



**TOWN OF LAKE PARK
FLORIDA**



**Comprehensive Annual Financial Report
FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2017

**Prepared by
Finance Department**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	4

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position – Pension Trust Fund	25
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	26
Notes to Basic Financial Statements	27

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Changes in Net Pension Liability and Related Ratios	69
Schedules of Contributions and Investment Returns	70
Notes to the Schedule of Contributions	71
Schedule of Funding Progress – Other Post Employment Benefits.....	72
Budgetary Comparison Schedule – General Fund	73
Budgetary Comparison Schedule – CRA Fund	78
Notes to the Budgetary Comparison Schedule Required Supplementary Information	79

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

TABLE OF CONTENTS

(Continued)

OTHER SUPPLEMENTARY INFORMATION:

Combining Balance Sheet – Nonmajor Governmental Funds	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	82
Budgetary Comparison Schedule – Debt Service Fund	83
Budgetary Comparison Schedule – Streets and Roads Fund	84
Budgetary Comparison Schedule – Insurance Fund	85

STATISTICAL SECTION

Net Position by Component	86
Changes in Net Position	87
Fund Balances of Governmental Funds	91
Changes in Fund Balances of Governmental Funds	92
Governmental Funds Tax Revenue by Source	94
General Government Revenue by Source	95
Assessed Value of Taxable Property	97
Direct and Overlapping Property Tax Rates	98
Principal Property Taxpayers	100
Property Tax Levies and Collections	101
Ratios of Outstanding Debt by Type.....	102
Ratios of General Bonded Debt Outstanding.....	104
Direct and Overlapping Governmental Activities Debt.....	105
Pledged-Revenue Coverage	106
Demographic and Economic Statistics	107
Principal Employers	108
Full-Time Equivalent Town Government Employees by Function	109
Operating Indicators by Function/Program	110
Capital Asset Statistics by Function/Program.....	111

OTHER REPORTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	112
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	115
Independent Accountant's Report on Compliance with Section 218.415 Florida Statutes.....	119
Town Response to Management Letter.....	120

INTRODUCTORY SECTION



September 28, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the Town of Lake Park, Florida, (the "Town") for the fiscal year ended September 30, 2017, is hereby submitted. Florida law and the Rules of the Auditor General for the State of Florida require every municipality to complete a set of audited financial statements annually within twelve months of the close of the fiscal year. This report is published to fulfill that requirement for the year ended September 30, 2017.

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

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

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

535 Park Avenue
Lake Park, FL 33403
Phone: (561) 881-3300
Fax: (561) 881-3314

www.lakeparkflorida.gov

PROFILE OF THE TOWN

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

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

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

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

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

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

LOCAL ECONOMY

The Town's economic growth continues to be stymied due to the national recession and collapse of the housing and real estate market. Property values increased dramatically throughout Palm Beach County and the Town of Lake Park between the years of 2002 through 2008. The taxable value of property within the Town decreased 6.3% in 2009, mainly due to the passage of Amendment One (Property Tax Reform), an additional 15.6% in 2010 due to the economic downturn, and values dropped an additional 18.3% in 2011, and 5.5% in 2012, and 3.6% in 2013. The taxable value has recovered 3.90% in 2013, 7.1% in 2014, 9.1% in 2015, 10.1% in 2016 and 8.6% in 2017. The relationship of commercial assessments compared to residential assessment has historically been around 50/50, but with the decline in the housing market, this relationship has shifted to approximately 54/46.

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

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

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

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

ACCOUNTING AND BUDGETARY CONTROLS

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

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

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

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

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

MAJOR INITIATIVES

There were four significant initiatives underway during the fiscal year: (1) establishing a US-1 Mixed-Use Corridor, (2) a CDBG funded project to build and re-build the bathrooms in two Town parks, (3) Purchase of a MAX Force Grapple Truck (4) and refurbishment of a Side Loader.

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

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Lourdes Cariseo
Finance Director

TOWN OF LAKE PARK

List of Principal Officials

September 30, 2017

Mayor

Michael O'Rourke

Vice Mayor

Kimberly Glas-Castro

Town Commission

Erin Flaherty
Roger Michuad
Ann Lynch

Town Manager

John O. D'Agostino

Town Clerk

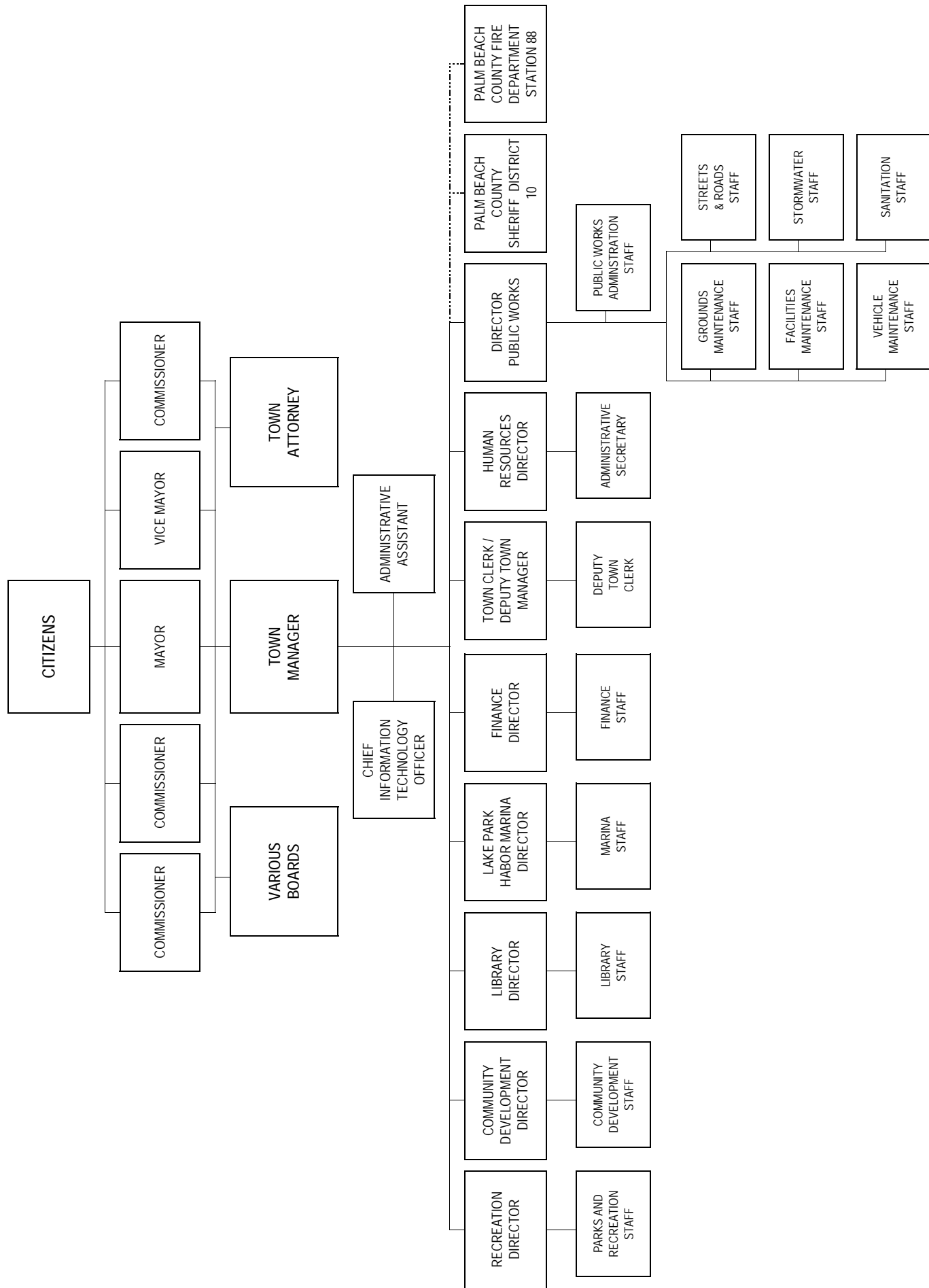
Vivian Mendez

Interim Finance Director

Lourdes Cariseo

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

Richard Scherle
Nadia DiTomasso
Karen Mahnk
Riunite Franks
Salvatore Schiafone
Bambi McKibbon-Turner
Hoa Hoang



FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 17 to the financial statements, the beginning net assets in the business-type activities and Marina Fund were restated to correct for the prior year error in recording the debt refunding. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 Pension and Other Postemployment Benefit trend information on pages 69 through 72, and budgetary comparison information on pages 73 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018, on our consideration of the Town of Lake Park, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lake Park, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

September 28, 2018
West Palm Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Lake Park, Florida (Town) administration offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the transmittal letter and the accompanying basic financial statements.

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

Financial Highlights

Government-Wide Financial Statements

- The assets and deferred outflows of the Town of Lake Park exceeded its liabilities and deferred inflows at September 30, 2017 by \$11,103,173. Of this amount, unrestricted net position is \$1,704,036.
- The total net position increased by \$1,235,371. of which an increase of \$1,525,435. was attributed to governmental activities and a decrease of \$290,064. was related to business-type activities. The change in net position of the business-type and governmental activities of the Town was primarily due to depreciation expense far exceeding investment in capital assets.

Fund Financial Statements

- As of the close of the 2017 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$1,884,816 an increase of \$227,979. from the prior year. Of the total, \$705,209, is restricted or non-spendable, while \$1,179,607. is unassigned and available for future uses by the Town Commission, an increase of \$298,577 in unassigned fund balance.
- At the end of the 2017 Fiscal Year, the unassigned fund balance for the General Fund represented just less than 18% of total General Fund expenditures or approximately 65.7 days of available funding.
- Total long-term obligations for the Town decreased by \$1,408,896. General Obligation Bond debt and loans payable decreased in the amount of \$1,236,761. due to scheduled principal payments.

USING THIS ANNUAL REPORT

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

REPORTING THE TOWN AS A WHOLE

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

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

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

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

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

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-68 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information for pension benefits can be found on page 69-72 of this report.

The Town adopts annual appropriated budgets for the General Fund and CRA. Budgetary comparison schedules for the General Fund and CRA are included as *Required Supplementary Information* on pages 73-80 to demonstrate compliance with the budget.

The Town also adopts an annual budget for the Streets and Roads Fund, Insurance Fund, and Debt Service Fund. Budgetary comparison schedules for these funds are also included as Other Supplementary Information section of this report. The combining and individual fund statements and schedules are presented immediately following the required supplementary information on pages 81-85 of this report.

Government-Wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, governmental activity assets exceeded liabilities and deferred inflows by \$6,248,310. Business-type activity assets exceeded liabilities and deferred inflows by \$4,854,863. The Town-wide total net position was \$11,103,173. at the close of the fiscal year ended September 30, 2017. The Statement of Net Position is on page 15 of this report.

The Town's investment in capital assets (e.g., land, buildings, equipment and vehicles, less any related debt used to acquire those assets that is still outstanding) was \$8,369,460. or over 75% of total net position at September 30, 2017. Capital assets total \$15,703,753. at September 30, 2017, or 76% of all assets, which total \$20,686,223. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$1,029,677, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,704,036, may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

Net Position

	Governmental Activities		Business Activities (1)		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 4,163,278	\$ 3,127,163	\$ 819,192	\$ 882,642	\$ 4,982,470	\$ 4,009,805
Capital assets	6,714,464	6,981,740	8,989,289	9,439,359	15,703,753	16,421,099
Total assets	<u>10,877,742</u>	<u>10,108,903</u>	<u>9,808,481</u>	<u>10,322,001</u>	<u>20,686,223</u>	<u>20,430,904</u>
Deferred outflows of resources:						
Pension related items	-	92	-	-	-	92
Liabilities:						
Long-term liabilities	3,871,023	4,747,196	4,550,688	4,903,411	8,421,711	9,650,607
Other liabilities	501,826	386,339	319,210	184,710	821,036	571,049
Total liabilities	<u>4,372,849</u>	<u>5,133,535</u>	<u>4,869,898</u>	<u>5,088,121</u>	<u>9,242,747</u>	<u>10,221,656</u>
Deferred inflows of resources:						
Pension related items	34,496		-	-	34,496	-
Deferred gain on bond refunding, net	-	-	83,720	88,953	83,720	88,953
Unearned revenue	222,087	252,585	-	-	222,087	252,585
	<u>256,583</u>	<u>252,585</u>	<u>83,720</u>	<u>88,953</u>	<u>340,303</u>	<u>341,538</u>
Net position:						
Invested in capital assets, net of related debt	3,862,515	3,205,414	4,506,945	4,690,541	8,369,460	7,895,955
Restricted	1,029,677	506,653	-	-	1,029,677	506,653
Unrestricted	1,356,118	1,010,808	347,918	454,386	1,704,036	1,465,194
Total net position	<u>\$ 6,248,310</u>	<u>\$ 4,722,875</u>	<u>\$ 4,854,863</u>	<u>\$ 5,144,927</u>	<u>\$ 11,103,173</u>	<u>\$ 9,867,802</u>

(1) As restated

Governmental Activities: Net position of the governmental activities of the Town have increased \$1,525,435 from 2016. Total assets and deferred outflows of governmental activities have increased by \$768,747, and total liabilities and deferred inflows of resources have decreased by \$756,668. Unrestricted net position is up by \$345,310.

Business Activities: Net position for business activities have decreased \$290,064. from 2016. Total assets decreased by \$513,520, while total liabilities have decreased by \$218,223. Unrestricted net position has decreased by \$106,468.

The following is a summary of the changes in net position for the years ended September 30, 2017 and 2016:

Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,204,766	\$ 1,003,079	\$3,600,806	\$3,535,697	\$ 4,805,572	\$ 4,538,776
Operating grants and contributions	28,201	12,067	-	-	28,201	12,067
Capital grants and contributions	275,917	76,548	-	-	275,917	76,548
General revenues:						
Taxes	6,360,579	5,622,143	-	-	6,360,579	5,622,143
Intergovernmental	1,282,459	1,222,771	-	-	1,282,459	1,222,771
Investment earnings	54,286	25,946	3,609	1,911	57,895	27,857
Gain on sale of equipment	-	-	-	-	-	-
Total revenues	<u>\$ 9,206,208</u>	<u>\$ 7,962,554</u>	<u>\$3,604,415</u>	<u>\$3,537,608</u>	<u>\$12,810,623</u>	<u>\$11,500,162</u>

Overall total revenues are up by \$1,310,461. Program revenues increased by \$482,299 and general revenues increased by \$828,162.

Governmental Activities: Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have increased \$738,436. Property values within the Town increased in 2017, 8.7% over 2016. When combined with the loss in value from Amendment One, property tax reform, and the economy changing; property values within the Town's Taxable Value remains more than \$107.3 million dollars below the 2007 value. The increase in charges for services of governmental activities is attributable to the increase property values and holding the millage rate constant combined with volume increases in the Franchise Fees and Utility Service Taxes.

Business Activities: Total revenues for business activities of the Town have increased by \$66,807. This is primarily the result of increased Marina occupancy and increased residential Sanitation fees.

