<u>(1,192)</u>	<u>(9,288)</u>	
Accounts receivable, net	<u><u>\$ 297,579</u></u>	<u><u>\$ 85,799</u></u>	<u><u>\$ 4,730</u></u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 6 – CAPITAL ASSETS**

Capital Assets activity for the year ended September 30, 2021, 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	\$ 75,855	\$	\$ 2,767,746
Construction in progress	98,610	707,146	(98,610)	707,146
Capital assets being depreciated:				
Buildings	7,972,225	157,037		8,129,262
Improvements	6,430,216	204,520		6,634,736
Machinery and equipment	<u>3,846,718</u>	<u>186,159</u>		<u>4,032,877</u>
Total at historical cost:	21,039,660	1,330,717	(98,610)	22,271,767
Less accumulated depreciation for:				
Buildings	(5,883,897)	(191,513)		(6,075,410)
Improvements	(4,504,862)	(218,711)		(4,723,573)
Machinery and equipment	<u>(1,857,797)</u>	<u>(179,802)</u>		<u>(2,037,599)</u>
Total accumulated depreciation	<u>(12,246,556)</u>	<u>(590,026)</u>		<u>(12,836,582)</u>
Governmental activities capital assets, net	<u>\$ 8,793,104</u>	<u>\$ 740,691</u>	<u>\$ (98,610)</u>	<u>\$ 9,435,185</u>

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

<b>Governmental activities:</b>	
General government	\$ 332,815
Physical environment	1,114
Public Safety	564
Transportation	184,138
Culture and recreation	<u>71,395</u>
<b>Total depreciation expense governmental activities</b>	<u><u>\$ 590,026</u></u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

The capital asset activity of business-type activities for the year ended September 30, 2021, 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	698,121	2,772,005		3,470,126
Capital assets being depreciated:				
Improvements	11,744,910	391,490		12,136,400
Machinery and equipment	3,546,874			3,546,874
Total at historical cost:	<u>18,482,237</u>	<u>3,163,495</u>		<u>21,645,732</u>
Less accumulated depreciation for:				
Improvements	(7,548,918)	(606,037)		(8,154,955)
Machinery and equipment	(2,144,580)	(225,316)		(2,369,896)
Total accumulated depreciation	<u>(9,693,498)</u>	<u>(831,353)</u>		<u>(10,524,851)</u>
Business-type activities capital assets, net	<u>\$ 8,788,739</u>	<u>\$ 2,332,142</u>	<u>\$</u>	<u>\$ 11,120,881</u>

**NOTE 7 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Amount due within one year
<u>Governmental activities:</u>					
Direct borrowings and direct placements					
Bonds and loans payable	\$ 1,837,961	\$	\$ (310,194)	\$ 1,527,767	\$ 322,814
Capital lease	1,431,057		(54,045)	1,377,012	56,999
Net pension liability (1)	226,395		(171,114)	55,281	
OPEB (see note 12)	88,571	3,950		92,521	
Compensated absences Payable	267,563	259,486	(273,979)	253,070	50,614
Claims and settlements					
Total	<u>\$3,851,547</u>	<u>\$ 263,436</u>	<u>\$ (809,332)</u>	<u>\$3,305,651</u>	<u>\$ 430,427</u>

(1) See note 11.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Amount due within one year
<u>Business-type activities:</u>					
Direct borrowings and direct placements					
Bonds and Loans payable	\$ 776,077	\$	\$ (234,226)	\$ 541,851	\$ 101,563
Capital lease	204,365		(48,559)	155,806	50,209
Revenue bonds	2,955,000		(190,000)	2,765,000	200,000
OPEB (see note 12)	35,060	1,613		36,673	
Compensated absences payable	54,019	66,096	(59,204)	60,911	12,182
Total	<u>\$ 4,024,521</u>	<u>\$ 67,709</u>	<u>\$ (531,989)</u>	3,560,241	<u>\$ 363,954</u>
Unamortized premium				80,208	
				<u>\$ 3,640,449</u>	

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

Pledged Revenues

The Revenues Bonds Series 2016 and the Promissory Notes Series 2008A, 2008B and 2009 are all secured by the non-ad valorem revenues of the Town. The pledged revenues for the fiscal year ended September 30, 2021 were \$10,407,800 and the related debt service was \$722,229. Total principal and interest to maturity to be paid from pledged revenues is \$5,517,887.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Capital Lease

The Town entered into a lease agreement for financing the installation and renewal of facility infrastructure with a purchase price of \$1,494,679 on March 28, 2019. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. There are 18 annual payments required beginning January 1, 2020 with the final payment on January 1, 2037. At September 30, 2021, the net book value of the equipment was \$1,381,271.

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

The future minimum lease obligations as of September 30, 2021, are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2022	\$ 56,999	\$ 50,261	\$ 107,260
2023	60,094	48,180	108,274
2024	63,331	45,987	109,318
2025	66,715	43,675	110,390
2026	70,258	41,240	111,498
2027-2031	410,353	164,937	575,290
2032-2036	524,323	81,947	606,270
2037	124,939	4,562	129,501
Total	<u>\$ 1,377,012</u>	<u>\$ 480,789</u>	<u>\$ 1,857,801</u>

Revenue Bonds, Series 2016

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Revenue Bonds, Series 2016 (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2021, 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>
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>\$ 2,765,000</u>	<u>\$ 618,599</u>	<u>\$ 3,383,599</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, 2021**

**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	\$ 1,243,167
Business-type activities	<u>238,523</u>
	<u>\$ 1,481,690</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>
2022	\$ 232,634	\$ 41,355	\$ 273,989
2023	241,172	32,661	273,833
2024	142,985	25,612	168,597
2025	148,233	20,268	168,501
2026	153,673	14,728	168,401
2027-2028	324,470	12,017	336,487
Total	<u>\$ 1,243,167</u>	<u>\$ 146,641</u>	<u>\$ 1,389,808</u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2022	\$ 30,503	\$ 8,194	\$ 38,697
2023	31,623	7,054	38,677
2024	32,783	5,872	38,655
2025	33,986	4,647	38,633
2026	35,234	3,377	38,611
2027-2028	74,394	2,755	77,149
Total	<u>\$ 238,523</u>	<u>\$ 31,899</u>	<u>\$ 270,422</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Amount</u>
2022	\$ 14,820	\$ 8,135	\$ 22,955
2023	15,825	7,096	22,921
2024	16,898	5,987	22,885
2025	18,044	4,802	22,846
2026	19,267	3,538	22,805
2027-2028	42,544	2,932	45,476
Total	<u>\$ 127,398</u>	<u>\$ 32,490</u>	<u>\$ 159,888</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>\$ 284,600</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Promissory Note, Series 2009 (Continued)

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>
2022	\$ 90,180	\$ 14,543	\$ 104,723
2023	94,789	9,935	104,724
2024	99,631	5,092	104,723
Total	<u>\$ 284,600</u>	<u>\$ 29,570</u>	<u>\$ 314,170</u>

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

Capital Lease

The Town entered into a lease agreement for financing the purchase of street sweeper with a price of \$259,871. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. There are five annual payments required beginning June 1, 2020 with the final payment on June 1, 2024. At September 30, 2021, the net book value of the equipment was \$207,897.

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

The future minimum lease obligations as of September 30, 2021, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2022	\$ 50,209	\$ 5,297	\$ 55,506
2023	51,916	3,590	55,506
2024	53,681	1,825	55,506
Total	<u>\$ 155,806</u>	<u>\$ 10,712</u>	<u>\$ 166,518</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Government Obligation Notes, Series 2019

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

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

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2022	\$ 56,240	\$ 7,414	\$ 63,654
2023	58,610	5,044	63,654
2024	61,080	2,574	63,654
Total	<u>\$ 175,930</u>	<u>\$ 15,032</u>	<u>\$ 190,962</u>

Annual Maturities

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

Year Ending September 30	Principal	Interest	Total Amount
2022	\$ 731,585	\$ 221,161	\$ 952,746
2023	754,029	191,523	945,552
2024	680,389	166,912	847,301
2025	481,978	143,154	625,132
2026	498,431	127,808	626,239
2027-2031	2,036,762	404,514	2,441,276
2032-2036	1,059,323	106,097	1,165,420
2037	124,939	4,562	129,501
Total	<u>\$ 6,367,436</u>	<u>\$ 1,365,731</u>	<u>\$ 7,733,167</u>

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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	
2022	\$ 104,682
2023	81,808
2024	12,175
Total	<u>\$ 198,665</u>

Payments were \$120,395 for the fiscal year ending September 30, 2021.

**NOTE 9 – DEFERRED COMPENSATION PLAN ASSETS**

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

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

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

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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, 2021, the Town had pension expense of \$301,124, and there were forfeitures of \$7,250. The Town had \$20,730 of contributions payable at September 30, 2021.

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

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

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

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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

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

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

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

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

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

The Town is required to contribute actuarially determined amounts sufficient to fund the plan. At October 1, 2020, the date of the latest actuarial valuation, the RPOPF included three service retirees, two disability retirees and one survivor receiving death benefits.

