

**TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the Town of Lake Park, Florida)



**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the Town of Lake Park, Florida)**

**FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**Michael O'Rourke  
Chair**

**Kimberly Glas-Castro  
Vice-Chair**

**Erin Flaherty  
Board Member**

**Henry Stark  
Board Member**

**John Linden  
Board Member**

**Roger Michaud  
Board Member**

**John O. D'Agostino  
Executive Director**

**Prepared By:  
Town of Lake Park Finance Department**

**TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Lake Park, Florida)**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

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# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board  
Town of Lake Park Community Redevelopment Agency

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Town of Lake Park Community Redevelopment Agency (the CRA), a component unit 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 CRA'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.

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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 and the general fund of the Town of Lake Park Community Redevelopment Agency, as of September 30, 2021, and the respective changes in financial position for the year then ended in conformity 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 4-6 and budgetary comparison information on pages 22-23 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 an opinion on the financial statements that collectively comprise the Town of Lake Park Community Redevelopment Agency's basic financial statements. The other information section is presented for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General, and is not a required part of the basic financial statements.

The other information section has 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 CRA'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 CRA'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 CRA'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 Community Redevelopment Agency's (the CRA) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA's financial activity, (c) identify changes in the CRA's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA's financial statements which follow this section.

### *Financial Highlights*

- The assets of the CRA exceeded its liabilities at September 30, 2021, by \$3,592,978 (net position). Of this amount, \$2,648,888 was invested in capital assets and \$944,090 was restricted for redevelopment purposes.
- As of September 30, 2021, the CRA's reported ending fund balances of \$944,090. Fund balance saw a change of \$105,512 when compared to the prior year.

The MD&A is intended to serve as an introduction to the CRA's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

### *Overview of the Financial Statements*

This annual report consists of four components: 1) management's discussion and analysis (this section), 2) government-wide and fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

### *Government-wide Financial Statements*

Government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the modified cash basis of accounting.

### *Notes to the Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Government-wide Financial Analysis

### Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current and other assets	\$ 989,155	\$ 894,588
Capital Assets	2,648,888	2,484,540
<b>Total Assets</b>	<u>3,638,043</u>	<u>3,379,128</u>
<b>Liabilities:</b>		
Current liabilities	45,065	56,010
<b>Total liabilities</b>	<u>45,065</u>	<u>56,010</u>
<b>Net Position</b>		
Invested in capital assets	2,648,888	2,484,540
Restricted	944,090	838,578
<b>Total Capital Assets</b>	<u>\$ 3,592,978</u>	<u>\$ 3,323,118</u>

### Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Tax increment - Palm Beach County	\$ 476,859	\$ 424,923
Tax increment - Town of Lake Park	878,598	783,106
Miscellaneous		1
<b>Total revenues</b>	<u>1,355,457</u>	<u>1,208,030</u>
<b>Expenditures</b>		
Economic environment	1,004,534	859,492
Grants and aid	81,063	183,649
<b>Total expenditures</b>	<u>1,085,597</u>	<u>1,043,141</u>
<b>Net change in fund balance</b>	269,860	164,889
<b>Net position, beginning of year</b>	<u>3,323,118</u>	<u>3,158,229</u>
<b>Net position, end of year</b>	<u>\$ 3,592,978</u>	<u>\$ 3,323,118</u>



### ***Financial Analysis of the General Fund***

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

As of the end of the current fiscal year, the CRA's general fund reported an ending fund balance of \$944,090 a change of \$105,512 in comparison with the prior year.

At the end of the current fiscal year, the fund balance consisted of \$712 of nonspendable and \$943,378 was restricted for community redevelopment.

As the CRA is focused on reinvestment revenues into the CRA district and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

### ***General Fund Budgetary Highlights***

Actual expenditures in the general fund were \$94,316 less than final budget amounts. The main reason for less grants and aid being awarded and a reduction in the debt contribution to the Town.

Budgetary comparisons between the final budget and actual results can be found on page 22 of this report.