	Governmental Activities		Business Activities (1)		Total	
	2017	2016	2017	2016	2017	2016
Expenses:						
General government	\$ 2,379,266	\$ 1,812,849	\$	\$	\$ 2,379,266	\$ 1,812,849
Public safety	3,616,758	3,458,641			3,616,758	3,458,641
Physical environment	337,601	307,054			337,601	307,054
Transportation	572,008	480,458			572,008	480,458
Culture and recreation	937,507	701,248			937,507	701,248
Economic Impact	-	3,925			-	3,925
Interest on						
long-term debt	147,633	199,556			147,633	199,556
Marina			1,854,387	1,745,208	1,854,387	1,745,208
Sanitation			1,365,725	1,205,728	1,365,725	1,205,728
Stormwater			364,367	392,237	364,367	392,237
Total expenses	<u>7,990,773</u>	<u>6,963,731</u>	<u>3,584,479</u>	<u>3,343,173</u>	<u>11,575,252</u>	<u>10,306,904</u>
Transfers In/(Out)	<u>310,000</u>	<u>310,000</u>	<u>(310,000)</u>	<u>(310,000)</u>		
Change in net position	1,525,435	756,990	(290,064)	(115,565)	1,235,371	641,425
Net position - beginning of year	4,722,875	3,965,885	5,144,927	5,260,492	9,867,802	9,226,377
Net position - end of year	<u>\$ 6,248,310</u>	<u>\$ 4,722,875</u>	<u>\$ 4,854,863</u>	<u>\$ 5,144,927</u>	<u>\$ 11,103,173</u>	<u>\$ 9,867,802</u>

(1) As restated

Overall net position increased \$1,235,371. The increase in net position is related to the increase in property values combined with cost cutting measures that have been undertaken by the Town and the CRA.

Governmental Activities: Changes in the expenses for 2017 in Public Safety is attributable to a 2% increase in the Sheriff's contract countered by the MSTU effect. The change in the General government is attributable to an average raise of just over 3% for all employees, countered by decreases in expense items result from vacant positions in several departments, other cost saving measures, and continued debt service payments.

Business-type Activities: The increased expenses for the Marina Fund results from the moving one part-time employee to full time.

Financial Analysis of the Governments' Funds

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

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

At September 30, 2017, the Town's primary operating fund, the General Fund, reported ending fund balance of \$1,884,816. an increase of \$227,979. from the prior year. Of this amount, \$1,179,607 is considered unassigned fund balance. However; \$10,000 is restricted for specific purposes; the Community Improvement Beautification (CIB) Fund. The unassigned balance of \$1,179,607 is available for spending at the Town's discretion. However, it is recommended that these funds be maintained at this level in the event of an emergency such as a hurricane. The remainder of fund balance (\$647,423) is non-spendable to indicate that it is not available for new spending because it has already been committed (1) for inventories and prepaid expenses (\$23,981) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$623,442).

As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents less than 15 percent (approximately 54 days) of total general fund expenditures, while total fund balance represents 24 percent of that same amount. A sound financial management policy would dictate that the unrestricted, unassigned fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2017 has been constructed to provide an increase in the fund balance at the end of the year, absent significant revenue shortfalls or at least be able to maintain the current level of fund balance in the event of revenue shortfalls.

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

The Marina Fund has a reduction in Net Position \$448,636 an amount essentially the same as the depreciation expense charged to the fund for the year, bringing the fund's Total Net Position to \$3,111,171.

The Sanitation Fund has an increase in Net Position of \$88,808, bringing the fund's Total Net Position for the fund to \$708,796.

The Stormwater Fund has an increase in Net Position of \$92,892, bringing the fund's Total Net Position for the fund to \$922,044.

General Fund Budgetary Highlights

The annual General Fund budget is adopted after two public hearings and approval of the Town Commission. Any amendments that would exceed the original budget at the fund level or would require funds to be transferred from contingency would require a formal budget amendment requiring the adoption of a resolution by the Town Commission. The General Fund appropriation was from the \$7,199,575 to \$7,436,770.

Capital Asset and Debt Administration

Capital assets. The Town's total investment in capital assets at September 30, 2017 was \$15,703,753. (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment and vehicles and infrastructure. The Town's net capital assets at September 30, 2017 and 2016 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,691,891	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,184,223	\$ 5,184,223
Construction in progress	330,601	75,644	378,346	413,302	708,947	488,946
Buildings	2,024,009	2,214,292	-	-	2,024,009	2,214,292
Equipment and vehicles	195,343	202,441	706,301	560,448	901,644	762,889
Streets, roads, and sidewalks	1,472,620	1,797,472	5,412,310	5,970,277	6,884,930	7,767,749
Total assets	<u>\$ 6,714,464</u>	<u>\$ 6,981,740</u>	<u>\$ 8,989,289</u>	<u>\$ 9,436,359</u>	<u>\$ 15,703,753</u>	<u>\$ 16,418,099</u>

Capital projects during Fiscal Year 2017 included the following:

- Kelsey and Lake Shore Bathrooms
- Roadway Improvements
- Sidewalk Repairs
- Library Security Cameras

Additional information on the Town's capital assets can be found in Note 6 on pages 46-47 of this report.

Long-term debt. No new governmental debt was incurred during fiscal year 2017. The debt position of the Town is summarized as follows:

	Governmental Activities		Business Activities (1)		Total	
	2017	2016	2017	2016	2017	2016
Loans Payable	\$ 3,169,022	\$ 4,051,096	\$ 4,375,400	\$ 4,730,087	7,544,422	\$ 8,781,183
Other Post- Emp. Benefits	66,352	55,547	27,072	23,236	93,424	78,783
Net pension liability	441,058	492,956	-	-	441,058	492,956
Compensated absences	194,591	147,597	41,272	36,460	235,863	184,057
Unamortized premium	-	-	106,944	113,628	106,944	113,628
Total	<u>\$ 3,871,023</u>	<u>\$ 4,747,196</u>	<u>\$ 4,550,688</u>	<u>\$ 4,903,411</u>	<u>\$ 8,421,711</u>	<u>\$ 9,650,607</u>

Additional information on the Town's debt can be found in Note 7 on pages 47-54 of this report.

Economic factors and Next Year's Budgets and Rates

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

For fiscal year 2017-2018 the Town Commission adopted a General Fund budget of \$7,995,067 compared with the budget for fiscal year 2016-2017 in the amount of \$7,725,562. The Town adopted a MSTU for fire services in 2015, thus the millage for the Fire Services was not included in the operating millage accounting for a decrease in revenue and expense of \$1,983,280. The operating millage rate was effectively held constant year-over-year at 5.3474 (8.8055 mills less the fire millage of 3.4581). The debt millage rate decreased to .6675 mills, meeting the debt service requirements of the General Obligation bonds of 1997 and 1998.

The greatest impact on the General Fund expenditures is the contract with the Palm Beach County Sheriff for policing services which represents 38.4% of the total and uses 100% of the Ad Valorem property tax revenue plus an additional \$299,224 of other revenues of the Town. In an effort to off-set some of the impact on the General Fund revenue lost the Town continues to operate with many cuts implemented in prior years across all departments and must continue to limit capital and other projects.

There were no significant rate adjustments in fiscal year 2016-2017.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
September 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Pooled cash and cash equivalents	\$ 2,676,334	\$ 1,350,143	\$ 4,026,477
Accounts receivable, net	280,258	146,005	426,263
Notes receivable	16,199		16,199
Due from other governments	428,963		428,963
Internal balances	737,148	(737,148)	
Inventory	14,341	32,814	47,155
Prepaid items	10,035	27,378	37,413
Capital assets			
Capital assets not being depreciated	3,022,492	2,870,678	5,893,170
Capital assets being depreciated, net of accumulated depreciation	3,691,972	6,118,611	9,810,583
Total assets	<u>10,877,742</u>	<u>9,808,481</u>	<u>20,686,223</u>
Liabilities			
Accounts payable	297,121	263,146	560,267
Accrued expenses	130,900	38,283	169,183
Accrued interest payable	4,139	4,277	8,416
Unearned revenue	9,389		9,389
Deposits	60,277	13,504	73,781
Noncurrent liabilities:			
Due within one year	718,782	369,207	1,087,989
Due in more than one year	3,152,241	4,181,481	7,333,722
Total liabilities	<u>4,372,849</u>	<u>4,869,898</u>	<u>9,242,747</u>
Deferred inflows of resources			
Pension related items	34,496		34,496
Deferred gain on bond refunding, net		83,720	83,720
Unearned revenue	222,087		222,087
Total deferred inflows of resources	<u>256,583</u>	<u>83,720</u>	<u>340,303</u>
Net Position			
Net investment in capital assets	3,862,515	4,506,945	8,369,460
Restricted for:			
Debt service	142,086		142,086
Capital projects	877,591		877,591
Other restrictions	10,000		10,000
Unrestricted	1,356,118	347,918	1,704,036
Total net position	<u>\$ 6,248,310</u>	<u>\$ 4,854,863</u>	<u>\$ 11,103,173</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2017

Functions/Programs	Expenses	Charges for Activities
Government:		
Governmental activities		
General government	\$ 2,379,266	\$ 109,601
Public safety	3,616,758	1,068,425
Physical environment	337,601	
Transportation	572,008	
Culture and recreation	937,507	26,740
Interest on long-term debt	147,633	
Total governmental activities	<u>7,990,773</u>	<u>1,204,766</u>
Business-type activities		
Marina	1,854,387	1,403,726
Sanitation	1,365,725	1,691,438
Stormwater	364,367	505,642
Total business-type activities	<u>3,584,479</u>	<u>3,600,806</u>
Total	<u>\$ 11,575,252</u>	<u>\$ 4,805,572</u>

Program Revenues		Net Expense (Revenue) and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$	\$	\$ (2,269,665)	\$	\$ (2,269,665)
		(2,548,333)		(2,548,333)
3,980		(333,621)		(333,621)
	23,997	(548,011)		(548,011)
24,221	251,920	(634,626)		(634,626)
		(147,633)		(147,633)
<u>28,201</u>	<u>275,917</u>	<u>(6,481,889)</u>		<u>(6,481,889)</u>
			(450,661)	(450,661)
			325,713	325,713
			141,275	141,275
			16,327	16,327
<u>\$ 28,201</u>	<u>\$ 275,917</u>	<u>(6,481,889)</u>	<u>16,327</u>	<u>(6,465,562)</u>
General Revenues:				
Taxes:				
Property taxes		3,791,642		3,791,642
Infrastructure surtax		389,411		389,411
Franchise fees		627,219		627,219
Utility service taxes		1,006,475		1,006,475
Local option gas taxes		269,595		269,595
Communication services taxes		276,237		276,237
Unrestricted intergovernmental shared revenues		1,282,459		1,282,459
Investment earnings		54,286	3,609	57,895
Transfers		310,000	(310,000)	
Total general revenues and transfers		<u>8,007,324</u>	<u>(306,391)</u>	<u>7,700,933</u>
Change in net position		1,525,435	(290,064)	1,235,371
Net position, beginning of year, as restated		<u>4,722,875</u>	<u>5,144,927</u>	<u>9,867,802</u>
Net position, end of year		<u>\$ 6,248,310</u>	<u>\$ 4,854,863</u>	<u>\$ 11,103,173</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2017

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Assets				
Pooled cash and cash equivalents	\$ 1,405,394	\$ 403,135	\$ 569,232	\$ 2,377,761
Accounts receivable, net	280,258			280,258
Notes receivable		16,199		16,199
Due from other governments	117,177		311,786	428,963
Due from other funds			400,000	400,000
Advances to other funds	623,442			623,442
Inventory	14,341			14,341
Prepaid items	9,640	395		10,035
Total assets	<u>\$ 2,450,252</u>	<u>\$ 419,729</u>	<u>\$ 1,281,018</u>	<u>\$ 4,150,999</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 145,885	\$ 56,132	\$ 95,104	\$ 297,121
Accrued liabilities	127,798		3,102	130,900
Unearned revenue	9,389			9,389
Advance from other funds		173,442		173,442
Deposits	60,277			60,277
Total liabilities	<u>343,349</u>	<u>229,574</u>	<u>98,206</u>	<u>671,129</u>
Deferred inflows of resources				
Unavailable revenue			224,569	224,569
Unearned revenue	222,087			222,087
	<u>222,087</u>		<u>224,569</u>	<u>446,656</u>
Fund balances				
Nonspendable:				
Inventories and prepaids	23,981	395		24,376
Advances to other funds	623,442			623,442
Restricted for:				
Debt service			146,225	146,225
Transportation			471,587	471,587
Infrastructure			389,411	389,411
Capital projects			16,593	16,593
Community improvement	10,000			10,000
Assigned to:				
Subsequent years expenditures	47,786	50,000	20,954	118,740
Special revenue fund		139,760	161,324	301,084
Unassigned	1,179,607		(247,851)	931,756
Total fund balances	<u>1,884,816</u>	<u>190,155</u>	<u>958,243</u>	<u>3,033,214</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,450,252</u>	<u>\$ 419,729</u>	<u>\$ 1,281,018</u>	<u>\$ 4,150,999</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Governmental Activities
September 30, 2017

Total fund balances - governmental funds \$ 3,033,214

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	\$ 17,732,137	
Less accumulated depreciation	<u>(11,017,673)</u>	6,714,464

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

Current year grant revenues	224,569
-----------------------------	---------

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

Accrued interest payable on long-term debt	(4,139)	
Compensated absences	(194,591)	
Other post employment benefits	(66,352)	
Net pension liability	(441,058)	
Loans payable	(2,697,773)	
General obligation bonds	<u>(371,249)</u>	(3,775,162)

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

Pension related deferred inflows	(34,496)
----------------------------------	----------

Internal service funds are used by management to charge costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.

85,721

Net position of governmental activities	<u><u>\$ 6,248,310</u></u>
---	----------------------------

See notes to the financial statements.

TOWN OF LAKE PARK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Revenues				
Taxes	\$ 4,627,286	\$	\$ 1,187,461	\$ 5,814,747
Licenses and permits	727,048			727,048
Intergovernmental	1,264,638	257,251	449,187	1,971,076
Charges for services	365,978			365,978
Fines and forfeitures	290,900			290,900
Miscellaneous	182,840	2,142	2,893	187,875
Total revenues	<u>7,458,690</u>	<u>259,393</u>	<u>1,639,541</u>	<u>9,357,624</u>
Expenditures				
Current				
General government	1,901,129	380,319	4,218	2,285,666
Public safety	3,612,914			3,612,914
Physical environment	329,059			329,059
Transportation	270,454		201,592	472,046
Culture and recreation	803,814			803,814
Capital outlay	47,724		290,841	338,565
Debt service				
Principal	264,560		717,514	982,074
Interest charges	114,781		41,299	156,080
Total expenditures	<u>7,344,435</u>	<u>380,319</u>	<u>1,255,464</u>	<u>8,980,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,255</u>	<u>(120,926)</u>	<u>384,077</u>	<u>377,406</u>
Other financing sources (uses)				
Transfers in	599,286	485,562		1,084,848
Transfer out	(485,562)	(199,286)	(90,000)	(774,848)
Total other financing sources (uses)	<u>113,724</u>	<u>286,276</u>	<u>(90,000)</u>	<u>310,000</u>
Net change in fund balances	227,979	165,350	294,077	687,406
Fund balances				
Beginning of year	1,656,837	24,805	664,166	2,345,808
End of year	<u>\$ 1,884,816</u>	<u>\$ 190,155</u>	<u>\$ 958,243</u>	<u>\$ 3,033,214</u>

See notes to the financial statements.