Asset Allocation. The plan’s adopted asset allocation policy as of September 30, 2021, is as follows:

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

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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

Rate of Return. For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 23.31 percent adjusted for the changing amounts actually invested.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to the September 30, 2021, measurement period.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan’s target asset allocation as of September 30, 2021, are summarized in the following table:

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

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, 2021**

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

The components of the net pension liability of the Town at September 30, 2021, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020	\$ 1,499,212	\$ 1,272,817	\$ 226,395
Changes due to:			
Interest	107,476		107,476
Differences between expected and actual experience	32,509		32,509
Change of assumptions			
Employer contributions		62,090	(62,090)
Benefit payments and refunds	(132,389)	(132,389)	
Net investment income		282,473	(282,473)
Administrative expenses		(33,464)	33,464
Total changes	<u>7,596</u>	<u>178,710</u>	<u>(171,114)</u>
Balances at September 30, 2021	<u>\$ 1,506,808</u>	<u>\$ 1,451,527</u>	<u>\$ 55,281</u>

The Plan fiduciary net position was 96.33% of the total pension liability as of September 30, 2021.

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>\$ 134,206</u>	<u>\$ 55,281</u>	<u>\$ (13,759)</u>

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

Pension expense and deferred outflows and inflows of resources. For the fiscal year ended September 30, 2021, the Town recognized pension expense of \$45,523. 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	\$ 127,591
Total	\$ 127,591

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

Year ended September 30:	Amount
2022	\$ (29,354)
2023	(26,436)
2024	(33,620)
2025	(38,181)
2026	
Thereafter	\$ (127,591)

At September 30, 2021, the Town did not have any payables to the plan for outstanding contributions.

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description*

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

*Contributions*

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

*Plan Membership*

The following table provides a summary of the participants in the plan as of October 1, 2019, the latest valuation date:

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

*Discount Rate*

The Town does not have a dedicated trust to pay retiree healthcare benefits. For plans that do not have assets held in a dedicated trust, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. As of the measurement date of September 30, 2021, the rate was 2.43% 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 2.14 %.

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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, 2021, the Town reported a total OPEB liability of \$129,194. For the fiscal year ended September 30, 2021, the Town recognized OPEB expense of \$14,820. As of September 30, 2021, the Town did not report any deferred outflows of resources or deferred in flows of resources related to OPEB.

*Actuarial Methods and Assumptions*

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

Significant methods and assumptions were as follows:

Valuation date	October 1, 2019
Measurement date	September 30, 2021
Actuarial cost method	Entry Age Cost Method
Inflation	2.50%
Discount rate	2.43%
Retirement rates	100% at age 60
Mortality tables	PubG-2010 Mortality Table projected to the valuation date using MP-2019
Healthcare cost trend rates	Initially 7.50% trending to 4.00% in 55 years
Marital status	80% married with male spouses 3 years older than female spouses
Healthcare participation	20% participation with 40% electing spouse coverage

*Changes in Assumptions*

The discount rate was changed from 2.14% as of the beginning of the measurement period to 2.43% as of September 30, 2021. 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, 2021**

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

*Total OPEB Liability*

The components of the total OPEB liability as of September 30, 2021, were as follows:

	Total OPEB Liability
Balance at September 30, 2020	\$ 123,631
Changes for the Year:	
Service Cost	13,501
Interest Cost	2,854
Changes of Assumptions and Other Inputs	(3,185)
Differences Between Expected and Actual Experience	
Benefit Payments	(7,607)
Net Change in Total OPEB Liability	5,563
Balance at September 30, 2021	\$ 129,194

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

The following table presents the total OPEB liability of the Town calculated using the single discount rate of 2.43% as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate.

	1.0% Decrease (1.43%)	Discount Rate (2.43%)	1.0% Increase (3.43%)
Total OPEB Liability	\$ 140,750	\$ 129,194	\$ 119,117

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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

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

The following table presents the total OPEB liability of the Town calculated using the assumed trend rates (7.50% decreasing to 4.00%) as well as what the Town’s total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the assumed trend rates.

	1.0% Decrease (6.5% decreasing to 3%)	Healthcare cost Trend Rates (7.5% decreasing to 4%)	1.0% Increase (8.5% decreasing to 5%)
Total OPEB Liability	\$ 116,312	\$ 129,194	\$ 144,340

**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 \$83,346 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, 2021**

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

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

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

Grants

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

Litigation

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

**NOTE 15 - RELATED PARTY TRANSACTIONS –**

The General Fund provides the other funds with various management services. Administrative costs totaling \$429,337 for the CRA Fund; \$121,607 for the Streets and Roads Fund; \$327,529 for the Marina Fund; \$549,044 for the Sanitation Fund; and \$122,010 for the Stormwater Utility Fund were charged for 2021.

**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, 2021**

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

The composition of interfund balances at September 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to/from</u>	<u>Advance</u>	<u>Total</u>
General Fund	Marina Fund	\$	\$ 850,000	850,000
CRA Fund	General Fund	121,332		121,332
General Fund	Sanitation Fund	136,098		136,098
Special Projects Fund	Stormwater Fund	169,330		169,330

All other payables and receivables were for cash flow purposes.

Interfund transfers during the year ended September 30, 2021, are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 185,371	
CRA Fund		185,371
CRA Fund	878,598	
General Fund		878,598
General Fund	10,000	
Marina Fund		10,000
Sanitation Fund	108,000	
General Fund		108,000
Stormwater Fund	556,571	
Special Projects Fund		556,571
Marina Fund	287,268	
Public Improvement Fund		287,268

The transfer of \$168,866 from the CRA Fund to the General Fund was for principal and interest payments that the CRA Fund agreed to reimburse the General Fund if the CRA Fund has sufficient available resources.

The transfer of \$878,598 from the General Fund to the CRA Fund was for the 2021 incremental tax obligation.

The transfer of \$10,000 from the Marina Fund to the General Fund was for the Marina's share of the Johnson Controls upgrade.

The transfer of \$108,000 from the General Fund to the Sanitation Fund was to reimburse for shared costs.

The transfer of \$556,571 from the Special Projects Fund to the Stormwater Fund was improvement projects funded with Infrastructure Surtax proceeds.

The transfer of \$287,268 from the Public Improvement Fund to the Marina Fund for projects funded with Public Improvement monies.

**TOWN OF LAKE PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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, 2021, 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 seventeenth addendum to the contract extended the term of service from October 1, 2021, thru September 30, 2022, and the Town will pay \$3,108,000 in equal monthly installments.

**NOTE 18 – COMMITMENTS**

The Town had the following commitments outstanding on September 30, 2021:

- Guaranteeing a \$1,850,000 Promissory Note for 754 Park Avenue, LLC with Flagler Bank. The guarantee expires on December 31, 2022.
- Lakeshore Drive drainage improvements \$2,508,825

**NOTE 19 – SUBSEQUENT EVENTS**

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

- \$211,000 for Commission Chamber equipment upgrades.
- \$110,000 for repair of streets and sidewalks

The Town also received a \$11,067,635 grant from the Florida Department of Economic Opportunity’s Rebuild Florida General Infrastructure Program for the bioswale project.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**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 these statements in the Town’s financial statements.

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

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

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

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will improve financial reporting by addressing issues related to public-private and public-public arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. This Statement is effective for the fiscal year ending September 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending September 30, 2023.

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 20– NEW ACCOUNTING STANDARDS** (Continued)

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. This Statement is effective for the fiscal year ending September 30, 2022.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective for fiscal years ending September 30, 2022, and all reporting periods thereafter..
- The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for fiscal years ending September 30, 2023, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years ending September 30, 2024, and all reporting periods thereafter.