### ***Economic Factors and Next Year's Budget***

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2021-2022 fiscal year have increased, the future outlook of property values during and after the COVID- 19 pandemic, and any potential impact they will have on the CRA's finances, are unknown.

### ***Requests for Information***

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Town of Lake Park:

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

**Town Of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Governmental Balance Sheet / Statement Of Net Position**  
**September 30, 2021**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position Governmental Activities</b>
<b>Assets</b>			
Current Assets			
Pooled cash with primary government	\$ 867,111	\$	\$ 867,111
Due from primary government	121,332		121,332
Prepaid items	712		712
Total current assets	989,155		989,155
Noncurrent Assets			
Capital assets not being depreciated		2,104,029	2,104,029
Capital assets net of accumulated depreciation		544,859	544,859
Total noncurrent assets		2,648,888	2,648,888
<b>Total Assets</b>	<b>\$ 989,155</b>	<b>2,648,888</b>	<b>3,638,043</b>
<b>Liabilities</b>			
Accounts payable	\$ 45,065		45,065
<b>Total Liabilities</b>	<b>45,065</b>		<b>45,065</b>
<b>Fund balance / Net Position</b>			
<b>Fund Balance</b>			
Nonspendable - prepaid items	712	(712)	
Restricted for community redevelopment	943,378	(943,378)	
<b>Total Fund Balance</b>	<b>944,090</b>	<b>(944,090)</b>	
<b>Total Liabilities and Fund Balance</b>	<b>\$ 989,155</b>	<b>(3,592,978)</b>	
<b>Net Position</b>			
Investment in capital assets		2,648,888	2,648,888
Restricted for community redevelopment		944,090	944,090
<b>Total Net Position</b>		<b>\$</b>	<b>\$ 3,592,978</b>

See notes to the financial statements.

**Town Of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Reconciliation of the Balance Sheet – Governmental Fund to the Statement of Net Position**  
**September 30, 2021**

Total fund balances - governmental funds		\$ 944,090
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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	\$ 4,294,871	
Less accumulated depreciation	<u>(1,645,983)</u>	<u>2,648,888</u>

Net position of governmental activities		<u>\$ 3,592,978</u>
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See notes to the financial statements.

**Town Of Lake Park Community Redevelopment Agency  
(A Component Unit of the Town of Lake Park, Florida)  
Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances / Statement of Activities  
For the Year Ended September 30, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities Governmental Activities</u>
<b>Revenues</b>			
Tax increment - Palm Beach County	\$ 476,859	\$	\$ 476,859
Tax increment - Town of Lake Park	878,598		878,598
<b>Total revenues</b>	<u>1,355,457</u>		<u>1,355,457</u>
<b>Expenditures / Expenses</b>			
Current			
Economic environment	750,620	253,914	1,004,534
Capital outlay	232,891	(232,891)	
Debt service			
Contribution to Town debt service	185,371	(185,371)	
Grants and aid	81,063		81,063
<b>Total Expenditures / Expenses</b>	<u>1,249,945</u>	<u>(164,348)</u>	<u>1,085,597</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>105,512</u>	<u>164,348</u>	<u>269,860</u>
<b>Net change in fund balances</b>	105,512	164,348	269,860
<b>Fund balances / Net Position</b>			
Beginning of year	838,578	2,484,540	3,323,118
End of year	<u>\$ 944,090</u>	<u>\$ 2,648,888</u>	<u>\$ 3,592,978</u>

See notes to the financial statements.

**Town Of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance of the Governmental Fund to the Statement of Activities**  
**For the Year Ended September 30, 2021**

Net change in fund balances - total governmental funds		\$ 105,512
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	\$ 232,891	
Less: current year depreciation	<u>(68,543)</u>	<u>164,348</u>
Change in net position of governmental activities		<u><u>\$ 269,860</u></u>

See notes to the financial statements.