TOWN OF LAKE PARK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2017

Net change in fund balances - total governmental funds	\$	687,406
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	\$ 315,244	
Less: current year depreciation	<u>(582,520)</u>	(267,276)
Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.		
Current year grants	224,569	
Prior year grants	<u>(48,537)</u>	176,032
The repayment (issuance) of long-term debt consumes (provides) the current financial resources of governmental funds. However, these transactions do not have any effect on net position of the governmental activities.		
Long term debt repayments:		
General obligation bonds	717,514	
Loans payable	<u>264,560</u>	982,074
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	(46,994)	
Change in other post employment benefits	(10,805)	
Change in net pension liability and related deferred amounts	17,310	
Change in accrued interest	<u>8,447</u>	(32,042)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
Net income allocable to governmental activities		<u>(20,759)</u>
Change in net position of governmental activities	\$	<u><u>1,525,435</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2017

	<u>Major Enterprise Funds</u>		<u>Nonmajor</u>	<u>Total</u>	<u>Governmental</u>
	<u>Marina</u>	<u>Sanitation</u>	<u>Enterprise</u>	<u>Enterprise</u>	<u>Activities</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Internal</u>
					<u>Service Fund</u>
Assets					
Current assets					
Pooled cash and cash equivalents	\$ 485,544	\$ 393,066	\$ 471,533	\$ 1,350,143	\$ 298,573
Accounts receivable, net	8,256	134,317	3,432	146,005	
Prepaid items	27,378			27,378	
Inventory	32,814			32,814	
Total current assets	<u>553,992</u>	<u>527,383</u>	<u>474,965</u>	<u>1,556,340</u>	<u>298,573</u>
Noncurrent assets					
Capital assets not being depreciated	2,428,175	64,157	378,346	2,870,678	
Capital assets net of accumulated depreciation	<u>5,246,596</u>	<u>682,288</u>	<u>189,727</u>	<u>6,118,611</u>	
Total noncurrent assets	<u>7,674,771</u>	<u>746,445</u>	<u>568,073</u>	<u>8,989,289</u>	
Total assets	<u>8,228,763</u>	<u>1,273,828</u>	<u>1,043,038</u>	<u>10,545,629</u>	<u>298,573</u>
Liabilities					
Current liabilities					
Accounts payable	19,338	194,576	49,232	263,146	
Accrued liabilities	15,378	18,442	4,463	38,283	
Due to other funds	400,000			400,000	
Deposits payable - slip rentals	13,504			13,504	
Accrued interest payable		4,277		4,277	
Compensated absences payable, current portion	1,519	5,227	1,508	8,254	
Bonds payable, current maturities	<u>207,808</u>	<u>98,267</u>	<u>54,878</u>	<u>360,953</u>	33,333
Total current liabilities	<u>657,547</u>	<u>320,789</u>	<u>110,081</u>	<u>1,088,417</u>	<u>33,333</u>
Long-term liabilities					
Compensated absences payable, less current portion	6,077	20,909	6,032	33,018	
Other post-employment benefits	3,152	19,039	4,881	27,072	
Advance from other funds	450,000			450,000	
Bonds payable, net of unamortized premium and current maturities	<u>3,917,096</u>	<u>204,295</u>		<u>4,121,391</u>	66,667
Total long-term liabilities	<u>4,376,325</u>	<u>244,243</u>	<u>10,913</u>	<u>4,631,481</u>	66,667
Total liabilities	<u>5,033,872</u>	<u>565,032</u>	<u>120,994</u>	<u>5,719,898</u>	<u>100,000</u>
Deferred inflows of resources					
Deferred gain on bond refunding, net	<u>83,720</u>			<u>83,720</u>	
Net position					
Net investment in capital assets	3,549,867	443,883	513,195	4,506,945	
Unrestricted	<u>(438,696)</u>	<u>264,913</u>	<u>408,849</u>	<u>235,066</u>	198,573
Total net position	<u>\$ 3,111,171</u>	<u>\$ 708,796</u>	<u>\$ 922,044</u>	<u>4,742,011</u>	<u>\$ 198,573</u>
Adjustment to reflect consolidation of internal service fund activities				<u>112,852</u>	
Net position of business-type activities				<u>\$ 4,854,863</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2017

	<u>Major Enterprise Funds</u>		<u>Nonmajor Enterprise Fund</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Marina Fund</u>	<u>Sanitation Fund</u>			<u>Internal Service Fund</u>
Operating revenue					
Charges for services	\$ 1,394,575	\$ 1,686,609	\$ 505,167	\$ 3,586,351	\$ 254,928
Miscellaneous	9,151	4,829	475	14,455	1,380
Total operating revenues	<u>1,403,726</u>	<u>1,691,438</u>	<u>505,642</u>	<u>3,600,806</u>	<u>256,308</u>
Operating expenses					
Personal services	277,823	558,826	160,043	996,692	30,333
Operating expenses	880,130	735,298	159,352	1,774,780	269,862
Depreciation	549,131	52,991	39,547	641,669	
Total operating expenses	<u>1,707,084</u>	<u>1,347,115</u>	<u>358,942</u>	<u>3,413,141</u>	<u>300,195</u>
Operating income (loss)	<u>(303,358)</u>	<u>344,323</u>	<u>146,700</u>	<u>187,665</u>	<u>(43,887)</u>
Nonoperating revenues (expenses)					
Interest revenue		3,528	81	3,609	
Interest expense	(135,278)	(9,043)	(3,889)	(148,210)	
Total nonoperating revenues (expenses)	<u>(135,278)</u>	<u>(5,515)</u>	<u>(3,808)</u>	<u>(144,601)</u>	
Income (loss) before transfers	<u>(438,636)</u>	<u>338,808</u>	<u>142,892</u>	<u>43,064</u>	<u>(43,887)</u>
Transfers					
Transfers out	(10,000)	(250,000)	(50,000)	(310,000)	
Total transfers	<u>(10,000)</u>	<u>(250,000)</u>	<u>(50,000)</u>	<u>(310,000)</u>	
Change in net position	(448,636)	88,808	92,892	(266,936)	(43,887)
Net position - beginning of year, as restated	<u>3,559,807</u>	<u>619,988</u>	<u>829,152</u>	<u>5,008,947</u>	<u>242,460</u>
Net position - ending	<u>\$ 3,111,171</u>	<u>\$ 708,796</u>	<u>\$ 922,044</u>	<u>\$ 4,742,011</u>	<u>\$ 198,573</u>
Change in net position				\$ (266,936)	
Adjustment to reflect consolidation of internal service fund activities				(23,128)	
Change in net position of business-type activities				<u>\$ (290,064)</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2017

	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities
	Marina Fund	Sanitation Fund			Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,405,841	\$ 1,671,704	\$ 504,895	\$ 3,582,440	\$
Miscellaneous receipts					1,380
Cash paid to suppliers	(789,664)	(609,116)	(135,486)	(1,534,266)	(300,801)
Cash paid to employees	(270,087)	(554,049)	(158,998)	(983,134)	
Payments to other funds					
Payments from other funds					254,928
Net cash provided (used) by operating activities	346,090	508,539	210,411	1,065,040	(44,493)
Cash flows from noncapital financing activities:					
Debt proceeds					100,000
Transfers (out)	(10,000)	(250,000)	(50,000)	(310,000)	
Net cash provided (used) by noncapital financing activities	(10,000)	(250,000)	(50,000)	(310,000)	100,000
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(17,033)	(209,522)	(87,061)	(313,616)	
Interest paid on debt	(147,195)	(10,397)	(3,889)	(161,481)	
Principal repayments on revenue bonds	(206,150)	(95,768)	(52,769)	(354,687)	
Net cash provided (used) by capital and related financing activities	(370,378)	(315,687)	(143,719)	(829,784)	
Cash flows from investing activities:					
Interest on investments		3,528	81	3,609	
Net cash provided (used) by investing activities		3,528	81	3,609	
Net increase (decrease) in cash and cash equivalents	(34,288)	(53,620)	16,773	(71,135)	55,507
Cash and cash equivalents at beginning of year	519,832	446,686	454,760	1,421,278	243,066
Cash and cash equivalents at end of year	\$ 485,544	\$ 393,066	\$ 471,533	\$ 1,350,143	\$ 298,573
Cash flows from operating activities:					
Operating income (loss)	\$ (303,358)	\$ 344,323	\$ 146,700	\$ 187,665	\$ (43,887)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	549,131	52,991	39,547	641,669	
Construction in Progress expensed in current year	122,017			122,017	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,105	(19,734)	(747)	(18,376)	
(Increase) decrease in inventory	(14,148)			(14,148)	
(Increase) decrease in prepaid expenses	1,711			1,711	
Increase (decrease) in accounts payable	(19,114)	126,182	23,866	130,934	(606)
Increase (decrease) in accrued liabilities	4,212	112	586	4,910	
Increase (decrease) in deposits	10			10	
Increase (decrease) in compensated absences	2,646	2,483	776	5,905	
Increase (decrease) in other post-employment benefits	878	2,182	(317)	2,743	
Total adjustments	649,448	164,216	63,711	877,375	(606)
Net cash provided (used) by operating activities	\$ 346,090	\$ 508,539	\$ 210,411	\$ 1,065,040	\$ (44,493)
Noncash activities					
Amortization of premium on bonds	\$ (6,684)	\$	\$	\$ (6,684)	\$
Amortization of refunding gain on bonds	\$ (5,233)	\$	\$	\$ (5,233)	\$

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Fiduciary Net Position
Retired Police Officers' Pension Trust Fund
September 30, 2017

Assets	
Cash and cash equivalents	\$ 48,041
Investments:	
Equity exchange traded funds	762,648
Foreign equity exchange traded funds	129,838
Fixed income exchange traded funds	151,289
Real estate exchange traded funds	62,866
Global fixed income mutual funds	222,068
Prepaid retirement benefits	13,044
Total assets	<u>1,389,794</u>
Net position	
Held in trust for pension benefits	<u><u>\$ 1,389,794</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Changes in Fiduciary Net Position
Retired Police Officers Pension Trust Fund
For the Year Ended September 30, 2017

Additions	
Contributions	
Employer	\$ 80,380
Investment income	
Net increase fair value of investments	116,575
Interest and dividends	27,120
Total investment income	<u>143,695</u>
Less investment expenses	<u>(1,154)</u>
Net investment income	<u>142,541</u>
Total additions	222,921
Deductions	
Retirement benefits	156,529
Administrative expenses	29,853
Total deductions	<u>186,382</u>
Change in net position	36,539
Net position held in trust for pension benefits	
Net position - beginning of year	<u>1,353,255</u>
Net position - end of year	<u><u>\$ 1,389,794</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Town reports the following major governmental funds:

General Fund

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

CRA Fund

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

The Town reports the following major proprietary funds:

Marina Fund

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

Sanitation Fund

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

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

Special Revenue Funds

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

Debt Service Fund

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Projects Funds

The Capital Projects Fund and Special Projects Fund are used to account for construction and renovation projects.

Stormwater Utility Fund

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

Internal Service Fund

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

Fiduciary Funds

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Interfund Transactions

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

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

Prepaid Items/Expenses

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

Capital Assets and Depreciation

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets and Depreciation (Continued)

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

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

Compensated Absences

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

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. Benefits that were earned but not used during the current year were accrued at employees' pay rates in effect at September 30, 2017. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the General Fund. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the government-wide financial statements as well as the Enterprise Fund. The Town does not contribute to other post-employment benefits for employees.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows and Inflows of Resources

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

The statement of net position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. The source of the unearned revenue is local business tax revenues collected prior to the date on the statement of net position which are unearned and will be recognized as an inflow of resources in the period that the amounts become available. The Town also has pension related deferred inflows, which are discussed in Note 10.

Unearned Revenue

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

Long-Term Obligations

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position

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

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

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

Fund Equity

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity (Continued)

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

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

Use of Estimates

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

Statement of Cash Flows

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

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

The procedures for establishing budgetary data are as follows:

- Prior to September 1st, the Town Manager submits a proposed operating budget to the Town Commission for the next fiscal year commencing the following October 1st. The proposed budget includes expenditures and the means of financing them.
- Public hearings are conducted at the Town Hall to obtain taxpayer comments.
- The Town advises the Palm Beach County Tax Collector's office of the proposed millage rate, the rolled back millage rate and the day, time and place of the public hearing for budget acceptance.
- A public hearing is held to obtain taxpayer input and to adopt the final budget and millage rate.
- Upon completion of the public hearings and prior to October 1st, a final operating budget and related millage rates are legally enacted through the passage of an ordinance. Estimated beginning fund balances are considered in the budgetary process. Effective for fiscal year ending September 30, 2017, a final operating budget and related millage rates are legally enacted through the passage of a resolution.
- Changes or amendments to the total budgeted expenditures of the Town must be approved by the Town Commission. Accordingly, the legal level of control is at the fund level.
- All unencumbered balances lapse on September 30th.

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

A. Budgetary Data (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year end are reported as restricted, committed or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The General Fund had \$12,786 of outstanding encumbrances at year end.

B. Property Taxes

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

The tax levy of the Town is established by the Town Commission prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the Town for the year ended September 30, 2017, was 6.0149 (\$6.0149 for each \$1,000 of assessed valuation), which includes 0.6675 mills for debt service.

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

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2017, unpaid delinquent taxes are not material and have not been recorded by the Town.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2017, the carrying amount of deposits (including fiduciary funds) was \$791,661 and the bank balances were \$620,417. The Town also had \$760 of petty cash. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Town's deposits at year end are considered insured for custodial credit risk purposes.

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

Investments

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The State Board of Administration (SBA) administers the Florida PRIME investment pool, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for an SEC Rule 2a-7 like external investment pool, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share.

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2017, the Town held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement Level 1
<i><u>Fiduciary Fund</u></i>			
Global Fixed Income Mutual Funds	N/A	\$ 222,068	\$ 222,068
Equity ETF	N/A	762,648	762,648
Foreign Equity ETF	N/A	129,838	129,838
Fixed Income ETF	N/A	151,289	151,289
Real Estate ETF	N/A	62,866	62,866
		1,328,709	\$ 1,328,709

**Investments Reported at
Amortized Cost:**

<i><u>Governmental and Proprietary Funds</u></i>		
Florida PRIME	51 Days	3,453,341
Total Investments		\$ 4,782,050

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

Credit risk – For an investment, credit risk is the risk that an issuer or other counter party to an investment will not fulfill their obligations. The Town’s investment policies limit its investments to high quality investments to control credit risk. At September 30, 2017, Florida PRIME was rated AAA(m) by Standard and Poor's Ratings Services.

Custodial credit risk – For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. At September 30, 2017, all investments were insured or collateralized, except the Town’s pension fund, in which the underlying securities are held by counterparty, or by its trust department or agent but not in the Town’s name and is uninsured and unregistered. However, all securities are registered in the funds’ names.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The Town is authorized to invest its funds as follows:

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

By Category:

Deposits	\$ 620,417
Petty cash	760
Investments	4,782,050
Total deposits and investments	<u>\$ 5,403,227</u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$ 2,676,334
Business-type activities	
Cash and cash equivalents	1,350,143
Total statements of net position	<u>4,026,477</u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	48,041
Investments	1,328,709
Total fiduciary funds	<u>1,376,750</u>
Total deposits and investments	<u>\$ 5,403,227</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 4 – NOTES RECEIVABLES

The CRA has a program to give grants and low interest loans for business development and façade improvements. The loans bear interest at 2% and are payable monthly for terms of five to ten years. The grants are to be repaid if the business is sold within five years and one fifth of the grant is forgiven each year. Both the loans and grants are secured by a lien on the improvements and/or the property of the business. At September 30, 2017, there were \$16,199 of loans outstanding which are recorded as notes receivable and there were no grants outstanding.