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

**TOWN OF LAKE PARK, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**NOTE 20– NEW ACCOUNTING STANDARDS** (Continued)

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

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, 2021**

**Last Ten Fiscal Years**

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

**Change of Assumptions**

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

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

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 125,696	\$ 110,375	\$ 107,476
(197,588)	8,549 (25,188)	32,509
<u>(132,388)</u>	<u>(132,388)</u>	<u>(132,389)</u>
(204,280)	(38,652)	7,596
<u>1,742,144</u>	<u>1,537,864</u>	<u>1,499,212</u>
<u>\$ 1,537,864</u>	<u>\$ 1,499,212</u>	<u>\$ 1,506,808</u>
\$ 44,708	\$ 36,525	\$ 62,090
64,072	72,360	282,473
(132,388)	(132,388)	(132,389)
<u>(32,329)</u>	<u>(40,950)</u>	<u>(33,464)</u>
(55,937)	(64,453)	178,710
<u>1,393,207</u>	<u>1,337,270</u>	<u>1,272,817</u>
<u>\$ 1,337,270</u>	<u>\$ 1,272,817</u>	<u>\$ 1,451,527</u>
<u>\$ 200,594</u>	<u>\$ 226,395</u>	<u>\$ 55,281</u>
<u>86.96%</u>	<u>84.90%</u>	<u>96.33%</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Required Supplemental Information**  
**Retired Police Officers' Retirement Fund**  
**September 30, 2021**

**Last Ten Fiscal Years**

**Schedule of Contributions**

Fiscal Year Ending September 30	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)
2014	\$ 52,328	\$ 52,328	\$
2015	39,097	39,097	
2016	75,932	75,932	
2017	80,380	80,380	
2118	71,508	71,508	
2019	44,708	44,708	
2020	36,525	36,525	
2021	62,090	62,090	

**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%
2019	4.78%
2020	5.72%
2021	23.31%

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, 2021**

**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	10/01/2020
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, 2021**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability - beginning	\$ 119,471	\$ 120,655	\$ 132,825	\$ 123,631
Changes for the year:				
Service cost	9,362	9,008	14,531	13,501
Interest	4,555	5,252	5,086	2,854
Differences Between Expected and Actual Experience			(450)	
Changes of assumptions	(5,275)	6,021	(18,599)	(3,185)
Benefit payments	(7,458)	(8,111)	(9,762)	(7,607)
Net change in total OPEB liability	<u>1,184</u>	<u>12,170</u>	<u>(9,194)</u>	<u>5,563</u>
Total OPEB liability - ending	<u>\$ 120,655</u>	<u>\$ 132,825</u>	<u>\$ 123,631</u>	<u>\$ 129,194</u>
Covered Employee Payroll	<u>\$ 2,388,729</u>	<u>\$ 2,448,447</u>	<u>\$ 2,999,824</u>	<u>\$ 3,074,819</u>
Total OPEB Liability as a percentage of Covered Employee Payroll	<u>5.05%</u>	<u>5.42%</u>	<u>4.12%</u>	<u>4.20%</u>
<u>Change in Assumptions</u>				
Discount rate	4.18%	3.58%	2.14%	2.43%

The discount rate was 3.64% as of September 30, 2017.

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

GENERAL FUND

**TOWN OF LAKE PARK, FLORIDA**  
**Budgetary Comparison Schedule -**  
**General Fund**  
**For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 3,957,407	\$ 4,027,407	\$ 4,012,875	\$ (14,532)
Franchise taxes				
Electricity	503,000	503,000	585,603	82,603
Gas	10,000	10,000	10,525	525
Solid Waste	42,000	42,000	38,945	(3,055)
Utility taxes				
Electricity	804,000	804,000	810,164	6,164
Water	190,000	190,000	187,373	(2,627)
Gas	47,000	47,000	44,837	(2,163)
Total taxes	<u>5,553,407</u>	<u>5,623,407</u>	<u>5,690,322</u>	<u>66,915</u>
Licenses and permits				
Building permits	215,100	589,654	632,238	42,584
Alarm permits	15,000	15,000	13,750	(1,250)
Signage permits	8,000	8,000	5,200	(2,800)
Business tax receipts	310,000	325,000	326,178	1,178
Business tax confirmation	35,000	20,000	19,322	(678)
Rental property inspections		4,400	7,535	3,135
Reinspection fees	2,100	2,100	2,405	305
Cost recovery	32,000	57,000	79,322	22,322
Special event fees	1,500	1,500	1,550	50
Contractors fees			2,250	2,250
Total licenses and permits	<u>618,700</u>	<u>1,022,654</u>	<u>1,089,750</u>	<u>67,096</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	680,000	720,000	778,606	58,606
Local communication services taxes	260,000	260,000	262,334	2,334
State revenue sharing	230,000	280,000	280,382	382
Alcoholic beverage licenses	9,000	9,000	9,322	322
Motor fuel tax refund	5,500	5,500	4,442	(1,058)
County shared revenues				
County business tax	20,000	20,000	21,022	1,022
Grant revenues				
FEMA grant		70,000	73,277	3,277
ARPA grant		4,800		(4,800)
COVID grants		238,693	210,971	(27,722)
Community development block grant	5,373	5,373		(5,373)
State grant technology		68,485	68,485	
State aid to libraries	11,125	8,325	8,313	(12)
Total intergovernmental revenues	<u>\$ 1,220,998</u>	<u>\$ 1,690,176</u>	<u>\$ 1,717,154</u>	<u>\$ 26,978</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Revenues (Continued)				
Charges for services				
Indirect cost allocations				
CRA	\$ 429,337	\$ 429,337	\$ 429,337	\$
Streets and Roads	121,607	121,607	121,607	
Marina	327,529	327,529	327,529	
Sanitation	549,044	549,044	549,044	
Stormwater utility	122,010	122,010	122,010	
Plan review fees	20,000	20,000	24,600	4,600
Bank registration fees	450	450	450	
Parks and recreation	36,800	36,800	13,436	(23,364)
Other charges for services	25,000	30,000	34,542	4,542
Total charges for services	<u>1,631,777</u>	<u>1,636,777</u>	<u>1,622,555</u>	<u>(14,222)</u>
Fines and forfeitures				
Court fines	32,000	32,000	21,012	(10,988)
Code violations	175,000	125,000	124,456	(544)
Code violations - administrative cost	14,000	14,000	42,267	28,267
Alarm violations	6,000	6,000	5,250	(750)
Library fines	1,000	1,000	171	(829)
Total fines and forfeitures	<u>228,000</u>	<u>178,000</u>	<u>193,156</u>	<u>15,156</u>
Miscellaneous revenue				
Interest earnings	90,000	15,000	9,321	(5,679)
Interest earnings - tax collector	1,000	1,000	239	(761)
Rent	51,096	51,096	66,569	15,473
Sale of surplus property	1,500	1,500		(1,500)
Sale of scrap material	100	100	2,244	2,144
Fuel reimbursement from Sheriff	7,000	7,000	886	(6,114)
Miscellaneous revenues	40,100	26,569	13,633	(12,936)
Total miscellaneous revenues	<u>190,796</u>	<u>102,265</u>	<u>92,892</u>	<u>(9,373)</u>
Total revenues	<u>\$ 9,443,678</u>	<u>\$ 10,253,279</u>	<u>\$ 10,405,829</u>	<u>\$ 152,550</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,309	\$ 77,064	\$ 78,040	\$ (976)
Operating expenditures	73,803	62,463	60,696	1,767
Total legislative	<u>125,112</u>	<u>139,527</u>	<u>138,736</u>	<u>791</u>
Town manager				
Personal services	371,012	371,012	390,845	(19,833)
Operating expenditures	88,502	220,351	195,530	24,821
Total town manager	<u>459,514</u>	<u>591,363</u>	<u>586,375</u>	<u>4,988</u>
Personnel				
Personal services	201,357	238,851	238,233	618
Operating expenditures	53,441	50,508	49,305	1,203
Total personnel	<u>254,798</u>	<u>289,359</u>	<u>287,538</u>	<u>1,821</u>
Town clerk				
Personal services	186,143	186,143	190,483	(4,340)
Operating expenditures	35,960	126,727	122,383	4,344
Total town clerk	<u>222,103</u>	<u>312,870</u>	<u>312,866</u>	<u>4</u>
Finance				
Personal services	472,898	463,498	459,468	4,030
Operating expenditures	91,043	115,043	118,573	(3,530)
Total finance	<u>563,941</u>	<u>578,541</u>	<u>578,041</u>	<u>500</u>
Legal				
Operating expenditures	161,000	203,000	174,111	28,889
Total legal	<u>161,000</u>	<u>203,000</u>	<u>174,111</u>	<u>28,889</u>
Information technology				
Personal services	121,501	135,310	143,592	(8,282)
Operating expenditures	98,688	100,569	92,171	8,398
Total information technology	<u>220,189</u>	<u>235,879</u>	<u>235,763</u>	<u>116</u>
Non-departmental				
Personal services	120,879	88,279	62,090	26,189
Operating expenditures	83,374	229,631	233,981	(4,350)
Debt service	485,144	485,144	485,141	3
Total non-departmental	<u>689,397</u>	<u>803,054</u>	<u>781,212</u>	<u>21,842</u>
Total general government	<u>2,696,054</u>	<u>3,153,593</u>	<u>3,094,642</u>	<u>58,951</u>
Public Safety				
Law enforcement				
Operating expenditures	3,122,501	3,138,201	3,138,193	8

(Continued)

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK, FLORIDA**  
**Budgetary Comparison Schedule -**  
**General Fund**  
**For the Year Ended September 30, 2021**