**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the 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 Community Redevelopment Agency (the “Agency” or “CRA”) is a dependent special district established by the Town of Lake Park, Florida, (the “Town”) 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 Board of County Commissioners of Palm Beach County delegated redevelopment powers to the Town Commission through Resolution R-96-1852 on November 6, 1996. The Town Commission passed Resolution 65-1966 on November 20, 1996, formally creating the CRA. The organizational structure of the Agency was also established through Resolution 65-1966 and consists of a board of seven members – the five Town Commissioners and two additional members appointed by the Town Commission. The members serve staggered four-year terms. The Town Manager acts as the Agency’s Executive Director. The Agency does not have any employees; its affairs are administered by employees of the Town.

The CRA encompasses about 308 acres within the Town of approximately 2.3 square miles. The CRA was established to guide the redevelopment interest in the downtown area and western portions of the Town. The purpose of the agency is to revitalize both the physical and economic environment of the Community Redevelopment Area.

As required by generally accepted accounting principles, these financial statements include the Agency (the primary government) and any component units. Component units are legally separate entities for which the Agency is financially accountable. The Agency 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 Agency or
- the organization is fiscally dependent on the Agency and (1) there is a potential for the organization to provide specific financial benefits to the Agency or (2) impose specific financial burdens on the Agency.

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

Based upon application of the above criteria, the Agency has determined that there are no legally separate entities to consider as potential component units.

**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the 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 activities of the Agency. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support. The Agency does not have any business-type activities.

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

For financial reporting purposes, the Agency is considered a special-purpose government engaged in a single governmental program. As such, the Agency uses the option to present the government-wide statements and the fund financial statements on the same page. Currently the Agency only uses the General Fund, which is reported in the fund financial statements.

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

The government-wide financial statements are reported using 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. 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 Agency considers revenue to be available if it is collected within ninety days of the end of the current fiscal year.

Expenditures are generally recognized in the accounting period in which the fund liability is incurred. Intergovernmental revenue, 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 Agency. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the 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*

*Cash, Cash Equivalents and Investments*

The Town uses a pool for both cash and investments for investment and resource management purposes. The Agency is included in the Town's cash pool and each fund's equity in pooled cash represents the balance on hand as if each fund maintained its own cash and investment account. 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. The Agency currently does not have any investments.

*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 Agency 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 Agency 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 Agency 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. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value. 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 useful lives for improvements is 20 to 50 years and equipment is 5 to 15 years.

*Long-Term Obligations*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. The Agency does not have any long-term obligations.



**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the 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 Agency’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 Agency Board 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 Agency removes or changes the specified use by the adoption of an ordinance.

**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the 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 Agency'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 Agency's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

*E. Incremental Property Tax Revenue*

The Agency's primary source of revenue is tax-increment funding. This revenue is computed by applying the respective tax rates for the Town and Palm Beach County multiplied by the increased value of property tax located within the boundaries of the redevelopment area of the CRA in excess of the base property value.

*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.

**Town of Lake Park Community Redevelopment Agency  
(A Component Unit of the Town of Lake Park, Florida)  
Notes to Financial Statements  
September 30, 2021**

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

*A. Budgetary Data*

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

The Agency follows these procedures in establishing the annual budget:

1. Prior to September 1, the Executive Director submits to the Governing Board 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. Changes or amendments to the total budgeted expenditures must be approved by the Governing Board. Accordingly, the legal level of control is at the fund level.
3. All unencumbered balances lapse at the end of each fiscal year.

The reported budgetary data represents the final appropriated budget after amendments adopted by the Governing Board. There were no outstanding encumbrances at year end.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

*Deposits*

As of September 30, 2021, the carrying amount of pooled cash with the primary government was \$867,111. 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 Agency's deposits at year end are considered insured for custodial credit risk purposes.

**Town of Lake Park Community Redevelopment Agency  
(A Component Unit of the 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 – CAPITAL ASSETS**

Capital Assets activity for the year ended September 30, 2021, was as follows:

**Primary Government**

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,028,174	\$ 75,855	\$	\$ 2,104,029
Capital assets being depreciated:				
Buildings		157,036		157,036
Improvements	1,993,694			1,993,694
Machinery and equipment	40,112			40,112
Total at historical cost:	4,061,980	232,891		4,294,871
Less accumulated depreciation for:				
Buildings		(1,309)		(1,309)
Improvements	(1,542,601)	(65,125)		(1,607,726)
Machinery and equipment	(34,839)	(2,109)		(36,948)
Total accumulated depreciation	(1,577,440)	(68,543)		(1,645,983)
Governmental activities capital assets, net	\$ 2,484,540	\$ 164,348	\$	\$ 2,648,888

Depreciation expense was charged to the economic environment function.