NOTE 5 – ACCOUNTS RECEIVABLES

Receivables at September 30, 2017, were as follows:

	<u>General Fund</u>	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Nonmajor Enterprise Fund</u>
Accounts receivable	\$ 84,484	\$ 15,288	\$ 163,401	\$ 3,432
Accrued receivables	<u>220,919</u>			
Total receivables	305,403	15,288	163,401	3,432
Less: allowance for uncollectible accounts	<u>(25,145)</u>	<u>(7,032)</u>	<u>(29,084)</u>	
Accounts receivable, net	<u>\$ 280,258</u>	<u>\$ 8,256</u>	<u>\$ 134,317</u>	<u>\$ 3,432</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2017, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,691,891	\$	\$	\$ 2,691,891
Construction in progress	75,644	259,382	(4,425)	330,601
Capital assets being depreciated:				
Buildings	7,357,691			7,357,691
Improvements	5,238,867	15,055		5,253,922
Machinery and equipment	<u>2,052,800</u>	<u>45,232</u>		<u>2,098,032</u>
Total at historical cost:	17,416,893	319,669	(4,425)	17,732,137
Less accumulated depreciation for:				
Buildings	(5,143,399)	(190,283)		(5,333,682)
Improvements	(3,441,395)	(339,907)		(3,781,302)
Machinery and equipment	<u>(1,850,359)</u>	<u>(52,330)</u>		<u>(1,902,689)</u>
Total accumulated depreciation	<u>(10,435,153)</u>	<u>(582,520)</u>		<u>(11,017,673)</u>
Governmental activities capital assets, net	<u>\$ 6,981,740</u>	<u>\$ (262,851)</u>	<u>\$ (4,425)</u>	<u>\$ 6,714,464</u>

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

Governmental activities:

General government	\$ 363,350
Public safety	3,361
Physical environment	3,257
Transportation	91,722
Culture and recreation	<u>120,830</u>
Total depreciation expense governmental activities	<u>\$ 582,520</u>

Construction Commitments

- \$58,480 for Sidewalk replacements
- \$323,560 for road repairs

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 6 – CAPITAL ASSETS (Continued)

The capital asset activity of business-type activities for the year ended September 30, 2017, was as follows:

Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,492,332	\$	\$	\$ 2,492,332
Construction in progress	413,302	87,061	(122,017)	378,346
Capital assets being depreciated:				
Improvements	11,184,646	17,033		11,201,679
Machinery and equipment	3,333,475	209,522		3,542,997
Total at historical cost:	<u>17,423,755</u>	<u>313,616</u>	<u>(122,017)</u>	<u>17,615,354</u>
Less accumulated depreciation for:				
Improvements	(5,211,369)	(578,000)		(5,789,369)
Machinery and equipment	(2,773,027)	(63,669)		(2,836,696)
Total accumulated depreciation	<u>(7,984,396)</u>	<u>(641,669)</u>		<u>(8,626,065)</u>
Business-type activities capital assets, net	<u>\$9,439,359</u>	<u>\$ (328,053)</u>	<u>\$ (122,017)</u>	<u>\$8,989,289</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Amount due within one year
<u>Governmental activities:</u>					
Bonds and loans payable	\$ 4,051,096	\$	\$ (982,074)	\$ 3,069,022	\$ 646,531
Net pension liability (1)	492,956		(51,898)	441,058	
OPEB (see note 11)	55,547	10,805		66,352	
Compensated absences payable	147,597	192,899	(145,905)	194,591	38,918
Claims and settlements		100,000		100,000	33,333
Total	<u>\$ 4,747,196</u>	<u>\$ 303,704</u>	<u>\$(1,179,877)</u>	<u>\$ 3,871,023</u>	<u>\$ 718,782</u>

(1) See note 10.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Amount due within one year
<u>Business-type activities:</u>					
Loans payable	\$ 4,730,087	\$	\$ (354,687)	\$ 4,375,400	\$ 360,953
OPEB (see note 11)	23,236	3,836		27,072	
Compensated absences payable	36,460	57,502	(52,690)	41,272	8,254
Total	<u>\$ 4,789,783</u>	<u>\$ 61,338</u>	<u>\$ (407,377)</u>	4,443,744	<u>\$ 369,207</u>
Unamortized premium				<u>106,944</u>	
				<u>\$ 4,550,688</u>	

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

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

Year Ending September 30	Principal	Interest	Total Amount
2018	\$ 33,333	\$	\$ 33,333
2019	33,334	3,333	36,667
2020	33,333	1,667	35,000
Total	<u>\$ 100,000</u>	<u>\$ 5,000</u>	<u>\$ 105,000</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds: The debt service for general obligation bonds are payable from a separate ad valorem tax levy for the debt service fund. The Town’s outstanding governmental activities general obligation bonds at September 30, 2017, are summarized as follows:

General Obligation Bonds, Series 1997: On March 11, 1997, the voters of the Town approved the issuance of up to \$9,806,000 general obligation bonds for the purpose of financing the repair and redevelopment of the Town Hall, marina and other projects, and the construction of a new fire/medical facility and library addition. On August 7, 1997, the Town issued \$4,800,000 Town of Lake Park, Florida, General Obligation Bonds, Series 1997. Principal and interest at 4.96% are payable in semi-annual installments of \$189,725 on January 1 and July 1, commencing January 1, 1998, through maturity on July 1, 2017

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

The required debt service payments on the Series 1998 bond at September 30, 2017, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2018	<u>\$ 371,249</u>	<u>\$ 12,499</u>	<u>\$ 383,748</u>

Revenue Bonds, Series 2016

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds, Series 2016 (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2017, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	3.00	\$ 170,000	\$ 109,513	\$ 279,513
2019	4.00	180,000	104,412	284,412
2020	3.00	185,000	97,213	282,213
2021	3.00	190,000	91,663	281,663
2022	4.00	200,000	85,962	285,962
2023	2.00	200,000	77,963	277,963
2024	2.00	210,000	73,962	283,962
2025	2.25	215,000	69,762	284,762
2026	2.25	220,000	64,925	284,925
2027	2.50	225,000	59,975	284,975
2028	3.00	225,000	54,350	279,350
2029	5.00	230,000	47,600	277,600
2030	5.00	245,000	36,100	281,100
2031	3.00	260,000	23,850	283,850
2032	3.00	265,000	16,050	281,050
2033	3.00	<u>270,000</u>	<u>8,100</u>	<u>278,100</u>
		<u>\$ 3,490,000</u>	<u>\$ 1,021,400</u>	<u>\$ 4,511,400</u>

Promissory Note, Series 2008A

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2008A: (Continued)

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

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 2,094,215
Business-type activities	<u>350,113</u>
	<u>\$ 2,444,328</u>

Annual debt service requirements to maturity are as follows:

Governmental Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2018	\$ 201,401	\$ 73,162	\$ 274,563
2019	208,792	65,635	274,427
2020	216,455	57,832	274,287
2021	224,399	49,742	274,141
2022	232,634	41,355	273,989
2023-2027	845,375	102,254	947,629
2028	165,159	3,031	168,190
Total	<u>\$ 2,094,215</u>	<u>\$ 393,011</u>	<u>\$ 2,487,226</u>

Business-type Activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2018	\$ 26,408	\$ 12,365	\$ 38,773
2019	27,377	11,378	38,755
2020	28,382	10,354	38,736
2021	29,423	9,294	38,717
2022	30,503	8,194	38,697
2023-2027	170,152	23,010	193,162
2028	37,868	695	38,563
Total	<u>\$ 350,113</u>	<u>\$ 75,290</u>	<u>\$ 425,403</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2008B

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

Annual debt service requirements to maturity are as follows:

Business-type activities:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Amount</u>
2018	\$ 11,400	\$ 11,672	\$ 23,072
2019	12,173	10,872	23,045
2020	12,998	10,019	23,017
2021	13,879	9,108	22,987
2022	14,820	8,135	22,955
2023-2027	90,608	23,610	114,218
2028	21,969	745	22,714
Total	<u>\$ 177,847</u>	<u>\$ 74,161</u>	<u>\$ 252,008</u>

Promissory Note, Series 2009

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

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	<u>\$ 603,558</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2009 (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities:

Year Ending September 30	Principal	Interest	Total Amount
2018	\$ 73,881	\$ 30,842	\$ 104,723
2019	77,657	27,067	104,724
2020	81,625	23,098	104,723
2021	85,795	18,927	104,722
2022	90,180	14,543	104,723
2023-2024	194,420	15,027	209,447
Total	<u>\$ 603,558</u>	<u>\$ 129,504</u>	<u>\$ 733,062</u>

Promissory Note, Series 2011

On October 20, 2011, the Town executed a note in the principal amount of \$350,000 with Seacoast National Bank to finance improvements to stormwater drainage. Non-ad valorem assessments imposed by the Town to pay for the cost of operation, maintenance, extension and replacement and debt service of the Town's stormwater management system secure the promissory note. Interest on the note is payable by the Town semi-annually on April 1 and October 1 and principal payments are due on April 1 with a final maturity date of April 1, 2018. The note bears an annual interest rate of 4%.

Year Ending September 30	Principal	Interest	Total Amount
2018	<u>\$ 54,878</u>	<u>\$ 1,098</u>	<u>\$ 55,976</u>

Government Obligation Notes, Series 2016

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Government Obligation Notes, Series 2016 (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Principal	Interest	Total Amount
2018	\$ 98,267	\$ 7,897	\$ 106,164
2019	100,831	5,333	106,164
2020	103,464	2,700	106,164
Total	<u>\$ 302,562</u>	<u>\$ 15,930</u>	<u>\$ 318,492</u>

Pledged Revenues

The Revenues Bonds Series 2016 and the Promissory Notes Series 2008A, 2008B and 2009 are all secured by the non-ad valorem revenues of the Town. The pledged revenues for the fiscal year ended September 30, 2017 were \$9,166,788 and the related debt service was \$724,842. The Promissory Notes Series 2011 is secured by the revenues on the stormwater utility fund which were \$505,167 and the related debt service was \$56,019 for the fiscal year ended September 30, 2017.

Annual Maturities

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

Year Ending September 30	Principal	Interest	Total Amount
2018	1,040,817	258,907	1,299,724
2019	640,165	228,029	868,194
2020	661,256	202,883	864,139
2021	543,496	178,734	722,230
2022	568,137	158,189	726,326
2023-2027	2,370,555	510,489	2,881,044
2028-2032	1,449,996	182,420	1,632,416
2033-2034	270,000	8,100	278,100
Total	<u>\$ 7,544,422</u>	<u>\$ 1,727,811</u>	<u>\$ 9,272,233</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 8 – DEFERRED COMPENSATION PLAN ASSETS

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN

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

The Town is required to contribute 7.5% of the plan members' annual compensation and match 50% of the employees' voluntary contributions under the deferred compensation plan, up to a maximum of 2.5% of participants' annual compensation. For the year ended September 30, 2017, the Town had pension expense of \$229,394, and there were no forfeitures. The Town had \$5,990 of contributions payable at September 30, 2017.

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

NOTE 10 – DEFINED BENEFIT PENSION PLAN

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

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

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

The plan is a substituted trust established on October 1, 2003 by Town Ordinance No. 13-2003 to provide the retired members of the previous defined benefit pension plan with the monthly retirement benefits that were accrued under the prior plan. Accordingly, the Retired Police Officers’ Pension Fund covers only retirees and has no active plan members or employees of the Town that are eligible to participate and the provisions of the Retired Police Officers’ Pension Fund as established by Town ordinance, do not address any provisions related to vesting, eligibility for retirement, future retirement benefits, other benefits, or employee contributions. Administrative expenses are financed as part of the unfunded actuarial accrued liability. The Town is required to contribute actuarially determined amounts sufficient to fund the plan. At October 1, 2016, the date of the latest actuarial valuation, the RPOPF included three service retirees and four disability retirees.

Asset Allocation. The plan’s adopted asset allocation policy as of September 30, 2017, is as follows:

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

Rate of Return. For the year ended September 30, 2017, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.04 percent adjusted for the changing amounts actually invested.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions applied to the September 30, 2017, measurement period.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan’s target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.63%
Fixed Income	0.81%
Cash	0.00%

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

The components of the net pension liability of the Town at September 30, 2017, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2016	\$ 1,846,211	\$ 1,353,255	\$ 492,956
Changes due to:			
Interest	132,596		132,596
Differences between expected and actual experience	8,574		8,574
Change of assumptions			
Employer contributions		80,380	(80,380)
Benefit payments and refunds	(156,529)	(156,529)	
Net investment income		142,541	(142,541)
Administrative expenses		(29,853)	29,853
Total changes	<u>(15,359)</u>	<u>36,539</u>	<u>(51,898)</u>
Balances at September 30, 2017	<u>\$ 1,830,852</u>	<u>\$ 1,389,794</u>	<u>\$ 441,058</u>

The Plan fiduciary net position was 75.91% of the total pension liability as of September 30, 2017.

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town's net pension liability	<u>\$ 552,537</u>	<u>\$ 441,058</u>	<u>\$ 344,265</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense and deferred outflows and inflows of resources. For the fiscal year ended September 30, 2017, the Town recognized pension expense of \$63,070. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 34,496
Total	\$ 34,496

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

Year ended September 30:	Amount
2018	\$ (10,432)
2019	3,266
2020	(18,326)
2021	(9,004)
2022	
Thereafter	
	\$ (34,496)

At September 30, 2017, the Town did not have any payables to the plan for outstanding contributions.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

The Town implemented Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective October 1, 2009. The Town elected to implement prospectively, and the change in accounting principle had no effect on changes in net position/fund equity for prior periods. Retirees of the Town pay an amount equal to the actual premium for health insurance charged by the carrier, but there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. This implied subsidy constitutes other postemployment benefits (OPEB) under GASB 45.

Plan Description

The Town provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries, to continue to obtain health, dental, vision and life insurance benefits upon retirement. The normal retirement age of Town employees is age 65. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The annual OPEB cost and the net OPEB obligation for the Town for the current year and the related information is as follows:

Required contribution rates:	
Employer	Pay-as-you-go
Plan members	N/A
Normal cost	\$ 16,743
Interest on normal cost	670
Amortization	6,942
Interest on amortization	<u>278</u>
Annual required contribution	24,633
Interest on net unfunded OPEB obligation	3,151
Adjustment to annual required contribution	<u>(3,838)</u>
Annual OPEB cost	23,946
Contributions made	<u>(9,305)</u>
Increase in net OPEB obligation	14,641
Net OPEB obligation October 1, 2016	<u>78,783</u>
Net OPEB obligation September 30, 2017	<u>\$ 93,424</u>

Trend Information

<u>Three-Year Trend Information</u>			
<u>Fiscal</u>	<u>Annual</u>	<u>Percentage of</u>	<u>Net</u>
<u>Year</u>	<u>OPEB</u>	<u>Annual</u>	<u>OPEB</u>
<u>End</u>	<u>Cost</u>	<u>OPEB Cost</u>	<u>Obligation</u>
<u>End</u>	<u>Cost</u>	<u>Contributed</u>	<u>Obligation</u>
09/30/15	\$17,015	47.3%	\$ 64,705
09/30/16	\$23,383	39.8%	\$ 78,783
09/30/17	\$23,946	38.9%	\$ 93,424

Funded Status

The funded status of the plan as of most recent actuarial valuation date was as follows:

Actuarial valuation date	10/01/2015
Actuarial accrued liability	\$ 113,159
Actuarial value of plan assets	\$
Unfunded actuarial accrued liability (UAAL)	\$ 113,159
Funded ratio	0.0%
Covered payroll	\$ 2,222,715
UAAL as a percentage of covered payroll	5.1%

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are comparable with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Town has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	10/01/2015
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	26 years
Asset valuation method	Unfunded
Actual assumptions:	
Payroll growth rate	0.0%
Valuation interest rate	4.0%
Healthcare cost trend	8.0% for 2016 decreasing to 4.5% in 2073

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The Town, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority (“Seacoast”) which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast’s governing board is comprised of one member from each participating entity. Seacoast is an Independent Authority organized under the laws of the State of Florida, and the Town has no participating equity ownership in Seacoast. The Town paid \$71,617 to Seacoast during the fiscal year for water and sewer service.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 13 – RISK MANAGEMENT

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

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

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

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

Grants

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

Litigation

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 14 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS

The General Fund provides the other funds with various management services. Administrative costs totaling \$70,000 for the CRA Fund, \$30,000 for the Marina Fund, \$135,000 for the Sanitation Fund, and \$60,000 for the Stormwater Utility Fund were charged for 2017.