	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	\$ 225	\$ 775
Total disaster	<u>1,000</u>	<u>1,000</u>	<u>225</u>	<u>775</u>
Community development				
Personal services	588,877	539,076	537,432	1,644
Operating expenditures	117,183	533,883	535,528	(1,645)
Total community development	<u>706,060</u>	<u>1,072,959</u>	<u>1,072,960</u>	<u>(1)</u>
Total public safety	<u>3,829,561</u>	<u>4,212,160</u>	<u>4,211,378</u>	<u>782</u>
Physical environment				
Public works- administration				
Personal services	351,251	282,430	285,272	(2,842)
Operating expenditures	14,797	20,197	17,232	2,965
Total Public works- administration	<u>366,048</u>	<u>302,627</u>	<u>302,504</u>	<u>123</u>
Vehicle maintenance				
Personal services	171,912	179,912	181,331	(1,419)
Operating expenditures	96,785	91,985	90,566	1,419
Total vehicle maintenance	<u>268,697</u>	<u>271,897</u>	<u>271,897</u>	<u>-</u>
Total physical environment	<u>634,745</u>	<u>574,524</u>	<u>574,401</u>	<u>123</u>
Transportation				
Facility maintenance				
Personal services	146,053	146,053	147,070	(1,017)
Operating expenditures	211,060	196,560	195,351	1,209
Capital outlay		124,400	124,400	-
Total facility maintenance	<u>357,113</u>	<u>467,013</u>	<u>466,821</u>	<u>192</u>
Total transportation	<u>357,113</u>	<u>467,013</u>	<u>466,821</u>	<u>192</u>
Culture and recreation				
Library				
Personal services	248,648	248,648	256,896	(8,248)
Operating expenditures	79,743	105,385	90,182	15,203
Capital outlay		47,643	47,643	
Total library	<u>328,391</u>	<u>401,676</u>	<u>394,721</u>	<u>6,955</u>
Recreation				
Personal services	236,936	184,817	185,098	(281)
Operating expenditures	99,810	80,810	79,969	841
Total recreation	<u>336,746</u>	<u>265,627</u>	<u>265,067</u>	<u>560</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, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Public works - ground maintenance				
Personal services	\$ 345,104	\$ 322,814	\$ 321,939	\$ 875
Operating expenditures	77,530	57,839	57,247	592
Total public works - ground maintenance	422,634	380,653	379,186	1,467
Total culture and recreation	1,087,771	1,047,956	1,038,974	8,982
Total expenditures	8,605,244	9,455,246	9,386,216	69,030
Excess (deficiency) of revenues over (under) expenditures	838,434	798,033	1,019,613	221,580
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads				
Transfer from CRA	260,186	260,186	185,371	(74,815)
Transfer from Marina		10,000	10,000	
Total transfers in	260,186	270,186	195,371	(74,815)
Transfers out				
Transfer out Sanitations	(108,000)	(108,000)	(108,000)	
Transfer out CRA	(878,598)	(878,598)	(878,598)	
Total transfers out	(986,598)	(986,598)	(986,598)	
Contingency, reserves and unappropriated	(112,022)	(81,621)		81,621
Total other financing sources (uses)	(838,434)	(798,033)	(791,227)	6,806
Net change in fund balance	\$	\$	\$ 228,386	\$ 228,386

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, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
Revenues				
Intergovernmental	\$ 473,069	\$ 473,069	\$ 476,859	\$ 3,790
Transfer from General Fund	871,192	871,192	878,598	7,406
Total revenues	<u>1,344,261</u>	<u>1,344,261</u>	<u>1,355,457</u>	<u>11,196</u>
Expenditures				
Economic environment	761,694	768,406	750,620	17,786
Capital outlay			232,891	(232,891)
Grants and aids	322,381	315,669	81,063	234,606
Transfers	260,186	260,186	185,371	74,815
Total expenditures	<u>1,344,261</u>	<u>1,344,261</u>	<u>1,249,945</u>	<u>94,316</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 105,512</u>	<u>\$ 105,512</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2021**

**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, 2021**

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

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

**NOTE B – EXPENDITURES OVER APPROPRIATIONS**

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

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Special Revenue Funds  
*Streets and Roads Fund*

Capital Projects Funds  
*Capital Projects Fund*

**TOWN OF LAKE PARK, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2021**

	<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	\$ 170,101	\$ 154,320	\$ 16,593	\$ 341,014
Due from other governments		27,207		27,207
Due from other funds				
Total assets	<u>\$ 170,101</u>	<u>\$ 181,527</u>	<u>\$ 16,593</u>	<u>\$ 368,221</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$	\$ 32,866	\$	\$ 32,866
Accrued items		2,073		2,073
Deferred revenue		11,209		11,209
Total liabilities		<u>46,148</u>		<u>46,148</u>
<b>Fund balances</b>				
Restricted for:				
Debt service	170,101			170,101
Transportation		470,040		470,040
Capital projects			16,593	16,593
Unassigned		(334,661)		(334,661)
Total fund balances	<u>170,101</u>	<u>135,379</u>	<u>16,593</u>	<u>322,073</u>
Total liabilities and fund balances	<u>\$ 170,101</u>	<u>\$ 181,527</u>	<u>\$ 16,593</u>	<u>\$ 368,221</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<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	\$	\$	\$	\$
Intergovernmental		351,509		351,509
Total revenues		<u>351,509</u>		<u>351,509</u>
Expenditures				
Current				
Transportation		434,018		434,018
Capital outlay		34,777		34,777
Total expenditures		<u>468,795</u>		<u>468,795</u>
Net changes in fund balances		(117,286)		(117,286)
Fund balances - beginning	170,101	252,665	16,593	439,359
Fund balances - ending	<u>\$ 170,101</u>	<u>\$ 135,379</u>	<u>\$ 16,593</u>	<u>\$ 322,073</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Budgetary Comparison Schedule -**  
**Streets and Roads Fund**  
**For the Year Ended September 30, 2021**

	<u>Budgeted</u> <u>Amounts</u>		<u>Actual</u> <u>Amounts</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
Revenues				
Intergovernmental	\$ 418,041	\$ 418,041	\$ 351,509	\$ (66,532)
Balance brought forward				
Transfer from General fund				
Transfer from Insurance fund				
Transfer from Stormwater				
Total revenues	<u>418,041</u>	<u>418,041</u>	<u>351,509</u>	<u>(66,532)</u>
Expenditures				
Transportation	440,879	447,755	434,018	13,737
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>34,777</u>	<u>5,223</u>
Total expenditures	<u>480,879</u>	<u>487,755</u>	<u>468,795</u>	<u>18,960</u>
Balance brought forward	<u>62,838</u>	<u>69,714</u>		<u>(69,714)</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (117,286)</u>	<u>\$ (117,286)</u>

**PROPRIETARY FUNDS**

**Internal Service Fund**  
*Insurance Fund*

**TOWN OF LAKE PARK, FLORIDA**  
**Budgetary Comparison Schedule -**  
**Insurance Fund**  
**For the Year Ended September 30, 2021**

	<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				
Contributed revenue	\$ 216,001	\$ 216,001	\$ 201,413	\$ (14,588)
Balance brought forward	16,783	16,783		(16,783)
Total revenues	<u>232,784</u>	<u>232,784</u>	<u>201,413</u>	<u>(31,371)</u>
Expenditures				
Personal services	35,262	35,262	40,288	(5,026)
Operating expenses	197,522	197,522	161,125	36,397
Total expenditures	<u>232,784</u>	<u>232,784</u>	<u>201,413</u>	<u>31,371</u>
Operating income (loss)				
Net change in net position - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

## STATISTICAL SECTION

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

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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**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting) Unaudited**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
Governmental activities:					
General government	\$ 1,938,137	\$ 1,543,348	\$ 1,608,593	\$ 1,622,346	\$ 2,119,258
Public safety	4,726,961	4,578,728	4,749,126	4,927,037	3,460,558
Physical environment	286,687	289,172	268,706	279,885	313,900
Transportation	619,207	565,936	564,501	589,970	566,643
Culture and recreation	846,998	919,506	815,290	842,876	859,896
Economic environment	3,458	1,921	39,905	1,429	3,925
Interest on long-term debt	354,828	316,601	276,467	233,655	191,384
<b>Total governmental activities expenses</b>	<u>8,776,276</u>	<u>8,215,212</u>	<u>8,322,588</u>	<u>8,497,198</u>	<u>7,515,564</u>
Business-type activities:					
Marina	1,632,308	1,591,055	1,600,962	1,728,929	1,664,332
Sanitation	1,396,191	1,396,551	1,152,304	1,163,127	1,205,728
Stormwater	384,366	414,106	402,905	335,711	392,237
<b>Total business-type activities expenses</b>	<u>3,412,865</u>	<u>3,401,712</u>	<u>3,156,171</u>	<u>3,227,767</u>	<u>3,262,297</u>
<b>Total primary government expenses</b>	<u>\$ 12,189,141</u>	<u>\$ 11,616,924</u>	<u>\$ 11,478,759</u>	<u>\$ 11,724,965</u>	<u>\$ 10,777,861</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 70,516	\$ 79,381	\$ 82,406	\$ 89,112	\$ 111,930
Public safety	795,284	754,094	778,395	762,073	873,864
Physical environment					
Transportation	35,608	29,015	31,056	27,680	290
Culture and recreation	57,038	69,116	46,549	52,827	16,995
Operating contributions and grants:					
General government	3,259				
Public safety					
Physical environment		5,000	3,517	2,470	4,951
Transportation					
Culture and recreation	20,165	11,371	9,024	9,230	7,116
Capital contributions and grants:					
General government					
Public safety					
Physical environment					
Transportation	17,910	18,141	18,642	19,245	19,822
Culture and recreation	117,533	36,580	45,416	9,065	56,726
<b>Total governmental activities program revenues</b>	<u>1,117,313</u>	<u>1,002,698</u>	<u>1,015,005</u>	<u>971,702</u>	<u>1,091,694</u>
Business-type activities:					
Charges for services:					
Marina	890,305	801,716	1,105,139	1,357,287	1,340,328
Sanitation	1,468,553	1,459,636	1,445,086	1,672,392	1,707,491
Stormwater	503,251	505,271	489,396	487,537	487,878
Operating contributions and grants					
Marina					
Sanitation					
Stormwater					
Capital contributions and grants					
Marina					
Stormwater					
<b>Total business-type activities program revenues</b>	<u>2,862,109</u>	<u>2,766,623</u>	<u>3,039,621</u>	<u>3,517,216</u>	<u>3,535,697</u>
<b>Total primary government program revenues</b>	<u>\$ 3,979,422</u>	<u>\$ 3,769,321</u>	<u>\$ 4,054,626</u>	<u>\$ 4,488,918</u>	<u>\$ 4,627,391</u>