**Town of Lake Park Community Redevelopment Agency  
(A Component Unit of the Town of Lake Park, Florida)  
Notes to Financial Statements  
September 30, 2021**

**NOTE 6 – LONG-TERM LIABILITIES**

The Agency's tax increment revenues are not pledged externally to any lender for any indebtedness related to the Agency. However, internally the Town and the Agency entered into an interlocal agreement regarding portions of the Bank of America Promissory Notes Series 2008A and 2009 that the Agency will repay the Town for any such debt service payments made on its behalf to the extent of available accumulated tax increment revenues. Externally, the bonds are secured by the non-ad valorem revenues of the Town.

Future debt service obligations of the Town that the Agency intends to Fund, should funds be available from tax increment revenues are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2022	\$ 133,041	\$ 48,421	\$ 181,462
2023	137,923	39,430	177,353
2024	142,985	30,052	173,037
2025	148,233	20,268	168,501
2026	153,673	14,728	168,401
2027	159,312	8,985	168,297
2028	165,159	3,031	168,190
Total	<u>\$ 1,040,326</u>	<u>\$ 164,915</u>	<u>\$ 1,205,241</u>

**NOTE 7 – RISK MANAGEMENT**

The Agency 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 Agency 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 Agency does not retain any risk of loss under this policy.

Florida Statutes limit the Agency'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 Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8 – NEW ACCOUNTING STANDARDS**

Below is a brief description and effective date of new accounting standards that could have a significant impact on the CRA.

GASB 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 Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8 – 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. Earlier application is encouraged

**Town of Lake Park Community Redevelopment Agency**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8 – 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. Earlier application is encouraged.

Management is currently evaluating the impact of the adoption of these statements on the CRA's financial statements.



**Required Supplementary Information**

**TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the Town of Lake Park, Florida)**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tax increment - Palm Beach County	\$ 473,069	\$ 473,069	\$ 476,859	\$ 3,790
Tax increment - Town of Lake Park	871,192	871,192	878,598	7,406
<b>Total revenues</b>	<u>1,344,261</u>	<u>1,344,261</u>	<u>1,355,457</u>	<u>11,196</u>
<b>Expenditures</b>				
Economic environment	761,694	768,406	750,620	17,786
Capital outlay			232,891	(232,891)
Debt service				
Contribution to Town debt service	322,381	315,669	185,371	130,298
Grants and aids	260,186	260,186	81,063	179,123
<b>Total expenditures</b>	<u>1,344,261</u>	<u>1,344,261</u>	<u>1,249,945</u>	<u>94,316</u>
<b>Net change in fund balance</b>	<u>\$</u>	<u>\$</u>	<u>\$ 105,512</u>	<u>\$ 105,512</u>

See notes to the budgetary comparison schedule.

**Town of Lake Park Community Redevelopment Agency  
(A Component Unit of the Town of Lake Park, Florida)  
Required Supplementary Information  
Notes to Budgetary Comparison Schedule  
September 30, 2021**

**NOTE A - BUDGETARY ACCOUNTING**

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

The Agency follows these procedures in establishing the annual budget:

1. Prior to September 1, the Executive Director submits to the Governing Board 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. Changes or amendments to the total budgeted expenditures must be approved by the Governing Board. Accordingly, the legal level of control is at the fund level.
3. All unencumbered balances lapse at the end of each fiscal year.

The reported budgetary data represents the final appropriated budget after amendments adopted by the Governing Board.

