

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



**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**Michael O'Rourke  
Chair**

**Kimberly Glas-Castro  
Vice-Chair**

**Mary Beth Taylor  
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, 2022**

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# NOWLEN, HOLT & MINER, P.A.

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board  
Town of Lake Park Community Redevelopment Agency

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### Report on the Audit of the Financial Statements

#### *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, 2022, 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.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lake Park Community Redevelopment Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lake Park Community Redevelopment Agency's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 7 and the budgetary comparison information on pages and 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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***

Management is responsible for the other information included in the annual report. The other information comprises the information presented for compliance with Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the Town of Lake Park Community Redevelopment Agency'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 Community Redevelopment Agency'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 Town of Lake Park Community Redevelopment Agency's internal control over financial reporting and compliance.

*Nowlen Holt & Miner, P.A.*

June 28, 2023  
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, 2022, by \$4,695,928 (net position). Of this amount, \$3,140,350 was invested in capital assets and \$1,555,578 was restricted for redevelopment purposes.
- As of September 30, 2022, the CRA's reported ending fund balances of \$1,555,578. Fund balance saw a change of \$611,488 when compared to the prior year. \$400,000 of this change is due to a return of funds granted to a project that was not completed as per the grant's requirements.

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>2022</b>	<b>2021</b>
<b>Assets</b>		
Current and other assets	\$ 1,589,592	\$ 989,155
Capital Assets	3,140,350	2,648,888
<b>Total Assets</b>	<b>4,729,942</b>	<b>3,638,043</b>
<b>Liabilities:</b>		
Current liabilities	34,014	45,065
<b>Total liabilities</b>	<b>34,014</b>	<b>45,065</b>
<b>Net Position</b>		
Invested in capital assets	3,140,350	2,648,888
Restricted	1,555,578	944,090
<b>Total Net Position</b>	<b>\$ 4,695,928</b>	<b>\$ 3,592,978</b>

*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>2022</b>	<b>2021</b>
<b>Revenues</b>		
Tax increment - Palm Beach County	\$ 517,896	\$ 476,859
Tax increment - Town of Lake Park	959,790	878,598
Miscellaneous	400,000	
Capital Contribution	742,258	
<b>Total revenues</b>	<b>2,619,944</b>	<b>1,355,457</b>
<b>Expenditures</b>		
Economic environment	1,434,125	1,004,534
Grants and aid	82,869	81,063
<b>Total expenditures</b>	<b>1,516,994</b>	<b>1,085,597</b>
<b>Net change in fund balance</b>	<b>1,102,950</b>	<b>269,860</b>
<b>Net position, beginning of year</b>	<b>3,592,979</b>	<b>3,323,118</b>
<b>Net position, end of year</b>	<b>\$ 4,695,929</b>	<b>\$ 3,592,978</b>

### ***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 \$1,555,578 a change of \$611,488 in comparison with the prior year.

At the end of the current fiscal year, the entire fund balance 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 \$611,770 less than final budget amounts. The main reasons for this difference are less grants and aid being awarded due to a return of \$400,000 from a previous grant distribution, timing of capital improves, and a reduction in the debt contribution to the Town due to an early debt principle payment.

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 2022-2023 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. However the CRA current has several projects in development or being completed that will continue to enhance property values and corresponding Ad Valorem revenues.

### ***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, 2022**

	<u>General Fund</u>	Adjustments	<u>Statement of Net Position Governmental Activities</u>
<b>Assets</b>			
Current Assets			
Pooled cash with primary government	\$ 1,315,841	\$	\$ 1,315,841
Due from primary government	267,785		267,785
Prepaid items	<u>5,966</u>		<u>5,966</u>
Total current assets	<u>1,589,592</u>		<u>1,589,592</u>
Noncurrent Assets			
Capital assets not being depreciated		2,104,029	2,104,029
Capital assets net of accumulated depreciation		<u>1,036,321</u>	<u>1,036,321</u>
Total noncurrent assets			<u>3,140,350</u>
<b>Total Assets</b>	<u>\$ 1,589,592</u>		<u>4,729,942</u>
<b>Liabilities</b>			
Accounts payable	<u>\$ 34,014</u>		<u>34,014</u>
<b>Total Liabilities</b>	<u>34,014</u>		<u>34,014</u>
<b>Fund balance / Net Position</b>			
<b>Fund Balance</b>			
Nonspendable - prepaid items	5,966		
Restricted for community redevelopment	<u>1,549,612</u>		
<b>Total Fund Balance</b>	<u>1,555,578</u>		
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,589,592</u>		
<b>Net Position</b>			
Investment in capital assets			3,140,350
Restricted for community redevelopment			<u>1,555,578</u>
<b>Total Net Position</b>			<u>\$ 4,695,928</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 Balance Sheet – Governmental Fund to the Statement of Net Position**  
**September 30, 2022**