Fiscal Year				
2017	2018	2019	2020	2021
\$ 2,379,266	\$ 1,897,797	\$ 1,796,253	\$ 2,114,917	\$ 1,929,635
3,616,758	3,769,881	3,890,768	3,987,837	4,211,942
337,601	243,451	369,636	250,097	388,350
572,008	573,583	627,123	738,997	819,468
937,507	1,017,475	1,139,623	1,150,406	843,683
	459,417	563,372	786,273	831,683
147,633	111,880	120,502	120,947	119,915
<u>7,990,773</u>	<u>8,073,484</u>	<u>8,507,277</u>	<u>9,149,474</u>	<u>9,144,676</u>
1,854,387	1,703,023	1,885,821	1,768,741	2,375,706
1,365,725	1,282,784	1,422,337	1,746,142	2,076,764
364,367	386,464	575,569	596,912	704,635
<u>3,584,479</u>	<u>3,372,271</u>	<u>3,883,727</u>	<u>4,111,795</u>	<u>5,157,105</u>
<u>\$ 11,575,252</u>	<u>\$ 11,445,755</u>	<u>\$ 12,391,004</u>	<u>\$ 13,261,269</u>	<u>\$ 14,301,781</u>
\$ 109,601	\$ 123,425	\$ 112,775	\$ 113,464	\$ 108,933
1,068,425	1,048,644	1,033,888	1,434,668	1,299,583
26,740	35,577	37,409	15,592	14,018
			146,257	64,714
3,980	71,845	4,919	11,725	75,014
24,221	51,573	33,660	8,248	77,497
			27,975	
		33,960	1,829,673	
23,997	25,007	50,056	55,223	27,009
251,920	323,233	60,354	39,844	3,379
<u>1,508,884</u>	<u>1,679,304</u>	<u>1,367,021</u>	<u>3,682,669</u>	<u>1,670,147</u>
1,403,726	1,475,452	1,584,076	1,328,429	1,624,539
1,691,438	1,696,560	1,768,552	1,739,770	1,904,997
505,642	768,853	769,833	920,992	918,803
	23,261	23,003	1,957	11,385
	79,162	43,919	38,396	
	11,286	9,454	61,449	100,000
	31,625	288,999	15,614	2,155,778
<u>3,600,806</u>	<u>4,086,199</u>	<u>4,487,836</u>	<u>4,106,607</u>	<u>6,715,502</u>
<u>\$ 5,109,690</u>	<u>\$ 5,765,503</u>	<u>\$ 5,854,857</u>	<u>\$ 7,789,276</u>	<u>\$ 8,385,649</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Net (expense) revenue</b>					
Governmental activities	\$ (7,658,963)	\$ (7,212,514)	\$ (7,307,583)	\$ (7,525,493)	\$ (6,423,870)
Business-type activities	(550,756)	(635,089)	(116,550)	289,469	273,400
<b>Total primary government net expense</b>	<u>\$ (8,209,719)</u>	<u>\$ (7,847,603)</u>	<u>\$ (7,424,133)</u>	<u>\$ (7,236,024)</u>	<u>\$ (6,150,470)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 4,434,500	\$ 4,315,899	\$ 4,554,358	\$ 4,839,895	\$ 3,496,377
Infrastructure surtax					
Franchise fees	545,895	493,884	651,664	598,424	605,622
Utility service taxes	804,467	849,228	926,495	952,772	975,706
Local option gas taxes	229,780	230,639	236,922	251,894	257,756
Communication sales tax	375,003	356,437	324,291	315,322	286,682
Intergovernmental, unrestricted	1,012,470	1,033,832	1,093,000	1,196,655	1,222,771
Gain on sale of surplus property		2,043		320,000	
Miscellaneous revenue					
Investment earnings	37,586	26,307	12,705	20,104	25,946
Transfers	324,350	(2,168,700)	199,420	303,078	310,000
<b>Total governmental activities</b>	<u>7,764,051</u>	<u>5,139,569</u>	<u>7,998,855</u>	<u>8,798,144</u>	<u>7,180,860</u>
Business-type activities					
Investment earnings	11,902	11,214	814	4,767	1,911
Gain on sale of equipment		18,388			
Miscellaneous revenues		880,000			
Transfers	(324,350)	2,168,700	(199,420)	(303,078)	(310,000)
<b>Total business-type activities</b>	<u>(312,448)</u>	<u>3,078,302</u>	<u>(198,606)</u>	<u>(298,311)</u>	<u>(308,089)</u>
<b>Total primary government</b>	<u>\$ 7,451,603</u>	<u>\$ 8,217,871</u>	<u>\$ 7,800,249</u>	<u>\$ 8,499,833</u>	<u>\$ 6,872,771</u>
<b>Changes in net position</b>					
Governmental activities	\$ 105,088	\$ (2,072,945)	\$ 691,272	\$ 1,272,651	\$ 756,990
Business-type activities	(863,204)	2,443,213	(315,156)	(8,842)	(34,689)
<b>Total primary government</b>	<u>\$ (758,116)</u>	<u>\$ 370,268</u>	<u>\$ 376,116</u>	<u>\$ 1,263,809</u>	<u>\$ 722,301</u>

Fiscal Year				
2017	2018	2019	2020	2021
\$ (6,481,889)	\$ (6,394,177)	\$ (7,140,256)	\$ (5,466,805)	\$ (7,474,529)
16,327	712,928	604,109	(5,188)	1,558,397
<u>\$ (6,465,562)</u>	<u>\$ (5,681,249)</u>	<u>\$ (6,536,147)</u>	<u>\$ (5,471,993)</u>	<u>\$ (5,916,132)</u>
\$ 3,791,642	\$ 3,644,561	\$ 3,443,832	\$ 3,721,481	\$ 4,012,875
389,411	620,736	644,946	610,154	713,453
627,219	632,237	634,652	594,844	635,073
1,006,475	1,025,980	1,037,613	1,018,200	1,042,374
269,595	266,361	269,924	240,713	249,902
276,237	278,915	274,449	274,183	262,334
1,282,459	1,357,344	1,423,061	1,435,228	1,624,209
		49,749		
54,286	47,015	219,825	108,585	14,925
310,000	411,877	325,000		(941,839)
<u>8,007,324</u>	<u>8,285,026</u>	<u>8,323,051</u>	<u>8,003,388</u>	<u>7,613,306</u>
3,609	5,720	11,653	4,331	617
	74,152		35,735	
(310,000)	(411,877)	(325,000)	-	941,839
<u>(306,391)</u>	<u>(332,005)</u>	<u>(313,347)</u>	<u>40,066</u>	<u>942,456</u>
<u>\$ 7,700,933</u>	<u>\$ 7,953,021</u>	<u>\$ 8,009,704</u>	<u>\$ 8,043,454</u>	<u>\$ 8,555,762</u>
\$ 1,525,435	\$ 1,890,849	\$ 1,182,795	\$ 2,536,583	\$ 138,777
(290,064)	380,923	290,762	34,878	2,500,853
<u>\$ 1,235,371</u>	<u>\$ 2,271,772</u>	<u>\$ 1,473,557</u>	<u>\$ 2,571,461</u>	<u>\$ 2,639,630</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General fund</b>					
Nonspendable	\$ 3,045,989	\$ 435,992	\$ 367,260	\$ 755,709	\$ 700,452
Restricted	54,100	33,929	33,826	10,316	10,000
Assigned					
Subsequent year's expenditures		70,648		36,458	65,355
Unassigned	20,643	198,722	544,245	563,362	881,030
Total general fund	<u>\$ 3,120,732</u>	<u>\$ 739,291</u>	<u>\$ 945,331</u>	<u>\$ 1,365,845</u>	<u>\$ 1,656,837</u>
<b>All other governmental funds</b>					
Nonspendable	\$	\$ 1,640	\$	\$	\$
Restricted	213,533	270,230	331,074	414,536	509,239
Assigned					
Subsequent year's expenditures					7,500
Special revenue funds					206,196
Capital projects funds	18,458	26,915	21,418	253,325	
Unassigned	(236,283)	(224,590)	(253,889)	(105,427)	(58,769)
Total all other governmental funds	<u>\$ (4,292)</u>	<u>\$ 74,195</u>	<u>\$ 98,603</u>	<u>\$ 562,434</u>	<u>\$ 664,166</u>