NOTE 15 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

In governmental accounting, interfund loans are reported as interfund receivables in lender funds and interfund payables in borrower funds. There is no net effect in the governmental-wide financial statements. The current portion of the interfund loan is reported in the governmental funds as Due to and Due from other funds and the non-current portion is reported as Advance to and Advance from other funds. The composition of interfund balances at September 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to/from</u>	<u>Advance</u>	<u>Total</u>
General Fund	CRA Fund	\$	\$ 173,442	\$ 173,442
General Fund	Marina Fund		450,000	450,000
Nonmajor Governmental	Marina Fund	400,000		400,000

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

All other payables and receivables were for cash flow purposes.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 15 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund transfers during the year ended September 30, 2017, are as follows:

Fund	Transfers in	Transfers out
General Fund	\$ 199,286	
CRA Fund		199,286
General Fund	90,000	
Nonmajor Governmental		90,000
General Fund	10,000	
Marina Fund		10,000
General Fund	50,000	
Nonmajor Enterprise		50,000
General Fund	250,000	
Sanitation Fund		250,000
CRA Fund	485,562	
General Fund		485,562

The transfer of \$199,286 from the CRA Fund to the General Fund was for principal and interest payments that the CRA Fund agreed to reimburse the General Fund if the CRA Fund has sufficient available resources.

The transfer of \$485,562 from the General Fund to the CRA Fund was for the 2017 incremental tax obligation.

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 16 – INTER-LOCAL AGREEMENTS

Fire Protection and Emergency Medical Services

The Town has opted into the County’s Fire-Rescue Municipal Services Taxing Unit (“MSTU”) for the provision of fire rescue, fire protection, and related services from the County commencing on October 1, 2015. The tax for the MSTU is included in the maximum 10 mills the Town is legally allowed to assess. On September 30, 2017, the MSTU millage rate was 3.4581 mills.

Palm Beach County Sheriff’s Office Inter-Local Agreement

On April 11, 2006, the Town and the Palm Beach County Sheriff’s Office entered into an agreement for law enforcement services beginning October 1, 2005. The twelfth addendum to the contract extended the term of service from October 1, 2017, thru September 30, 2018, and the Town will pay \$2,849,826 in equal monthly installments.

NOTE 17 – PRIOR PERIOD ADJUSTMENT

In the prior year the Town did not correctly record the refunding of the 2003A Marina Revenue Bonds. In both the Business Type Activities and the Marina Fund the ending net assets and change in net position were overstated by \$80,876. The error did not have any affect on the current year.

NOTE 18 – SUBSEQUENT EVENTS

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

- \$474,540 for lease of various vehicles over five-year term
- \$134,528 for a new sanitation loader
- \$317,650 for road repairs
- \$400,000 for a redevelopment grant

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 19 – NEW ACCOUNTING STANDARDS

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

In June 2015 the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for the fiscal year ending September 30, 2018.

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

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

FIDUCIARY FUNDS

Pension Trust Funds

Retired Police Officers' Pension Trust Fund

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
September 30, 2017

Last Ten Fiscal Years

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

Change of Assumptions

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

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

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
September 30, 2017

Last Ten Fiscal Years

Schedule of Contributions

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

Schedule of Investment Returns

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

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

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
Retired Police Officers' Retirement Fund
Notes to the Schedule of Contributions
September 30, 2017

Methods and assumptions used in calculations of determined contributions.

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

Valuation Date	10/01/2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar amount -closed
Remaining Amortization Period	15
Asset Valuation Method	Market
Inflation	N/A
Salary increases	N/A
Investment Rate of Return	7.50%
Mortality	Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

OTHER POST-EMPLOYMENT BENEFITS

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
September 30, 2017

Schedule of Funding Progress

Other Post Employment Benefits (OPEB)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age(1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/09	\$	\$ 104,222	\$ 104,222	0.0%	\$ 2,448,717	4.3%
10/01/12	\$	81,779	81,779	0.0%	2,011,760	4.1%
10/01/15	\$	113,159	113,159	0.0%	2,222,715	5.1%

The schedule of funding progress presented above will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Town has not contributed assets to the plan at this time.

GENERAL FUND

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 2,927,667	\$ 2,928,667	\$ 2,993,592	\$ 64,925
Infrastructure surtax		396,000		(396,000)
Franchise taxes				
Electricity	577,798	577,798	575,040	(2,758)
Gas	8,400	8,400	12,682	4,282
Solid Waste	31,000	31,000	39,497	8,497
Utility taxes				
Electricity	789,779	789,779	781,596	(8,183)
Water	155,000	155,000	176,467	21,467
Gas	52,000	52,000	48,412	(3,588)
Total taxes	<u>4,541,644</u>	<u>4,938,644</u>	<u>4,627,286</u>	<u>(311,358)</u>
Licenses and permits				
Building permits	92,400	123,400	257,088	133,688
Alarm permits	13,000	13,000	16,300	3,300
Signage permits	12,000	12,000	11,796	(204)
Business tax receipts	335,000	335,000	339,864	4,864
Business tax confirmation	14,000	14,000	11,135	(2,865)
Reinspection fees	1,120	1,120	5,999	4,879
Cost recovery	30,000	30,000	81,966	51,966
Special event fees	1,500	1,500	750	(750)
Contractors fees	3,100	3,100	2,150	(950)
Total licenses and permits	<u>502,120</u>	<u>533,120</u>	<u>727,048</u>	<u>193,928</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	703,647	703,647	677,894	(25,753)
Local communication services taxes	274,756	274,756	276,237	1,481
State revenue sharing	279,214	279,214	256,194	(23,020)
Alcoholic beverage licenses	8,000	8,000	10,173	2,173
Motor fuel tax refund	5,500	5,500	6,365	865
County shared revenues				
County business tax	9,000	9,000	21,484	12,484
Grant revenues				
State aid to libraries	7,125	7,125	16,291	9,166
Total intergovernmental revenues	<u>\$ 1,287,242</u>	<u>\$ 1,287,242</u>	<u>\$ 1,264,638</u>	<u>\$ (22,604)</u>

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 135,000	\$ 135,000	\$ 135,000	\$
CRA	70,000	70,000	70,000	
Stormwater utility	60,000	60,000	60,000	
Marina	30,000	30,000	30,000	
Plan review fees	10,000	10,000	19,850	9,850
Bank registration fees	1,950	1,950	1,357	(593)
Parks and recreation	59,700	25,000	25,513	513
Other charges for services	28,470	28,470	24,258	(4,212)
Total charges for services	<u>395,120</u>	<u>360,420</u>	<u>365,978</u>	<u>5,558</u>
Fines and forfeitures				
Court fines	18,000	18,000	9,111	(8,889)
Code violations	160,500	233,000	264,699	31,699
Code violations - administrative cost	11,500	12,500	12,584	84
Parking violations			250	250
Alarm violations	2,000	2,000	3,350	1,350
Library fines	1,000	1,000	906	(94)
Total fines and forfeitures	<u>193,000</u>	<u>266,500</u>	<u>290,900</u>	<u>24,400</u>
Miscellaneous revenue				
Interest earnings	14,000	24,000	44,907	20,907
Interest earnings - tax collector		274	371	97
Rent	43,785	45,330	47,486	2,156
Sale of surplus property			282	282
Sale of scrap material			1,228	1,228
Fuel reimbursement from Sheriff	15,000	15,000	7,967	(7,033)
Reimbursement from Stormwater utility	32,448	32,448	32,448	
Miscellaneous revenues	40,600	21,600	48,151	26,551
Total miscellaneous revenues	<u>145,833</u>	<u>138,652</u>	<u>182,840</u>	<u>44,188</u>
Total revenues	<u>\$ 7,064,959</u>	<u>\$ 7,524,578</u>	<u>\$ 7,458,690</u>	<u>\$ (65,888)</u>

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,309	\$ 51,309	\$ 50,476	\$ 833
Operating expenditures	44,204	34,204	32,775	1,429
Capital outlay	3,495	3,495		3,495
Total legislative	<u>99,008</u>	<u>89,008</u>	<u>83,251</u>	<u>5,757</u>
Town manager				
Personal services	238,966	240,489	251,300	(10,811)
Operating expenditures	42,265	60,405	61,780	(1,375)
Total town manager	<u>281,231</u>	<u>300,894</u>	<u>313,080</u>	<u>(12,186)</u>
Personnel				
Personal services	133,336	142,169	147,235	(5,066)
Operating expenditures	41,962	40,738	40,736	2
Total personnel	<u>175,298</u>	<u>182,907</u>	<u>187,971</u>	<u>(5,064)</u>
Town clerk				
Personal services	141,085	143,378	148,500	(5,122)
Operating expenditures	40,640	49,330	48,829	501
Total town clerk	<u>181,725</u>	<u>192,708</u>	<u>197,329</u>	<u>(4,621)</u>
Finance				
Personal services	428,501	457,204	451,877	5,327
Operating expenditures	87,510	84,930	85,810	(880)
Capital outlay		525	525	
Total finance	<u>516,011</u>	<u>542,659</u>	<u>538,212</u>	<u>4,447</u>
Legal				
Operating expenditures	121,000	235,662	235,660	2
Total legal	<u>121,000</u>	<u>235,662</u>	<u>235,660</u>	<u>2</u>
Information technology				
Personal services	103,595	106,454	106,773	(319)
Operating expenditures	58,915	68,576	57,550	11,026
Capital outlay	13,700	26,146		26,146
Total information technology	<u>176,210</u>	<u>201,176</u>	<u>164,323</u>	<u>36,853</u>
Non-departmental				
Personal services	148,804	80,380	80,380	
Operating expenditures	176,235	175,735	101,934	73,801
Debt service	382,947	382,947	379,341	3,606
Total non-departmental	<u>707,986</u>	<u>639,062</u>	<u>561,655</u>	<u>77,407</u>
Total general government	<u>2,258,469</u>	<u>2,384,076</u>	<u>2,281,481</u>	<u>102,595</u>
Public Safety				
Law enforcement				
Operating expenditures	2,805,360	2,805,360	2,798,798	6,562
				(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Public Safety(Continued)				
Disaster				
Operating expenditures	\$ 1,000	\$ 10,000	\$	\$ 10,000
Total disaster	<u>1,000</u>	<u>10,000</u>	<u></u>	<u>10,000</u>
Community development				
Personal services	436,122	412,629	431,216	(18,587)
Operating expenditures	112,491	284,897	382,900	(98,003)
Total community development	<u>548,613</u>	<u>697,526</u>	<u>814,116</u>	<u>(116,590)</u>
Total public safety	<u>3,354,973</u>	<u>3,512,886</u>	<u>3,612,914</u>	<u>(100,028)</u>
Physical environment				
Public works- administration				
Personal services	181,917	193,246	190,144	3,102
Operating expenditures	18,275	19,187	16,511	2,676
Capital outlay	3,000			
Total Public works- administration	<u>203,192</u>	<u>212,433</u>	<u>206,655</u>	<u>5,778</u>
Vehicle maintenance				
Personal services	76,056	83,091	87,549	(4,458)
Operating expenditures	45,793	39,029	34,369	4,660
Capital outlay	-			
Total vehicle maintenance	<u>121,849</u>	<u>122,120</u>	<u>121,918</u>	<u>202</u>
Total physical environment	<u>325,041</u>	<u>334,553</u>	<u>328,573</u>	<u>5,980</u>
Transportation				
Facility maintenance				
Personal services	141,618	138,839	111,568	27,271
Operating expenditures	226,284	191,907	158,886	33,021
Capital outlay		33,019	28,085	4,934
Total facility maintenance	<u>367,902</u>	<u>363,765</u>	<u>298,539</u>	<u>65,226</u>
Total transportation	<u>367,902</u>	<u>363,765</u>	<u>298,539</u>	<u>65,226</u>
Culture and recreation				
Library				
Personal services	223,834	227,414	203,600	23,814
Operating expenditures	61,984	66,692	56,232	10,460
Capital outlay		-		
Total library	<u>285,818</u>	<u>294,106</u>	<u>259,832</u>	<u>34,274</u>
Recreation				
Personal services	138,878	86,044	91,298	(5,254)
Operating expenditures	55,381	67,407	66,015	1,392
Capital outlay		-		
Total recreation	<u>194,259</u>	<u>153,451</u>	<u>157,313</u>	<u>(3,862)</u>

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Public works - ground maintenance				
Personal services	\$ 315,235	\$ 300,074	\$ 312,560	\$ (12,486)
Operating expenditures	77,878	74,745	74,109	636
Capital outlay	20,000	19,114	19,114	
Total public works - ground maintenance	<u>413,113</u>	<u>393,933</u>	<u>405,783</u>	<u>(11,850)</u>
Total culture and recreation	<u>893,190</u>	<u>841,490</u>	<u>822,928</u>	<u>18,562</u>
Total expenditures	<u>7,199,575</u>	<u>7,436,770</u>	<u>7,344,435</u>	<u>92,335</u>
Excess (deficiency) of revenues over (under) revenues	<u>(134,616)</u>	<u>87,808</u>	<u>114,255</u>	<u>26,447</u>
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads	90,000	90,000	90,000	
Transfer from CRA	260,503	260,503	199,286	(61,217)
Transfer from Marina	10,000	10,000	10,000	
Transfer from Stormwater	50,000	50,000	50,000	
Transfer from Sanitation	250,000	250,000	250,000	
Total transfers in	<u>660,503</u>	<u>660,503</u>	<u>599,286</u>	<u>(61,217)</u>
Transfers out				
Transfer out CRA	(485,562)	(485,562)	(485,562)	
Transfer out Special Projects		(396,000)		396,000
Total transfers out	<u>(485,562)</u>	<u>(881,562)</u>	<u>(485,562)</u>	<u>396,000</u>
Balance brought forward	<u>100</u>	<u>(34,950)</u>		<u>34,950</u>
Contingency, reserves and unappropriated	<u>(40,425)</u>	<u>168,201</u>		<u>(168,201)</u>
Total other financing sources (uses)	<u>134,616</u>	<u>(87,808)</u>	<u>113,724</u>	<u>201,532</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 227,979</u>	<u>\$ 227,979</u>

See notes to the budgetary comparison schedules.