**TOWN OF LAKE PARK COMMUNITY REDEVELOPMENT AGENCY**  
**Other Information - Information Required by Section 218.39(3)(c), Florida Statutes**  
**For the Fiscal Year Ended September 30, 2021**  
**Unaudited**

**As required by Section 218.39(3)(c), Florida Statutes, the Agency reported:**

Required Information	Reported
The total number of Agency employees compensated in the last pay period of the Agency's fiscal year 2021:	-
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year 2021:	8
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2021:	\$ -
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2021:	\$ 284,100
Each construction project with a total cost of at least \$65,000 approved by the Agency that was scheduled to begin on or after October 1 of the fiscal year 2021, together with the total expenditures for such project:	
Project	Budget
Expenditures	
None	
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2021 being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes:	See Page 22
The millage rate or rates of ad valorem taxes imposed by the Agency for fiscal year 2021:	Not Applicable
The rate or rates of non-ad valorem special assessments imposed by the Agency for fiscal year 2021:	Not Applicable



# NOWLEN, HOLT & MINER, P.A.

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

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To the Governing Board  
Town of Lake Park Community Redevelopment Agency

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 and the general fund of the Town of Lake Park Community Redevelopment Agency (the CRA), a component unit 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 CRA'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 CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA'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 the CRA'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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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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To the Governing Board  
Town of Lake Park Community Redevelopment Agency

### Report on the Financial Statements

We have audited the financial statements of the Town of Lake Park Community Redevelopment Agency (the CRA), 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, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 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. Finding 2021-1 is an uncorrected finding from the prior year.

### **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 CRA met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the CRA 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 CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

### **Finding 2021-1**

#### **Condition**

The CRA did not have a documented plan in place for excess funds remaining at the end of the year, as required by Florida Statue 163.387(7).

#### **Effect**

Noncompliance with Florida Statues.

#### **Recommendation**

We recommend that management review Section 163.387(7), Florida Statutes, *Redevelopment Trust Fund* and develop procedures to ensure compliance.



## **Finding 2021-2**

### **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.

### **Effect**

Lack of documentation supporting indirect costs charged leading to possible expenses not in accordance with the CRA Plan.

### **Recommendation**

The Town and the CRA should obtain documentation supporting the indirect costs charged to CRA to ensure they are in compliance with the CRA Plan and Section 163.387, Florida Statutes.

### **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. The CRA contains no special district component units.

### **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.

### **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 District reported the required information in the other information section on page 24.

### **Response to Management Letter**

The CRA's responses to the findings identified in our audit are described in the attached letter dated June 30, 2022. We did not audit CRA's responses and, accordingly, we express no opinion on them.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the CRA's governing board 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 EXAMINATION REPORT

To the Governing Board  
Town of Lake Park Community Redevelopment Agency

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We have examined the Town of Lake Park Community Redevelopment Agency’s (the CRA) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2020. Management of the CRA is responsible for the CRA’s compliance with the specified requirements. Our responsibility is to express an opinion on the CRA’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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 Community Redevelopment Agency’s compliance with the specified requirements.

Our examination disclosed the following material noncompliance with Section(7), Florida Statutes applicable to the CRA for the year ended September 30, 2021. The CRA did not have a documented plan in place for excess funds remaining at the end of the year, as required by Florida Statue 163.387(7). This condition was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 financial statements, and this report does not affect our report dated June 30, 2022, on those financial statements.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Town of Lake Park Community Redevelopment Agency complied, in all material respects, with Section 218.415, Florida Statutes, *Local Government Investment Policies*, and Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Fund* 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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the CRA's governing board 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



Finance  
Department

June 30, 2022

Governing Board  
Town of Lake Park

RE: Response to Report of Audit Findings Management Letter for the  
Fiscal Year ended September 30, 2021

2021-1 Noncompliance with Sections 163.387 Florida Statutes applicable  
to the CRA

The Town will create a plan to account for excess funds remaining  
at year end as required by Section 163.387.

2021-2 Noncompliance with Section 163.387 Florida Statutes applicable  
to the CRA

The Town will create a revised detailed Indirect Cost Allocation  
plan to ensure expenditures are in accordance to the CRA Plan and  
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  
Fax: (561) 881-3358

[www.lakeparkflorida.gov](http://www.lakeparkflorida.gov)