	Fiscal Year				
	2017	2018	2019	2020	2021
<b>General fund</b>					
Nonspendable	\$ 647,423	\$ 580,059	\$ 513,597	\$ 900,294	\$ 991,153
Restricted	10,000	10,000	10,000	10,000	10,000
Assigned					
Subsequent year's expenditures	47,786	5,900	43,458	67,436	104,129
Unassigned	1,179,607	1,509,094	1,723,974	1,287,644	1,388,478
Total general fund	<u>\$ 1,884,816</u>	<u>\$ 2,105,053</u>	<u>\$ 2,291,029</u>	<u>\$ 2,265,374</u>	<u>\$ 2,493,760</u>
<b>All other governmental funds</b>					
Nonspendable	\$ 395	\$ 1,283	\$ 1,680	\$	\$ 712
Restricted	1,023,816	1,499,135	2,018,528	4,501,884	3,733,532
Assigned					
Subsequent year's expenditures	70,954	73,977			
Special revenue funds	301,084	10,004			39
Capital projects funds					16,107
Unassigned	(247,851)	(115,053)	(39,144)	(163,353)	(358,920)
Total all other governmental funds	<u>\$ 1,148,398</u>	<u>\$ 1,469,346</u>	<u>\$ 1,981,064</u>	<u>\$ 4,338,531</u>	<u>\$ 3,391,470</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>					
Taxes	\$ 5,784,862	\$ 5,659,011	\$ 6,132,517	\$ 6,391,091	\$ 5,077,705
Licenses and permits	470,844	502,279	537,298	622,763	732,567
Intergovernmental	1,765,296	1,718,020	1,742,766	1,827,646	1,821,757
Charges for services	431,057	418,675	347,788	408,911	345,977
Fines and forfeitures	183,345	185,451	167,991	80,929	100,810
Miscellaneous	291,484	167,701	144,617	470,381	162,649
<b>Total revenues</b>	<u>8,926,888</u>	<u>8,651,137</u>	<u>9,072,977</u>	<u>9,801,721</u>	<u>8,241,465</u>
<b>Expenditures</b>					
General government	1,915,421	1,429,575	1,459,677	1,610,692	1,812,849
Public safety	4,725,084	4,578,945	4,754,459	4,926,858	3,458,641
Physical environment	256,855	267,232	269,391	277,727	307,054
Transportation	517,457	471,465	488,139	477,058	480,458
Culture and recreation	697,998	776,567	718,737	709,111	701,248
Economic environment	3,458	1,921	39,905	1,429	3,925
Capital outlay	234,513	70,763	122,795	111,467	222,166
Debt service					
Principal	827,516	865,224	904,943	915,002	948,039
Interest	361,607	323,700	283,903	241,454	199,556
Grants and aid					
<b>Total expenditures</b>	<u>9,539,909</u>	<u>8,785,392</u>	<u>9,041,949</u>	<u>9,270,798</u>	<u>8,133,936</u>
Excess of revenues over (under) expenditures	(613,021)	(134,255)	31,028	530,923	107,529
<b>Other financing sources (uses)</b>					
Transfers in	986,222	866,943	846,898	1,304,254	993,767
Transfers out	(661,872)	(3,035,643)	(647,478)	(950,832)	(683,767)
Capital lease obligations					
<b>Total other financing sources (uses)</b>	<u>324,350</u>	<u>(2,168,700)</u>	<u>199,420</u>	<u>353,422</u>	<u>310,000</u>
Net change in fund balances	<u>\$ (288,671)</u>	<u>\$ (2,302,955)</u>	<u>\$ 230,448</u>	<u>\$ 884,345</u>	<u>\$ 417,529</u>
Debt service as a percentage of non-capital expenditures	<u>12.78%</u>	<u>13.64%</u>	<u>13.33%</u>	<u>12.63%</u>	<u>14.50%</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	5,814,747	\$ 5,923,514	\$ 5,761,043	\$ 5,944,679	\$ 6,403,775
	727,048	820,631	761,108	707,998	1,089,750
	1,971,076	2,469,253	2,239,661	2,137,834	2,548,901
	365,978	411,005	437,528	1,228,671	1,622,555
	290,900	159,231	220,336	685,695	193,156
	187,875	193,236	423,564	2,000,208	95,647
	<u>9,357,624</u>	<u>9,976,870</u>	<u>9,843,240</u>	<u>12,705,085</u>	<u>11,953,784</u>
	2,285,666	1,979,986	1,987,217	2,281,813	2,612,970
	3,612,914	3,769,659	3,872,115	3,987,837	4,211,378
	329,059	241,094	364,034	619,952	574,401
	472,046	509,351	528,708	685,850	776,439
	803,814	913,563	1,019,952	1,061,868	991,331
		459,417	563,372	602,624	750,620
	338,565	1,113,065	2,247,676	465,347	1,247,277
	982,074	646,531	286,450	361,702	364,238
	156,080	116,019	92,701	122,631	120,903
				183,649	81,063
	<u>8,980,218</u>	<u>9,748,685</u>	<u>10,962,225</u>	<u>10,373,273</u>	<u>11,730,620</u>
	377,406	228,185	(1,118,985)	2,331,812	223,164
	1,084,848	1,167,729	1,258,334	979,739	1,073,969
	(774,848)	(857,729)	(933,334)	(979,739)	(2,015,808)
			1,494,679		
	<u>310,000</u>	<u>310,000</u>	<u>1,819,679</u>	<u>-</u>	<u>(941,839)</u>
\$	<u>687,406</u>	<u>\$ 538,185</u>	<u>\$ 700,694</u>	<u>\$ 2,331,812</u>	<u>\$ (718,675)</u>
	<u>13.17%</u>	<u>8.83%</u>	<u>4.35%</u>	<u>4.98%</u>	<u>4.66%</u>

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

<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>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
<b>2019</b>	3,441,936	634,652	1,037,613	274,449	1,357,273	6,745,923
<b>2020</b>	4,146,404	594,844	1,018,200	274,183	1,273,258	7,306,889
<b>2021</b>	4,012,875	635,073	1,042,374	262,334	1,492,059	7,444,715

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

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

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter- governmental</b>	<b>Charges for Services</b>
2012	\$ 5,784,862	\$ 470,844	\$ 1,765,296	\$ 431,057
2013	5,659,011	502,279	1,718,020	418,675
2014	6,132,517	537,298	1,742,766	347,788
2015	6,391,091	622,763	1,827,646	408,911
2016	5,077,705	732,567	1,821,757	345,977
2017	5,814,747	727,048	1,971,076	365,978
2018	5,923,514	820,631	2,469,253	411,005
2019	5,761,043	761,108	2,239,661	437,528
2020	5,944,679	707,998	2,137,834	1,228,671
2021	6,403,775	1,089,750	2,548,901	1,622,555

<b>Fiscal Year</b>	<b>Fines and Forfeitures</b>	<b>Miscellaneous</b>	<b>Other Financing Sources</b>	<b>Total</b>	<b>Annual Percentage Increase (Decrease)</b>
2012	\$ 183,345	\$ 291,484	\$ 324,350	\$ 9,251,238	7.0 %
2013	185,451	167,701	376,907	9,028,044	(2.4) %
2014	167,991	144,617	251,300	9,324,277	3.3 %
2015	80,929	470,381	353,422	10,155,143	8.9 %
2016	100,810	162,649	310,000	8,551,465	(15.8) %
2017	290,900	187,875	310,000	9,667,624	13.1 %
2018	159,231	193,236	310,000	10,286,870	6.4 %
2019	220,336	423,564	1,819,679	11,662,919	13.4 %
2020	685,695	2,000,208		12,705,085	8.9 %
2021	193,156	95,647		11,953,784	(5.9) %

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

Tax Year	Real Property		Personal Property	Centrally Assessed Property	Assessed Value for Operations	Total Direct Tax Rate	Total Taxable Value (1)
	Residential	Commerical					
2012	\$ 168,646,621	\$ 227,349,266	\$ 33,926,821	\$ 1,236,975	\$ 431,159,683	10.2920	\$ 431,159,683
2013	180,958,234	232,119,848	33,942,130	910,919	447,931,131	10.5455	447,931,131
2014	199,990,131	244,391,470	34,480,712	1,079,128	479,941,441	10.4705	479,941,441
2015	225,062,210	262,052,591	34,999,307	1,271,593	523,385,701	10.3455	523,385,701
2016	247,734,289	290,478,840	36,381,709	1,404,468	575,999,306	10.2335	575,999,306
2017	271,762,954	318,484,359	34,296,329	1,494,679	626,038,321	9.4730	626,038,321
2018	290,066,574	339,045,111	34,962,598	1,568,074	665,642,357	8.8055	665,642,357
2019	316,637,931	365,505,348	39,530,880	1,556,194	723,230,353	8.8055	723,230,353
2020	340,559,805	391,381,387	42,715,405	1,549,431	776,206,028	8.8055	776,206,028
2021	390,842,528	459,138,779	43,912,976	1,580,812	895,475,095	8.8055	895,475,095