CRA FUND

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
Budgetary Comparison Schedule -
Community Redevelopment Fund
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ 263,667	\$ 263,667	\$ 257,251	\$ (6,416)
Miscellaneous revenue	1,000	1,000	2,142	1,142
Transfer from General Fund	485,562	485,562	485,562	
Total revenues	<u>750,229</u>	<u>750,229</u>	<u>744,955</u>	<u>(5,274)</u>
Expenditures				
General government	402,912	433,162	380,319	52,843
Economic environment	20,000			
Capital outlay	50,000	50,000		50,000
Transfers	260,579	260,579	199,286	61,293
Unappropriated	16,738	6,488		6,488
Total expenditures	<u>750,229</u>	<u>750,229</u>	<u>579,605</u>	<u>170,624</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 165,350</u>	<u>\$ 165,350</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2017**

NOTE A - BUDGETARY ACCOUNTING

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

The Town follows these procedures in establishing the annual budget:

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

TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2017

NOTE A - BUDGETARY ACCOUNTING (Continued)

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriations, is employed as an extension of formal budgetary control in the General Fund. There were \$12,786 of encumbrances outstanding at year end.

NOTE B – EXPENDITURES OVER APPROPRIATIONS

There were no expenditures in excess of appropriations.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

Special Revenue Funds
Streets and Roads Fund

Capital Projects Funds
Capital Projects Fund
Special Projects Fund

TOWN OF LAKE PARK, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2017

	Debt Service Fund	Special Revenue Fund Streets & Roads Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
			Capital Projects Bond Fund	Special Projects Fund	
Assets					
Pooled cash and cash equivalents	\$ 146,225	\$ 241,658	\$ 16,593	\$ 164,756	\$ 569,232
Due from other governments		28,235		283,551	311,786
Due from other funds		400,000			400,000
Total assets	<u>\$ 146,225</u>	<u>\$ 669,893</u>	<u>\$ 16,593</u>	<u>\$ 448,307</u>	<u>\$ 1,281,018</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$	\$ 12,926	\$	\$ 82,178	\$ 95,104
Accrued items		3,102			3,102
Due to other funds					-
Total liabilities		<u>16,028</u>		<u>82,178</u>	<u>98,206</u>
Deferred inflows of resources					
Unavailable revenue				224,569	224,569
Fund balances					
Restricted for:					
Debt service	146,225				146,225
Transportation		471,587			471,587
Infrastructure				389,411	389,411
Capital projects			16,593		16,593
Assigned to:					
Subsequent years expenditures		20,954			20,954
Special revenue fund		161,324			161,324
Unassigned				(247,851)	(247,851)
Total fund balances	<u>146,225</u>	<u>653,865</u>	<u>16,593</u>	<u>141,560</u>	<u>958,243</u>
Total liabilities and fund balances	<u>\$ 146,225</u>	<u>\$ 669,893</u>	<u>\$ 16,593</u>	<u>\$ 448,307</u>	<u>\$ 1,281,018</u>

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2017

	Debt Service Fund	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
		Streets & Roads Fund	Capital Projects Bond Fund	Special Projects Fund	
Revenues					
Taxes	\$ 798,050	\$	\$	\$ 389,411	\$ 1,187,461
Intergovernmental		368,174		81,013	449,187
Miscellaneous	88			2,805	2,893
Total revenues	<u>798,138</u>	<u>368,174</u>		<u>473,229</u>	<u>1,639,541</u>
Expenditures					
Current					
General government				4,218	4,218
Transportation		201,592			201,592
Capital outlay		22,159		268,682	290,841
Debt service					
Principal	717,514				717,514
Interest charges	41,299				41,299
Total expenditures	<u>758,813</u>	<u>223,751</u>		<u>272,900</u>	<u>1,255,464</u>
Excess of revenues over (under) expenditures	<u>39,325</u>	<u>144,423</u>		<u>200,329</u>	<u>384,077</u>
Other financing sources (uses)					
Transfers out		(90,000)			(90,000)
Total other financing sources (uses)		<u>(90,000)</u>			<u>(90,000)</u>
Net changes in fund balances	39,325	54,423		200,329	294,077
Fund balances - beginning (deficit)	<u>106,900</u>	<u>599,442</u>	<u>16,593</u>	<u>(58,769)</u>	<u>664,166</u>
Fund balances - ending (deficit)	<u>\$ 146,225</u>	<u>\$ 653,865</u>	<u>\$ 16,593</u>	<u>\$ 141,560</u>	<u>\$ 958,243</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Debt Service Fund
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 778,010	\$ 778,010	\$ 798,050	\$ 20,040
Investment earnings	100	100	88	(12)
Total revenues	<u>778,110</u>	<u>778,110</u>	<u>798,138</u>	<u>20,028</u>
Expenditures				
Debt service	<u>778,110</u>	<u>778,110</u>	<u>758,813</u>	<u>19,297</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 39,325</u>	<u>\$ 39,325</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 362,369	\$ 362,369	\$ 368,174	\$ 5,805
Transfer from General fund	195,000	351,022		(351,022)
Total revenues	<u>557,369</u>	<u>713,391</u>	<u>368,174</u>	<u>(345,217)</u>
Expenditures				
Transportation	223,086	230,586	201,592	28,994
Capital outlay	226,500	375,022	22,159	352,863
Debt service	16,664	16,664		16,664
Other	1,119	1,119		1,119
Transfer to General fund	90,000	90,000	90,000	
Total expenditures	<u>557,369</u>	<u>713,391</u>	<u>313,751</u>	<u>399,640</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 54,423</u>	<u>\$ 54,423</u>

PROPRIETARY FUNDS

Internal Service Fund

Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Contributed revenue	\$ 211,664	\$ 211,664	\$ 254,928	\$ 43,264
Miscellaneous revenue			1,380	1,380
Total revenues	<u>211,664</u>	<u>211,664</u>	<u>256,308</u>	<u>44,644</u>
Expenditures				
Personal services	29,963	29,963	30,333	(370)
Operating expenses	<u>181,701</u>	<u>181,701</u>	<u>269,862</u>	<u>(88,161)</u>
Total expenditures	<u>211,664</u>	<u>211,664</u>	<u>300,195</u>	<u>(88,531)</u>
Net change in net position - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (43,887)</u>	<u>\$ (43,887)</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Net Position by Component	86
Changes in Net Position	87
Fund Balances of Governmental Funds	91
Changes in Fund Balances of Governmental Funds	92

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Governmental Funds Tax Revenues by Source	94
General Government Revenue by Source	95
Assessed Value of Taxable Property	97
Direct and Overlapping Property Tax Rates	98
Principal Property Taxpayers	100
Property Tax Levies and Collections	101

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	102
Ratios of General Bonded Debt Outstanding	104
Direct and Overlapping Governmental Activities Debt	105
Pledged-Revenue Coverage	106

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Demographic and Economic Statistics	107
Principal Employers	108

Operating Information

These schedules contain service and infrastructure data to help understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Full-Time Equivalent Town Government Employees by Function	109
Operating Indicators by Function/Program	110
Capital Asset Statistics by Function/Program	111

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

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 1,781,760	\$ 2,062,366	\$ 2,204,432	\$ 2,225,160	\$ 2,400,557
Restricted	119,780	96,090	86,902	241,509	267,633
Unrestricted	<u>3,060,834</u>	<u>3,320,736</u>	<u>2,531,305</u>	<u>1,817,156</u>	<u>1,720,723</u>
Total governmental activities net position	<u>\$ 4,962,374</u>	<u>\$ 5,479,192</u>	<u>\$ 4,822,639</u>	<u>\$ 4,283,825</u>	<u>\$ 4,388,913</u>
Business-type activities					
Net investment in capital assets	\$ 4,066,900	\$ 4,297,968	\$ 3,809,874	\$ 5,690,265	\$ 5,205,987
Restricted					99,592
Unrestricted	<u>(298,208)</u>	<u>(1,028,259)</u>	<u>(1,332,901)</u>	<u>(1,599,465)</u>	<u>(2,077,983)</u>
Total business-type activities net position	<u>\$ 3,768,692</u>	<u>\$ 3,269,709</u>	<u>\$ 2,476,973</u>	<u>\$ 4,090,800</u>	<u>\$ 3,227,596</u>
Primary government					
Net investment in capital assets	\$ 5,848,660	\$ 6,360,334	\$ 6,014,306	\$ 7,915,425	\$ 7,606,544
Restricted	119,780	96,090	86,902	241,509	367,225
Unrestricted	<u>2,762,626</u>	<u>2,292,477</u>	<u>1,198,404</u>	<u>217,691</u>	<u>(357,260)</u>
Total primary government net position	<u>\$ 8,731,066</u>	<u>\$ 8,748,901</u>	<u>\$ 7,299,612</u>	<u>\$ 8,374,625</u>	<u>\$ 7,616,509</u>
	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 1,778,341	\$ 2,837,379	\$ 3,142,197	\$ 3,205,414	\$ 3,862,515
Restricted	304,159	364,900	404,094	506,653	1,029,677
Unrestricted	<u>233,468</u>	<u>(195,039)</u>	<u>419,594</u>	<u>1,010,808</u>	<u>1,356,118</u>
Total governmental activities net position	<u>\$ 2,315,968</u>	<u>\$ 3,007,240</u>	<u>\$ 3,965,885</u>	<u>\$ 4,722,875</u>	<u>\$ 6,248,310</u>
Business-type activities					
Net investment in capital assets	\$ 4,902,259	\$ 4,662,043	\$ 4,909,675	\$ 4,690,541	\$ 4,506,945
Restricted	37,338				
Unrestricted	<u>731,212</u>	<u>607,291</u>	<u>350,817</u>	<u>535,262</u>	<u>347,918</u>
Total business-type activities net position	<u>\$ 5,670,809</u>	<u>\$ 5,269,334</u>	<u>\$ 5,260,492</u>	<u>\$ 5,225,803</u>	<u>\$ 4,854,863</u>
Primary government					
Net investment in capital assets	\$ 6,680,600	\$ 7,499,422	\$ 8,051,872	\$ 7,895,955	\$ 8,369,460
Restricted	341,497	364,900	404,094	506,653	1,029,677
Unrestricted	<u>964,680</u>	<u>412,252</u>	<u>770,411</u>	<u>1,546,070</u>	<u>1,704,036</u>
Total primary government net position	<u>\$ 7,986,777</u>	<u>\$ 8,276,574</u>	<u>\$ 9,226,377</u>	<u>\$ 9,948,678</u>	<u>\$ 11,103,173</u>

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 2,538,501	\$ 2,656,309	\$ 2,543,961	\$ 2,371,297	\$ 1,938,137
Public safety	5,211,776	5,421,845	5,723,360	4,910,050	4,726,961
Physical environment	361,170	319,993	349,637	333,799	286,687
Transportation	683,463	659,113	600,669	662,871	619,207
Culture and recreation	1,161,870	1,242,156	987,778	1,022,770	846,998
Economic environment			32,063	49,637	3,458
Interest on long-term debt	320,280	420,671	430,289	388,633	354,828
Total governmental activities expenses	<u>10,277,060</u>	<u>10,720,087</u>	<u>10,667,757</u>	<u>9,739,057</u>	<u>8,776,276</u>
Business-type activities:					
Marina	1,902,634	1,734,561	2,005,435	1,856,283	1,632,308
Sanitation	1,355,926	1,430,694	1,412,372	1,464,491	1,396,191
Stormwater		208,668	313,994	353,584	384,366
Total business-type activities expenses	<u>3,258,560</u>	<u>3,373,923</u>	<u>3,731,801</u>	<u>3,674,358</u>	<u>3,412,865</u>
Total primary government expenses	<u>\$ 13,535,620</u>	<u>\$ 14,094,010</u>	<u>\$ 14,399,558</u>	<u>\$ 13,413,415</u>	<u>\$ 12,189,141</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 40,726	\$ 43,756	\$ 58,700	\$ 69,481	\$ 70,516
Public safety	796,094	775,124	768,338	743,715	795,284
Physical environment					
Transportation			40,396	41,964	35,608
Culture and recreation	56,775	58,785	75,384	96,576	57,038
Operating contributions and grants:					
General government	15,879			2,100	3,259
Public safety					
Physical environment					
Transportation					
Culture and recreation	16,168	11,639	15,926	12,608	20,165
Capital contributions and grants:					
General government					
Public safety	8,637	4,295	3,379	1,311	
Physical environment					
Transportation	91,533	22,903	16,180	16,665	17,910
Culture and recreation	225,100	160,597	43,250	77,506	117,533
Total governmental activities program revenues	<u>1,250,912</u>	<u>1,077,099</u>	<u>1,021,553</u>	<u>1,061,926</u>	<u>1,117,313</u>
Business-type activities:					
Charges for services:					
Marina	1,220,299	1,017,094	1,166,201	1,149,451	890,305
Sanitation	1,483,528	1,401,682	1,510,419	1,496,006	1,468,553
Stormwater		455,587	514,865	516,126	503,251
Operating contributions and grants					
Marina					
Sanitation					
Capital contributions and grants					
Marina		110,276		2,400,000	
Stormwater		95,755	4,246		
Total business-type activities program revenues	<u>2,703,827</u>	<u>3,080,394</u>	<u>3,195,731</u>	<u>5,561,583</u>	<u>2,862,109</u>
Total primary government program revenues	<u>\$ 3,954,739</u>	<u>\$ 4,157,493</u>	<u>\$ 4,217,284</u>	<u>\$ 6,623,509</u>	<u>\$ 3,979,422</u>

		Fiscal Year							
		2013	2014	2015	2016	2017			
\$	1,543,348	\$	1,608,593	\$	1,622,346	\$	2,119,258	\$	2,379,266
	4,578,728		4,749,126		4,927,037		3,460,558		3,616,758
	289,172		268,706		279,885		313,900		337,601
	565,936		564,501		589,970		566,643		572,008
	919,506		815,290		842,876		859,896		937,507
	1,921		39,905		1,429		3,925		
	316,601		276,467		233,655		191,384		147,633
	<u>8,215,212</u>		<u>8,322,588</u>		<u>8,497,198</u>		<u>7,515,564</u>		<u>7,990,773</u>
	1,591,055		1,600,962		1,728,929		1,664,332		1,854,387
	1,396,551		1,152,304		1,163,127		1,205,728		1,365,725
	414,106		402,905		335,711		392,237		364,367
	<u>3,401,712</u>		<u>3,156,171</u>		<u>3,227,767</u>		<u>3,262,297</u>		<u>3,584,479</u>
\$	<u>11,616,924</u>	\$	<u>11,478,759</u>	\$	<u>11,724,965</u>	\$	<u>10,777,861</u>	\$	<u>11,575,252</u>
\$	79,381	\$	82,406	\$	89,112	\$	111,930	\$	109,601
	754,094		778,395		762,073		873,864		1,068,425
	29,015		31,056		27,680		290		
	69,116		46,549		52,827		16,995		26,740
	5,000		3,517		2,470		4,951		3,980
	11,371		9,024		9,230		7,116		24,221
	18,141		18,642		19,245		19,822		23,997
	36,580		45,416		9,065		56,726		251,920
	<u>1,002,698</u>		<u>1,015,005</u>		<u>971,702</u>		<u>1,091,694</u>		<u>1,508,884</u>
	801,716		1,105,139		1,357,287		1,340,328		1,403,726
	1,459,636		1,445,086		1,672,392		1,707,491		1,691,438
	505,271		489,396		487,537		487,878		505,642
	<u>2,766,623</u>		<u>3,039,621</u>		<u>3,517,216</u>		<u>3,535,697</u>		<u>3,600,806</u>
\$	<u>3,769,321</u>	\$	<u>4,054,626</u>	\$	<u>4,488,918</u>	\$	<u>4,627,391</u>	\$	<u>5,109,690</u>