Total fund balances - governmental funds		\$ 1,555,578
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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	\$ 4,880,093	
Less accumulated depreciation	<u>(1,739,743)</u>	<u>3,140,350</u>

Net position of governmental activities		<u><u>\$ 4,695,928</u></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, 2022**

	<u>General Fund</u>	Adjustments	<u>Statement of Activities Governmental Activities</u>
<b>Revenues</b>			
Tax increment - Palm Beach County	\$ 517,896	\$	\$ 517,896
Tax increment - Town of Lake Park	959,790		959,790
Miscellaneous	400,000		400,000
Capital contributions - economic environment		742,258	742,258
<b>Total revenues</b>	<u>1,877,686</u>		<u>2,619,944</u>
<b>Expenditures / Expenses</b>			
Current			
Economic environment	992,882	441,243	1,434,125
Capital outlay	14,058	(14,058)	
Debt service			
Contribution to Town debt service	176,389	(176,389)	
Grants and aid	82,869		82,869
<b>Total Expenditures / Expenses</b>	<u>1,266,198</u>		<u>1,516,994</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>611,488</u>		<u>1,102,950</u>
Other financing sources (uses)			
Debt proceeds			
Transfers in from primary government			
Transfer out to primary government			
<b>Total other financing sources (uses)</b>	<u>                    </u>		<u>                    </u>
<b>Net change in fund balances</b>	611,488		1,102,950
<b>Fund balances / Net Position</b>			
Beginning of year	944,090		3,592,978
End of year	<u>\$ 1,555,578</u>		<u>\$ 4,695,928</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, 2022**

Net change in fund balances - total governmental funds \$ 611,488

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	\$		
Less: current year depreciation		(95,069)	(95,069)

Donations and disposals of capital assets affect net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Donation of land		742,258	
Net book value of asset disposals or sales		(155,727)	586,531

Change in net position of governmental activities \$ 1,102,950

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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022, the carrying amount of pooled cash with the primary government was \$1,315,841. 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, 2022**

**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, 2022.

In fiscal year 2020, two grants totaling \$57,800 were awarded and paid. In the fiscal year 2021, two grants totaling \$30,000 were awarded with \$27,000 being paid and a balance of \$3,000. In the current fiscal year two grants were awarded, one was for \$50,918 and the business closed after \$2,130 was paid and the other was for \$130,000 and \$32,819 was paid. Subsequent to September 30, 2022, a grant for \$1,000,000 payable over five years was awarded.

**NOTE 5 – CAPITAL ASSETS**

Capital Assets activity for the year ended September 30, 2022, was as follows:

**Primary Government**

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,104,029	\$	\$	\$ 2,104,029
Capital assets being depreciated:				
Buildings	157,036		(157,036)	
Improvements	1,993,694	742,258		2,735,952
Machinery and equipment	40,112			40,112
Total at historical cost:	4,294,871	742,258	(157,036)	4,880,093
Less accumulated depreciation for:				
Buildings	(1,309)		1,309	
Improvements	(1,607,726)	(92,960)		(1,700,686)
Machinery and equipment	(36,948)	(2,109)		(39,057)
Total accumulated depreciation	(1,645,983)	(95,069)	1,309	(1,739,743)
Governmental activities capital assets, net	\$ 2,648,888	\$ 647,189	\$ (155,727)	\$ 3,140,350

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, 2022**

**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
2023	\$ 137,923	\$ 35,628	\$ 173,551
2024	142,985	25,630	168,615
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>\$ 907,285</u>	<u>\$ 108,270</u>	<u>\$ 1,015,555</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, 2022**

**NOTE 8 – NEW ACCOUNTING STANDARDS**

The CRA implemented the following Governmental Accounting Standards Board Statements during the current fiscal year.