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

Source: Palm Beach County Property Appraiser

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

Tax Year	Town of Lake Park Property Tax Rates			Overlapping Property Tax Rates - (1)			
	(2) Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage
2012	8.5000	1.7920	10.2920	4.7815	0.2087		4.9902
2013	8.8055	1.7400	10.5455	4.7815	0.2037		4.9852
2014	8.8055	1.6650	10.4705	4.7815	0.1914		4.9729
2015	5.3474	1.5400	6.8874	4.7815	0.1462	3.4581	4.9277
2016	5.3474	1.4280	6.7754	4.7815	0.1327	3.4581	8.3723
2017	5.3474	0.6675	6.0149	4.7815	0.1208	3.4581	8.3604
2018	5.3474	-	5.3474	4.7815	0.1165	3.4581	8.3561
2019	5.3474	-	5.3474	4.7815	0.0765	3.4581	8.3161
2020	5.3474	-	5.3474	4.7815	0.0309	3.4581	8.2705
2021	5.3474	-	5.3474	4.7815	0.0334	3.4581	8.2730

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>
7.778	-	7.778	2.3154	25.3756
7.586	-	7.586	2.2280	25.3447
7.594	-	7.594	2.1732	25.2106
7.512	-	7.512	2.0974	21.4245
7.070	-	7.070	1.9453	24.1630
6.769	-	6.769	1.7818	22.9261
6.572	-	6.572	1.6920	21.9675
7.164	-	7.164	1.6873	22.5148
7.010	-	7.010	1.6753	22.3032
6.875	-	6.875	1.6386	22.1340

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

	<b>2021</b>			
	<b>Taxable Assessed Valuation</b>	<b>Taxes</b>	<b>Rank</b>	<b>Percentage of Total Taxes Levied</b>
Mariners Key Owners, LLC	\$ 34,876,027	\$ 220,546	1	5.01%
Wal Mart Stores East LP	18,639,538	142,123	2	3.23%
SC Lake Park Associates, LLLP	15,861,425	102,367	3	2.33%
Florida Power & Light Co	18,333,465	14,488	4	0.41%
Mullinax Ford of PBC, LLC	16,718,917	100,503	5	2.82%
Earl Stewart LLC	14,589,866	80,718	6	2.09%
Lake Park Square Joint Venture	12,501,463	93,100	7	2.58%
Kelsey Industrial, LLC	12,133,708	78,084	8	1.78%
Trust Lake Park LTD	7,900,000	85,444	9	1.94%
ASVRF Silver Beach Road LLC	12,669,504	75,399	10	1.50%
Totals	<u>\$ 164,223,913</u>	<u>\$ 992,772</u>		<u>23.69%</u>

Source: Palm Beach County Property Appraiser.

	<b>2012</b>			
	<b>Taxable Assessed Valuation</b>	<b>Taxes</b>	<b>Rank</b>	<b>Percentage of Total Taxes Levied</b>
Lake Park Owner LLC	\$ 18,537,182	\$ 190,694	1	4.13%
Walmart Stores East LP	14,005,975	144,150	2	3.12%
SC Lake Park Associates II & LLLP	10,300,628	127,737	3	2.76%
Congress Ave Properties LTD	10,214,914	124,762	4	2.70%
Lake Park Square Joint Venture	10,000,012	102,920	5	2.23%
Trust Lake Park, LTD	8,500,000	87,482	7	1.89%
Mullinax Ford of PBC, LLC	8,369,365	89,433	6	1.93%
Northlake Square East, LLC	7,445,134	76,527	8	1.66%
Earl Stewart, LLC	6,585,442	67,777	9	1.47%
Twin Cities Investors, Inc.	6,265,283	64,478	10	1.40%
Totals	<u>\$ 100,223,935</u>	<u>\$ 1,075,960</u>		<u>23.29%</u>

Source: Palm Beach County Property Appraiser.

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

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

<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>
2012	\$ 4,621,891	\$ 4,409,912	\$ 95.4 %	\$ 42,039
2013	4,723,657	4,272,897	90.5 %	55,412
2014	5,025,228	4,550,477	90.6 %	8,107
2015	3,604,768	2,577,893	71.5 %	411
2016	3,905,670	3,460,856	88.6 %	48,873
2017	3,767,181	3,720,816	98.8 %	37,598
2018	3,559,456	3,633,065	102.1 %	11,806
2019	3,867,402	3,436,942	88.9 %	13,066
2020	4,150,684	3,725,509	89.8 %	3,233
2021	4,398,525	4,004,424	91.0 %	8,690

<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>
2012	4,451,951	96.3 %	-	- %
2013	4,328,309	91.6 %	-	- %
2014	4,558,584	90.7 %	-	- %
2015	2,578,304	71.5 %	-	- %
2016	3,509,729	89.9 %	-	- %
2017	3,758,414	99.8 %	-	- %
2018	3,644,871	102.4 %	-	- %
2019	3,450,008	89.2 %	-	- %
2020	3,728,742	89.8 %	-	- %
2021	4,013,114	91.2 %	-	- %

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

Source: Palm Beach County Property Appraiser

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

<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>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
<b>2019</b>	-	1,494,679	2,136,041	3,630,720	0.50%	426.89
<b>2020</b>	-	1,431,057	1,837,961	3,269,018	0.42%	382.07
<b>2021</b>	-	1,377,012	1,527,767	2,904,779	0.32%	321.08

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>
\$ 4,065,000	1,426,473	-	5,491,473	13,175,777	8,248	3.34%	1,597.45
3,950,000	1,192,615	-	5,142,615	11,961,695	8,314	3.27%	1,438.74
3,830,000	948,963	-	4,778,963	10,693,100	8,360	2.63%	1,279.08
3,705,000	757,064	-	4,462,064	9,461,199	8,448	2.45%	1,119.93
3,575,000	1,070,087	-	4,645,087	8,696,183	8,640	1.97%	1,006.50
3,490,000	885,400	-	4,375,400	7,444,105	8,645	1.86%	861.09
3,320,000	694,447	-	4,014,447	6,436,938	8,605	1.46%	748.05
3,140,000	1,121,553	-	4,261,553	7,892,273	8,505	1.73%	927.96
2,955,000	776,077	204,365	3,935,442	7,204,460	8,556	1.36%	842.04
2,765,000	541,851	155,806	3,462,657	6,367,436	9,047	1.14%	703.82

**TOWN OF LAKE PARK, FLORIDA**  
*Ratios of General Bonded Debt Outstanding*  
*As of September 30, 2021*

*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>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>	-	-	-	0.00%	-
<b>2019</b>	-	-	-	0.00%	-
<b>2020</b>	-	-	-	0.00%	-
<b>2021</b>	-	-	-	0.00%	-

**TOWN OF LAKE PARK, FLORIDA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2021**

*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 and capital lease payable	2,904,779	100.0%	2,904,779
	2,904,779		2,904,779
<b>Other debt</b>			
Palm Beach County	35,700,000	2.180%	778,260
Palm Beach County School Board	5,379,000	2.180%	117,262
	41,079,000		895,522
<b>Total direct and overlapping debt</b>			3,800,301
Estimated town population			9,047
Total per capita			\$ 420.06

(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>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
<b>2019</b>	1,607,079	1,231,365	375,714	284,412	1.32
<b>2020</b>	1,330,386	1,134,523	195,863	282,213	0.69
<b>2021</b>	1,923,192	1,751,749	171,443	281,663	0.61

(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*

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Average Household Income (1)</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2012	8,248	\$ 18,885	\$ 47,813	36	N/A	343	9.0%
2013	8,314	20,978	44,014	37	N/A	323	7.1%
2014	8,360	22,071	48,691	37	N/A	341	6.0%
2015	8,448	18,774	45,780	37	N/A	350	4.9%
2016	8,640	20,984	51,182	38	N/A	348	5.3%
2017	8,645	20,160	46,175	36	N/A	352	4.1%
2018	8,605	20,999	51,186	40	N/A	368	3.4%
2019	8,505	20,799	53,659	37	N/A	368	3.2%
2020	8,556	23,162	61,705	38	N/A	368	6.2%
2021	9,047	23,162	61,705	38	N/A	368	4.1%

**Data Sources:**

- (1) The Population for 2013, 2014, 2015, 2016, 2017, 2018, 2019 , 2020 and 2021 was obtained from the US Census Finder. Per Capita, Avg Household Income & Median Age was obtained from the US Census Bureau Fact F
- (3) Lake Park Elementary
- (4) Unemployment rate was obtained from the US Dept of Labor Local Area Unemployment Statistics