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Net (expense) revenue					
Governmental activities	\$ (9,026,148)	\$ (9,642,988)	\$ (9,628,204)	\$ (8,677,131)	\$ (7,658,963)
Business-type activities	(554,733)	(293,529)	(536,070)	1,887,225	(550,756)
Total primary government net expense	<u>\$ (9,580,881)</u>	<u>\$ (9,936,517)</u>	<u>\$ (10,164,274)</u>	<u>\$ (6,789,906)</u>	<u>\$ (8,209,719)</u>
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	\$ 6,156,686	\$ 6,827,668	\$ 5,448,106	\$ 4,730,840	\$ 4,434,500
Infrastructure surtax					
Franchise fees	630,215	603,269	569,868	572,846	545,895
Utility service taxes	681,568	690,743	771,384	796,663	804,467
Local option gas taxes	246,643	236,037	236,960	230,060	229,780
Communication sales tax	505,783	539,808	464,184	414,748	375,003
Intergovernmental, unrestricted	974,834	893,510	1,144,701	1,072,929	1,012,470
Gain on sale of surplus property	26		174		
Miscellaneous revenue	38,971	102,096			
Investment earnings	174,117	54,121	54,473	36,181	37,586
Transfers	321,996	212,554	281,801	284,050	324,350
Total governmental activities	<u>9,730,839</u>	<u>10,159,806</u>	<u>8,971,651</u>	<u>8,138,317</u>	<u>7,764,051</u>
Business-type activities					
Investment earnings	29,038	7,100	16,780	10,652	11,902
Gain on sale of equipment			8,355		
Miscellaneous revenues					
Transfers	(321,996)	(212,554)	(281,801)	(284,050)	(324,350)
Total business-type activities	<u>(292,958)</u>	<u>(205,454)</u>	<u>(256,666)</u>	<u>(273,398)</u>	<u>(312,448)</u>
Total primary government	<u>\$ 9,437,881</u>	<u>\$ 9,954,352</u>	<u>\$ 8,714,985</u>	<u>\$ 7,864,919</u>	<u>\$ 7,451,603</u>
Changes in net position					
Governmental activities	\$ 704,691	\$ (2,072,945)	\$ 691,272	\$ 756,990	\$ 1,525,435
Business-type activities	(847,691)	2,443,213	(315,156)	(34,689)	(290,064)
Total primary government	<u>\$ (143,000)</u>	<u>\$ 370,268</u>	<u>\$ 376,116</u>	<u>\$ 722,301</u>	<u>\$ 1,235,371</u>

Fiscal Year				
2013	2014	2015	2016	2017
\$ (7,212,514)	\$ (7,307,583)	\$ (7,525,493)	\$ (6,423,870)	\$ (6,481,889)
(635,089)	(116,550)	289,469	273,400	16,327
<u>\$ (7,847,603)</u>	<u>\$ (7,424,133)</u>	<u>\$ (7,236,024)</u>	<u>\$ (6,150,470)</u>	<u>\$ (6,465,562)</u>
\$ 4,315,899	\$ 4,554,358	\$ 4,839,895	\$ 3,496,377	\$ 3,791,642
				389,411
493,884	651,664	598,424	605,622	627,219
849,228	926,495	952,772	975,706	1,006,475
230,639	236,922	251,894	257,756	269,595
356,437	324,291	315,322	286,682	276,237
1,033,832	1,093,000	1,196,655	1,222,771	1,282,459
2,043		320,000		
26,307	12,705	20,104	25,946	54,286
(2,168,700)	199,420	303,078	310,000	310,000
<u>5,139,569</u>	<u>7,998,855</u>	<u>8,798,144</u>	<u>7,180,860</u>	<u>8,007,324</u>
11,214	814	4,767	1,911	3,609
18,388				
880,000				
2,168,700	(199,420)	(303,078)	(310,000)	(310,000)
<u>3,078,302</u>	<u>(198,606)</u>	<u>(298,311)</u>	<u>(308,089)</u>	<u>(306,391)</u>
<u>\$ 8,217,871</u>	<u>\$ 7,800,249</u>	<u>\$ 8,499,833</u>	<u>\$ 6,872,771</u>	<u>\$ 7,700,933</u>
\$ (2,072,945)	\$ 691,272	\$ 1,272,651	\$ 756,990	\$ 1,525,435
2,443,213	(315,156)	(8,842)	(34,689)	(290,064)
<u>\$ 370,268</u>	<u>\$ 376,116</u>	<u>\$ 1,263,809</u>	<u>\$ 722,301</u>	<u>\$ 1,235,371</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year				
	2008	2009	2010	2011	2012
<i>Pre GASB 54</i>					
General fund					
Reserved	\$ 1,379,773	\$ 2,209,117	\$ 2,526,148	\$	\$
Unreserved					
Designated	121,572	28,814	32,424		
Undesignated	686,285	1,176,019	510,773		
<i>Post GASB 54</i>					
General fund					
Nonspendable				2,582,849	3,045,989
Restricted				118,164	54,100
Assigned					
Subsequent year's expenditures				84,887	
Unassigned				277,015	20,643
Total general fund	<u>\$ 2,187,630</u>	<u>\$ 3,413,950</u>	<u>\$ 3,069,345</u>	<u>\$ 3,062,915</u>	<u>\$ 3,120,732</u>
<i>Pre GASB 54</i>					
All other governmental funds					
Reserved	\$ 2,754,260	\$ 638,293	\$ 241,608	\$	\$
Unreserved					
Undesignated, reported in:					
Special revenue funds	883,122	1,156,193	842,342		
Capital projects fund	3,930	49,634	42,786		
<i>Post GASB 54</i>					
All other governmental funds					
Nonspendable				4,022	
Restricted				123,345	213,533
Assigned					
Subsequent year's expenditures				181,592	
Special revenue funds				8,374	
Capital projects funds				24,863	18,458
Unassigned					(236,283)
Total all other governmental funds	<u>\$ 3,641,312</u>	<u>\$ 1,844,120</u>	<u>\$ 1,126,736</u>	<u>\$ 342,196</u>	<u>\$ (4,292)</u>
Fiscal Year					
	2013	2014	2015	2016	2017
<i>Post GASB 54</i>					
General fund					
Nonspendable	\$ 435,992	\$ 367,260	\$ 755,709	\$ 700,452	\$ 647,423
Restricted	33,929	33,826	10,316	10,000	10,000
Assigned					
Subsequent year's expenditures	70,648		36,458	65,355	47,786
Unassigned	198,722	544,245	563,362	881,030	1,179,607
Total general fund	<u>\$ 739,291</u>	<u>\$ 945,331</u>	<u>\$ 1,365,845</u>	<u>\$ 1,656,837</u>	<u>\$ 1,884,816</u>
<i>Post GASB 54</i>					
All other governmental funds					
Nonspendable	\$ 1,640	\$	\$	\$	\$ 395
Restricted	270,230	331,074	414,536	509,239	1,023,816
Assigned					
Subsequent year's expenditures				7,500	70,954
Special revenue funds				206,196	301,084
Capital projects funds	26,915	21,418	253,325		
Unassigned	(224,590)	(253,889)	(105,427)	(58,769)	(247,851)
Total all other governmental funds	<u>\$ 74,195</u>	<u>\$ 98,603</u>	<u>\$ 562,434</u>	<u>\$ 664,166</u>	<u>\$ 1,148,398</u>

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Taxes	\$ 7,165,046	\$ 6,789,358	\$ 7,825,211	\$ 6,100,349	\$ 5,784,862
Licenses and permits	579,519	526,201	529,487	467,389	470,844
Intergovernmental	2,681,555	1,938,633	2,198,263	1,833,846	1,765,296
Charges for services	295,517	375,283	293,756	467,931	431,057
Fines and forfeitures	174,643	120,890	213,105	132,963	183,345
Miscellaneous	250,799	302,937	184,381	310,590	291,484
Total revenues	<u>11,147,079</u>	<u>10,053,302</u>	<u>11,244,203</u>	<u>9,313,068</u>	<u>8,926,888</u>
Expenditures					
General government	3,267,652	2,432,667	2,361,396	2,382,504	1,915,421
Public safety	5,206,596	5,484,119	5,413,894	4,906,546	4,725,084
Physical environment	368,740	308,366	287,322	292,967	256,855
Transportation	626,366	581,424	553,392	533,475	517,457
Culture and recreation	1,039,190	858,955	1,087,407	870,465	697,998
Economic environment		32,063		49,637	3,458
Capital outlay	2,699,269	490,174	2,369,922	153,252	234,513
Debt service					
Principal	538,385	765,541	746,625	801,042	827,516
Interest	308,481	442,783	397,670	398,200	361,607
Other debt service charges	17,488		19,450		
Total expenditures	<u>14,072,167</u>	<u>11,396,092</u>	<u>13,237,078</u>	<u>10,388,088</u>	<u>9,539,909</u>
Excess of revenues over (under) expenditures	(2,925,088)	(1,342,790)	(1,992,875)	(1,075,020)	(613,021)
Other financing sources (uses)					
Transfers in	3,868,013	1,248,816	1,392,713	1,109,374	986,222
Transfers out	(3,546,017)	(967,015)	(1,180,159)	(825,324)	(661,872)
Proceeds from sale of assets	630				
Bonds issued					
Loan proceeds	3,717,488		1,209,449		
Capital lease obligations					
Total other financing sources (uses)	<u>4,040,114</u>	<u>281,801</u>	<u>1,422,003</u>	<u>284,050</u>	<u>324,350</u>
Net change in fund balances	<u>\$ 1,115,026</u>	<u>\$ (1,060,989)</u>	<u>\$ (570,872)</u>	<u>\$ (790,970)</u>	<u>\$ (288,671)</u>
Debt service as a percentage of non-capital expenditures	<u>7.46%</u>	<u>11.08%</u>	<u>10.55%</u>	<u>11.72%</u>	<u>12.78%</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	5,659,011	\$ 6,132,517	\$ 6,391,091	\$ 5,077,705	\$ 5,814,747
	502,279	537,298	622,763	732,567	727,048
	1,718,020	1,742,766	1,827,646	1,821,757	1,971,076
	418,675	347,788	408,911	345,977	365,978
	185,451	167,991	80,929	100,810	290,900
	167,701	144,617	470,381	162,649	187,875
	<u>8,651,137</u>	<u>9,072,977</u>	<u>9,801,721</u>	<u>8,241,465</u>	<u>9,357,624</u>
	1,429,575	1,459,677	1,610,692	1,812,849	2,285,666
	4,578,945	4,754,459	4,926,858	3,458,641	3,612,914
	267,232	269,391	277,727	307,054	329,059
	471,465	488,139	477,058	480,458	472,046
	776,567	718,737	709,111	701,248	803,814
	1,921	39,905	1,429	3,925	
	70,763	122,795	111,467	222,166	338,565
	865,224	904,943	915,002	948,039	982,074
	323,700	283,903	241,454	199,556	156,080
	<u>8,785,392</u>	<u>9,041,949</u>	<u>9,270,798</u>	<u>8,133,936</u>	<u>8,980,218</u>
	(134,255)	31,028	530,923	107,529	377,406
	866,943	846,898	1,304,254	993,767	1,084,848
	(3,035,643)	(647,478)	(950,832)	(683,767)	(774,848)
	<u>(2,168,700)</u>	<u>199,420</u>	<u>353,422</u>	<u>310,000</u>	<u>310,000</u>
\$	<u>(2,302,955)</u>	<u>\$ 230,448</u>	<u>\$ 884,345</u>	<u>\$ 417,529</u>	<u>\$ 687,406</u>
	<u>13.64%</u>	<u>13.33%</u>	<u>12.63%</u>	<u>14.50%</u>	<u>13.17%</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

Fiscal Year	Property Taxes	Franchise Fees	Utility Service Taxes	Communication Services Taxes	Sales Tax	Totals
2008	\$ 6,156,686	\$ 630,215	\$ 681,568	\$ 505,783	\$ 632,680	\$ 8,606,932
2009	6,827,668	613,269	690,713	539,808	558,085	9,229,543
2010	5,698,210	569,868	771,384	464,184	559,351	8,062,997
2011	4,894,342	572,846	796,663	414,748	579,262	7,257,861
2012	4,434,500	545,895	804,467	375,003	533,602	6,693,467
2013	4,315,899	493,884	849,228	356,437	563,688	6,579,136
2014	4,554,358	651,664	926,495	324,291	605,562	7,062,370
2015	4,839,895	598,424	952,772	315,322	650,565	7,356,978
2016	3,496,377	605,622	975,706	286,682	673,639	6,038,026
2017	3,791,642	627,219	1,006,475	276,237	1,067,305 (1)	6,768,878

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

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

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services
2008	\$ 7,165,046	\$ 579,519	\$ 2,681,555	\$ 295,517
2009	7,825,211	529,487	2,198,263	293,756
2010	6,030,552	526,201	1,299,144	352,993
2011	5,315,754	467,389	1,253,538	420,027
2012	5,784,862	470,844	1,765,296	431,057
2013	5,659,011	502,279	1,718,020	418,675
2014	6,132,517	537,298	1,742,766	347,788
2015	6,391,091	622,763	1,827,646	408,911
2016	5,077,705	732,567	1,821,757	345,977
2017	5,814,747	727,048	1,971,076	365,978

<u>Fiscal Year</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Other Financing Sources</u>	<u>Total</u>	<u>Annual Percentage Increase (Decrease)</u>
2008	\$ 174,643	\$ 250,799	\$ 3,717,488	\$ 14,864,567	32.7 %
2009	213,105	184,381	1,209,449	12,453,652	(16.2) %
2010	120,890	294,946	665,080	9,289,806	(25.4) %
2011	132,963	302,661	755,494	8,647,826	(6.9) %
2012	183,345	291,484	324,350	9,251,238	7.0 %
2013	185,451	167,701	376,907	9,028,044	(2.4) %
2014	167,991	144,617	251,300	9,324,277	3.3 %
2015	80,929	470,381	353,422	10,155,143	8.9 %
2016	100,810	162,649	310,000	8,551,465	(15.8) %
2017	290,900	187,875	310,000	9,667,624	13.1 %

THIS PAGE INTENTIONALLY LEFT BLANK

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

Tax Year	Real Property		Personal Property	Centrally Assessed Property	Assessed Value for Operations	Total Direct Tax Rate	Total Taxable Value (1)
	Residential	Commerical					
2007	\$ 362,447,556	\$ 319,364,915	\$ 50,439,255	\$ 1,038,292	\$ 733,290,018	8.5850	\$ 733,290,018
2008	317,287,667	324,380,752	43,278,568	2,033,244	686,980,231	9.6663	686,980,231
2009	223,053,149	310,344,797	44,930,557	1,338,599	579,667,102	9.9163	579,667,102
2010	177,057,371	251,733,749	43,531,640	1,200,814	473,523,574	10.2163	473,523,574
2011	179,035,832	229,986,440	37,217,462	1,257,953	447,497,687	10.3283	447,497,687
2012	168,646,621	227,349,266	33,926,821	1,236,975	431,159,683	10.2920	431,159,683
2013	180,958,234	232,119,848	33,942,130	910,919	447,931,131	10.5455	447,931,131
2014	199,990,131	244,391,470	34,480,712	1,079,128	479,941,441	10.4705	479,941,441
2015	225,062,210	262,052,591	34,999,307	1,271,593	523,385,701	10.3455	523,385,701
2016	247,734,289	290,478,840	36,381,709	1,404,468	575,999,306	10.2335	575,999,306
2017	271,762,954	318,484,359	34,296,329	1,494,679	626,038,321	9.4730	626,038,321