GASB Statement No. 87, *Leases*. This Statement increases 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 standard did not have any impact on the CRA.

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

**Recently Issued Accounting Standards**

A brief description of new accounting pronouncements 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 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, 2022**

**NOTE 8 – NEW ACCOUNTING STANDARDS** (Continued)

*Recently Issued Accounting Standards* (Continued)

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.

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**

**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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tax increment - Palm Beach County	\$ 521,178	\$ 518,178	\$ 517,896	\$ (282)
Tax increment - Town of Lake Park	959,790	959,790	959,790	
Miscellaneous revenue		400,000	400,000	
Balance brought forward	140,770			
<b>Total revenues</b>	1,621,738	1,877,968	1,877,686	(282)
<b>Expenditures</b>				
Economic environment	875,024	1,064,622	992,882	71,740
Culture and recreation				
Capital outlay	252,343	186,910	14,058	172,852
Debt service				
Contribution to Town debt service	135,000	267,065	176,389	90,676
Grants and aids	359,371	359,371	82,869	276,502
Unappropriated				
<b>Total expenditures</b>	1,621,738	1,877,968	1,266,198	611,770
<b>Net change in fund balance</b>	\$	\$	\$ 611,488	\$ 611,488

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, 2022**

**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, 2022**  
**Unaudited**

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

<b>Required Information</b>		<b>Reported</b>
The total number of Agency employees compensated in the last pay period of the Agency's fiscal year 2022:		-
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year 2022:		7
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2022:		\$ -
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2022:		\$ 410,520
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 2022, 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 2022 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 2022:		Not Applicable
The rate or rates of non-ad valorem special assessments imposed by the Agency for fiscal year 2022:		Not Applicable



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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*

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, 2022, 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 28, 2023.

### **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 28, 2023  
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, 2022, and have issued our report thereon dated June 28, 2023.

### 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 28, 2023, 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.

### Prior Year Findings That Still Apply

The following findings noted in the preceding annual financial audit report continue to apply:

- Findings 2020-1 and 2021-1 See current year Finding 2022-1.
- Finding 2021-2: See current year Finding 2022-2.

### **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, 2022.

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 2022-1**

#### **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 2022-2**

### **Condition**

The Town of Lake Park allocated \$428,456 of indirect costs from eight Town departments to the CRA. The allocation percentages varied from five percent to twenty 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, 2023. 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.

June 28, 2023  
West Palm Beach, Florida

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



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## INDEPENDENT ACCOUNTANT’S EXAMINATION REPORT

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To the Governing Board  
Town of Lake Park Community Redevelopment Agency

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, 2022. 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, 2022. 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 2022 financial statements, and this report does not affect our report dated June 28, 2023, 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, 2022.

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 28, 2023  
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 Year  
ending September 30, 2022

2022-1 Noncompliance with Section 163.387 Florida Statutes applicable  
to the CRA.


The CRA Fund Balance has increased significantly in the last few years for a variety of reasons including retracting funds granted when the grantee is out of compliance with the grant agreement. The Town is in the process of applying excess funds to benefit the CRA. Examples of some of the upcoming fund uses are: Development and installation of a pocket park adjacent to the new CRA overflow parking lot; grants for new facades; the Board approved \$1,000,000 grant over five years for a new business entering the CRA; \$400,000 for business in the CRA that have been impacted by ongoing construction in the CRA; and \$300,000 for residential buildings in need of improvements in the CRA.

2022-2 Noncompliance with Section 163.387 Florida Statutes applicable  
to the CRA

The Town will address how it allocates Indirect Cost for all of its enterprise funds and the CRA to address this issue. Some of the actions the Town has already taken regarding the CRA is to directly assign and charge personnel such as code enforcement that perform activities solely in the CRA. For activities that are shared by all of Town's cost centers such as accounting and community development activities, the Town will look at other mechanisms to allocate those costs.

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

Sincerely,



Jeffrey P. Duvall

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