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

Employer	2021			2012		
	<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	22,600	1	N/A	21,495	1	N/A
Tenet Coastal Division PBC	6,505	2	N/A	6,100	3	N/A
Palm Beach County	5,686	3	N/A	11,381	2	N/A
Next Era Energy (Parent Co, FPL)	5,119	4	N/A	3,635	4	N/A
Florida Atlantic University	3,133	5	N/A	2,714	7	N/A
Boca Raton Regional Hospital	3,052	6	N/A	2,200	10	N/A
Veterans Health Administration	3,000	7	N/A	2,706	7	N/A
HCA Healthcare	2,806	8	N/A	2,205	6	N/A
The Breakers	2,300	9	N/A	2,391	N/A	N/A
Bethesda Hospital East/West	2,282	10	N/A	2,250	8	N/A
<b>Totals</b>	<u>56,483</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>General government</b>										
Town Manager	2	2	2	2	2	3	2	3	3	3
Personnel	1	2	2	2	2	2	2	2	2	2
Town Clerk	2	2	1	1	2	2	2	2	2	2
Finance	4	4	4	5	5	5	6	5	5	5
Information technology	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Community Development	5	6	6	6	6	6	5	7	7	7
<b>Physical Environment</b>										
Public works	9	8	8	8	8	8	5	7	7	8
Vehicle maintenance	1	1	1	1	2	2	2	2	2	2
<b>Transportation</b>										
Transportation	2	2	2	2	2	2	2	2	2	2
<b>Culture and Recreation</b>										
Library	4	4	5	5	5	5	5	6	5	4
Park maintenance	5	6	6	6	5	6	6	6	6	5
Recreation	1	1	1	1	1	3	3	3	3	3
<b>Marina</b>	3	3	3	3	3	4	4	5	5	6
<b>Sanitation</b>	<u>10</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>8</u>	<u>7</u>
<b>Total</b>	<u><u>50</u></u>	<u><u>50</u></u>	<u><u>50</u></u>	<u><u>51</u></u>	<u><u>52</u></u>	<u><u>56</u></u>	<u><u>52</u></u>	<u><u>57</u></u>	<u><u>58</u></u>	<u><u>57</u></u>

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Community development										
Code violations	396	385	503	451	723	651	703	891	847	684
Building permits issued	566	564	581	663	830	792	990	683	618	674
Value of permits (in thousands)						9,871	33,464	12,203	9,844	17,839
<b>Transportation</b>										
Street resurfacing (miles)	-	-	-	-	-	-	1	-	-	
Pot holes repaired	140	215	127	450	441	512	585	429	419	468
<b>Culture and Recreation</b>										
Library										
Circulation	26,942	27,240	27,360	27,010	29,790	27,300	8,790	4,700	2,669	3,173
Programs offered	942	1,283	1,282	1,314	1,300	980	1,015	821	256	57
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	3	3	3	3	-	1	7	7	7	11
Recreation program attendance	136	75	825	825	-	880	134	283	168	190
Youth athletic participants	21	-	-	-	-	-	74	173	68	140
<b>Marina</b>										
Available slips	112	112	112	112	112	112	112	112	112	112
<b>Sanitation</b>										
Residential customers	3,666	3,666	3,666	3,666	3,666	3,666	3,397	3,689	3,689	3,666
Commercial customers	264	268	375	375	375	288	293	303	328	315
Refuse collected (tons)	8,598	9,056	8,970	9,385	9,827	10,246	10,362	10,686	11,308	11,758
Recyclables collected (tons)	670	424	392	398	391	361	377	319	189	279

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<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	345	340	
Lane Miles	64	64	64	64	64	64	64	64	64	64
<b>Culture and Recreation</b>										
Marina										
Wet Slips	112	112	112	112	112	112	112	112	112	112
Library										
Books	35,611	34,676	35,435	35,000	37,000	37,695	42,340	34,780	35,118	36,338
Leisure Services										
Ballfields - lighted	2	2	2	2	2	2	2	2	2	1
Basketball courts	2	2	2	2	2	2	2	2	2	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	4
Parks	7	7	7	7	7	7	7	7	7	6
Sanitation										
Garbage Trucks	13	13	13	13	14	14	14	14	14	12
<b>Water /Sewer</b>	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  
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BRIAN J. BRESCIA, CFP®, CPA

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lake Park, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated June 30, 2022.

### Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

June 30, 2022  
West Palm Beach, Florida



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

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### REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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333 S.E. 2nd STREET  
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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 Compliance for Each Major Federal Program**

We have audited the Town of Lake Park, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Lake Park, Florida's major federal programs for the year ended September 30, 2021. Town of Lake Park, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Lake Park, Florida's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Lake Park, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Lake Park, Florida's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Town of Lake Park, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

### **Report on Internal Control over Compliance**

Management of the Town of Lake Park, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Lake Park, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Lake Park, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

June 30, 2022  
West Palm Beach, Florida

**TOWN OF LAKE PARK, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Agency or Pass-Through Number	Expenditures	Transfers to Subrecipients
<b>Federal Awards:</b>				
<u>U.S. Department of Homeland Security</u>				
Passed through Florida Department of Emergency Management				
Public Assistance Grants	97.036	Z0630	\$ 84,662	\$ -
		Z1794	65,112	-
			<u>149,774</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039	4337-149-R	<u>1,944,023</u>	<u>-</u>
Total Federal Awards			<u><u>\$ 2,093,797</u></u>	<u><u>\$ -</u></u>

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Lake Park, Florida under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - INDIRECT COST RATE**

The Town of Lake Park, Florida has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform

**NOTE 4 - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Town for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**TOWN OF LAKE PARK, FLORIDA**  
**Schedule of Findings and Questioned Costs**  
**September 30, 2021**

**Section I—Summary of Auditors’ Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified that is not considered to be a material weakness? None reported

Noncompliance material to financial statements noted? No

Internal control over major projects:

- Material weakness identified? No
- Significant deficiency identified that is not considered to be a material weakness? None reported

Type of auditors’ report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR Section 200.516(a) No

**Identification of Major Federal Program**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
97.039	U.S. Department of Homeland Security - FEMA <ul style="list-style-type: none"> <li>• Hazard Mitigation Grant Program</li> </ul>
Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

**TOWN OF LAKE PARK, FLORIDA**  
**Schedule of Findings and Questioned Costs**  
**September 30, 2021**

**Section II—Financial Statement Findings**

None

**Section III—Federal Awards Findings and Questioned Costs**

None

**Section IV—Summary Schedule of Prior Audit Findings**

There were no prior audit findings.



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

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

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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, 2021, and have issued our report thereon dated June 30, 2022.

#### 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida 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*, Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance, the Schedule of Findings and Questioned Costs; 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 and schedule, which are dated June 30, 2022, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Lake Park, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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, 2021.

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 following recommendation noted below.

### **Finding 2021-1**

#### **Condition**

The Town of Lake Park allocated \$429,337 of indirect costs from eight Town departments to the CRA. The allocation percentages varied from ten percent to twenty-five percent and were applied to the total budgeted expenses of each department. The Town did not have supporting documentation for the percentages used nor how the departmental expenditures were in accordance with the CRA Plan. The Town also allocated indirect costs from eleven departments to other funds using Full Time Equivalents (FTE) to allocate the budgeted costs. However, the recreation and library FTE's were not used in computing the base amount and reviewing the budgeted expenses allocated it is not clear that they all are appropriate to be allocated.

**Effect**

Lack of documentation supporting indirect costs charged leading to possible excess costs being charged.

**Recommendation**

The Town should obtain documentation supporting the indirect costs charged to ensure they are appropriate and reasonable.

**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.

**Special District Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the required Special District information is included in the Town of Lake Park Community Redevelopment Agency audit.

**Additional Matters**

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

**Single Audits**

The Town expended less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2021, and was not required to have a state single audit.

**Response to Management Letter**

The Town's response to the finding identified in our audit is described in the attached letter dated June 30, 2022. We did not audit Town of Lake Park, Florida's response and, accordingly, we express no opinion on it.

**Purpose of this Letter**

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

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

June 30, 2022  
West Palm Beach, Florida



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

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

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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, 2021. 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 AICPA. 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.

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

Our examination does not provide a legal determination on the Town of 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, 2021.

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

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

West Palm Beach, Florida  
June 30, 2022



Finance  
Department

June 30, 2021

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

RE: Response to Report of Audit Findings Management Letter  
required by the Rules of the Auditor General for the State of  
Florida for the Fiscal Year ended September 30, 2021.

#### REPORT ON FINANCIAL MANAGEMENT

##### *2021-1: Indirect Cost Allocations*

The Town will create a revised detailed Indirect Cost Allocation plan to ensure expenditures are in accordance with Section 163.387, Florida Statutes.

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

Sincerely,



Jeffrey Duvall  
Finance Director

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