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

Source: Palm Beach County Property Appraiser

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

Tax Year	Town of Lake Park Property Tax Rates			Overlapping Property Tax Rates - (1) Palm Beach County			
	(2) Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	(2) Fire Rescue MSTU	Total County Millage
2007	8.0000	1.3000	9.3000	4.2800	0.1975		4.4775
2008	7.6350	0.9500	8.5850	3.7811	0.2002		3.9813
2009	8.5163	1.1500	9.6663	3.7811	0.1845		3.9656
2010	8.5163	1.7000	10.2163	4.3440	0.2174		4.5614
2011	8.5083	1.8200	10.3283	4.7815	0.2110		4.9925
2012	8.5000	1.7920	10.2920	4.7815	0.2087		4.9902
2013	8.8055	1.7400	10.5455	4.7815	0.2037		4.9852
2014	8.8055	1.6650	10.4705	4.7815	0.1914		4.9729
2015	5.3474	1.5400	6.8874	4.7815	0.1462	3.4581	8.3858
2016	5.3474	1.4280	6.7754	4.7815	0.1327	3.4581	8.3723
2017	5.3474	0.6675	6.0149	4.7815	0.1208	3.4581	8.3604

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

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

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

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

Overlapping Property Tax Rates - (1)

Palm Beach County School District			Palm Beach	
Operating Millage	General Obligation Debt Service	Total School Millage	County Special Districts	Total
7.712	0.160	7.872	2.3254	23.9749
7.356	-	7.356	2.1308	22.0531
7.251	-	7.251	2.2569	23.1398
7.983	-	7.983	2.4934	25.2541
8.180	-	8.180	2.3433	25.8441
7.778	-	7.778	2.3154	25.3756
7.586	-	7.586	2.2280	25.3447
7.594	-	7.594	2.1732	25.2106
7.512	-	7.512	2.0974	24.8826
7.070	-	7.070	1.9453	24.1630
6.769	-	6.769	1.7818	22.9261

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

	2017			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Mariners Key Owners, LLC	\$ 35,208,903	\$ 211,778	1	5.62%
Wal Mart Stores East LP	17,364,200	104,444	2	2.77%
Florida Power & Light Co.	13,707,923	82,247	3	2.18%
Mullinax Ford of PBC, LLC	12,978,407	77,870	4	2.07%
SC Lake Park Associates, LLLP	12,154,775	72,928	5	1.94%
Trust Lake Park LTD	12,000,000	72,000	6	1.91%
Lake Park Square Joint Venture	11,572,445	69,607	7	1.85%
Kelsey Industrial, LLC	10,184,483	61,106	8	1.62%
Congress Ave Properties, LLC	9,485,745	56,914	9	1.51%
Northlake Promenade Shoppes, LLC	8,951,146	53,706	10	1.43%
Totals	<u>\$ 143,608,027</u>	<u>\$ 862,600</u>		<u>22.90%</u>

Source: Palm Beach County Property Appraiser.

	2008			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owners LLC	\$ 28,000,000	\$ 238,456	1	3.78%
Walmart Stores East LP	22,608,492	192,533	2	3.05%
SC Lake Park Associates, LLLP	15,000,000	127,745	3	2.02%
Lake Park Square Joint Venture	13,000,012	110,712	4	1.75%
Mullinax Ford of PBC, LLC	12,065,113	102,750	5	1.63%
Twin Cities Investors, Inc.	10,704,131	91,154	6	1.44%
Trust Lake Park, LTD	10,700,000	91,125	7	1.44%
Northlake Square East, LLC	10,000,999	85,172	8	1.35%
Earl Stewart, LLC	8,908,945	75,871	9	1.20%
Lake Park Portfolio, LLC	8,534,818	72,682	10	1.15%
Totals	<u>\$ 139,522,510</u>	<u>\$ 1,188,200</u>		<u>18.81%</u>

Source: Palm Beach County Property Appraiser.

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

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

Tax Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Current Taxes Collected (1)	Amount of Delinquent Taxes Collected
2008	\$ 6,316,263	\$ 5,867,407	\$ 92.9 %	\$ 10,883
2009	6,649,031	6,281,877	94.5 %	19,880
2010	5,754,637	5,391,827	93.7 %	12,057
2011	4,822,342	4,638,001	96.1 %	113,182
2012	4,621,891	4,409,912	95.4 %	42,039
2013	4,723,657	4,272,897	90.5 %	55,412
2014	5,025,228	4,550,477	90.6 %	8,107
2015	3,604,768	2,577,893	71.5 %	411
2016	3,905,670	3,460,856	88.6 %	48,873
2017	3,767,181	3,720,816	98.8 %	37,598

Tax Year	Total Collected for the Year	Ratio of Total Taxes Collected to Current Levy	Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Current Levy
2008	\$ 5,878,290	93.1 %	\$ 145,225	2.3 %
2009	6,301,757	94.8 %	145,225	2.2 %
2010	5,403,884	93.9 %	-	- %
2011	4,751,183	98.0 %	-	- %
2012	4,451,951	96.3 %	-	- %
2013	4,328,309	91.6 %	-	- %
2014	4,558,584	90.7 %	-	- %
2015	2,578,304	71.5 %	-	- %
2016	3,509,729	89.9 %	-	- %
2017	3,758,414	99.0 %	-	- %

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

Source: Palm Beach County Property Appraiser

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

Governmental Activities						
Fiscal Year	General Obligation Bonds	Capital Lease Obligations	Loans Payable	Total Governmental Activities	Percentage of Taxable Value of Property	Per Capita
2008	\$ 5,836,031	\$ 63,034	\$ 3,717,488	\$ 9,616,553	1.40%	\$ 1101.30
2009	5,329,323	28,702	4,721,352	10,079,377	1.74%	1154.30
2010	4,804,644	9,767	4,498,425	9,312,836	1.97%	1141.98
2011	4,254,912		4,256,908	8,511,820	1.90%	1031.99
2012	3,679,109	-	4,005,195	7,684,304	1.78%	931.60
2013	3,076,238	-	3,742,842	6,819,080	1.52%	815.68
2014	2,444,756	-	3,469,381	5,914,137	1.23%	707.43
2015	1,782,535	-	3,216,600	4,999,135	0.96%	591.75
2016	1,088,763	-	2,962,333	4,051,096	0.70%	468.88
2017	371,249		2,697,456	3,068,705	0.49%	354.97

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

Business-type Activities				Primary Government			
Marina Revenue Bonds	Loans Payable	Capital Lease Obligations	Total Business-type Activities	Total Primary Government	Population	Percent Of Average Household Income	Per Capita
\$ 4,550,000	\$ -	\$ 191,521	\$ 4,741,521	\$ 11,875,341	9,113	3.00%	\$ 1,226.71
4,460,000	1,520,412	91,793	6,072,205	11,178,971	9,314	2.70%	1,200.23
4,365,000	1,646,951	7,060	6,019,011	16,098,388	8,732	4.06%	1,843.61
4,270,000	1,482,147	2,403	5,754,550	15,067,386	8,732	3.66%	1,725.54
4,170,000	1,308,383	-	5,478,383	13,990,203	8,155	3.62%	1,715.54
4,065,000	1,426,473	-	5,491,473	13,175,777	8,248	3.34%	1,597.45
3,950,000	1,192,615	-	5,142,615	11,961,695	8,314	3.27%	1,438.74
3,830,000	948,963	-	4,778,963	10,693,100	8,360	2.63%	1,279.08
3,705,000	757,064	-	4,462,064	9,461,199	8,448	2.45%	1,119.93
3,575,000	1,070,087	-	4,645,087	8,696,183	8,640	1.97%	1,006.50
3,490,000	885,400	-	4,375,400	7,444,105	8,645	1.86%	861.09
Original Loan							
Refinanced							
FMLC							

TOWN OF LAKE PARK, FLORIDA
Ratios of General Bonded Debt Outstanding
As of September 30, 2017

Unaudited

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2007	\$ 6,313,300	\$ 239,847	\$ 6,073,453	0.83%	666
2008	5,836,031	119,780	5,716,251	0.83%	614
2009	5,329,323	96,090	5,233,233	0.90%	663
2010	4,804,644	86,902	4,717,742	1.00%	537
2011	4,254,912	106,753	4,148,159	0.93%	509
2012	3,679,109	123,385	3,555,724	0.82%	431
2013	3,076,238	106,624	2,969,614	0.66%	357
2014	2,444,756	90,898	2,353,858	0.49%	282
2015	1,782,535	94,030	1,688,505	0.32%	200
2016	1,088,763	106,900	981,863	0.17%	114
2017	371,249	146,225	225,024	0.04%	26

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2017

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated (1) Percentage Applicable to Town of Lake Park</u>	<u>Estimated (1) Share of Direct and Overlapping Debt</u>
Overlapping debt:			
Direct debt - Town of Lake Park			
General obligation bonds	\$ 371,249	100.0%	\$ 371,249
Loans payable	<u>2,697,773</u>	100.0%	<u>2,697,773</u>
	<u>3,069,022</u>		<u>3,069,022</u>
Other debt			
Palm Beach County	103,305,000	0.545%	563,012
Palm Beach County School Board	<u>11,396,000</u>	0.545%	<u>62,108</u>
	<u>114,701,000</u>		<u>625,120</u>
Total direct and overlapping debt			3,694,142
Estimated town population			<u>8,645</u>
Total per capita			<u>\$ 427.32</u>

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

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

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

Marina Revenue Bonds					
Fiscal Year	Gross Revenue	Operating Expense (1)	Net Revenue Available for Debt Service	Debt Service (2)	Coverage
2007	\$ 1,285,288	\$ 1,075,249	\$ 210,039	\$ 316,525	0.66
2008	1,222,835	1,240,785	(17,950)	313,600	(0.06)
2009	1,018,448	1,029,912	(11,464)	315,900	(0.04)
2010	1,184,628	1,271,621	(86,993)	313,050	(0.28)
2011	1,168,626	1,127,092	41,534	313,300	0.13
2012	880,405	923,846	(43,441)	318,050	(0.14)
2013	806,493	890,456	(83,963)	317,013	(0.26)
2014	1,157,019	940,047	216,972	315,713	0.69
2015	1,357,287	974,610	382,677	315,713	1.21
2016	1,340,329	911,991	428,338	314,150	1.36
2017	1,403,726	1,157,953	245,773	291,458	0.84

(1) Expense is exclusive of depreciation.

(2) Includes principal and interest of revenue bonds only.

TOWN OF LAKE PARK, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Average Household Income (1)</u>	<u>Median Age (1)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2007	9,113	\$ 16,485	40,864	35	N/A	420	4.0%
2008	9,314	16,485	44,397	35	N/A	392	6.4%
2009	7,898	19,939	45,458	36	N/A	344	11.7%
2010	8,783	20,185	47,108	36	N/A	374	11.7%
2011	8,155	16,898	47,375	34	N/A	366	10.9%
2012	8,248	18,885	47,813	36	N/A	343	9.0%
2013	8,314	20,978	44,014	37	N/A	323	7.1%
2014	8,360	22,071	48,691	37	N/A	341	6.0%
2015	8,448	18,774	45,780	37	N/A	350	4.9%
2016	8,640	20,984	51,182	38	N/A	348	5.3%
2017	8,645	20,160	46,175	36	N/A	352	4.1%

Data Sources:

- (1) The population for 2007 was obtained from the University of Florida, Bureau of Economic Business Administration. The Population for 2012, 2013, 2014, 2015, 2016, 2017 was obtained from the US Census Bureau Fact Finder. Per Capita, Avg Household Income & Median Age was obtained from the US Census Bureau Fact Finder
- (3) Lake Park Elementary
- (4) Unemployment rate was obtained from the US Dept of Labor Local Area Unemployment Statistics

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

Employer	2017			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Palm Beach County School District	21,466	1	N/A	21,718	1	N/A
Palm Beach County	5,952	2	N/A	11,319	2	N/A
Tenet Healthcare Corp	5,939	3	N/A	4,500	3	N/A
Next Era Energy (Parent Co, FPL)	4,404	4	N/A	N/A	N/A	N/A
HCA Palm Beach Hospitals	3,550	5	N/A	3,395	5	N/A
Veterans Health Administration	2,535	6	N/A	2,207	8	N/A
Florida Atlantic University	2,644	7	N/A	2,838	7	N/A
Bethesda Health Inc	2,282	8	N/A	N/A	N/A	N/A
Florida Crystals	2,000	9	N/A	N/A	N/A	N/A
Jupiter Medical Center	1,907	10	N/A	N/A	N/A	N/A
Totals	<u>52,679</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

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

N/A: Not available.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government										
Town Manager	3	3	3	3	2	2	2	2	2	3
Personnel	1	2	1	1	1	2	2	2	2	2
Town Clerk	2	2	2	2	2	2	1	1	2	2
Finance	4	4	4	4	4	4	4	5	5	5
Information technology	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Community Development	8	7	5	5	5	6	6	6	6	6
Physical Environment										
Public works	11	11	7	8	9	8	8	8	8	8
Vehicle maintenance	2	2	1	1	1	1	1	1	2	2
Transportation										
Transportation	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Library	6	1	2	2	4	4	5	5	5	5
Park maintenance	8	6	5	5	5	6	6	6	5	6
Recreation	3	1	1	1	1	1	1	1	1	3
Marina	5	3	3	2	3	3	3	3	3	4
Sanitation	8	10	11	10	10	8	8	8	8	7
Total	<u>64</u>	<u>55</u>	<u>48</u>	<u>47</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>56</u>

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Community development										
Code violations	1,722	1,026	638	636	396	385	503	451	723	651
Building permits issued	841	651	590	555	566	564	581	663	830	792
Value of permits (in thousands)							\$ 5,160	\$ 7,536	\$ 8,885	9,871
Transportation										
Street resurfacing (miles)	1	-	-	-	-	-	-	-	-	-
Pot holes repaired	160	160	232	253	140	215	127	450	441	512
Culture and Recreation										
Library										
Circulation	23,296	23,316	23,316	27,656	26,942	27,240	27,360	27,010	29,790	27,300
Programs offered	468	434	434	280	942	1,283	1,282	1,314	1,300	980
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	15	9	7	7	3	3	3	3	-	1
Recreation program attendance	419	305	315	305	136	75	825	825	-	880
Youth athletic participants	241	125	150	140	21	-	-	-	-	-
Marina										
Available slips	103	103	103	103	112	112	112	112	112	112
Sanitation										
Residential customers	3,698	3,596	3,645	3,666	3,666	3,666	3,666	3,666	3,666	27
Commercial customers	275	272	264	259	264	268	375	375	375	288
Refuse collected (tons)	9,260	9,178	9,293	8,466	8,598	9,056	8,970	9,385	9,827	10,246
Recyclables collected (tons)	655	645	627	666	670	424	392	398	391	361

Sources: Town departments

N/A: Not available

TOWN OF LAKE PARK, FLORIDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety (contracted to Palm Beach County)										
Police Station - County	1	1	1	1	1	1	1	1	1	1
Fire Station - County	1	1	1	1	1	1	1	1	1	1
Transportation										
Roads & Streets										
Street Lights	340	340	340	340	340	340	340	340	340	340
Lane Miles	64	64	64	64	64	64	64	64	64	64
Culture and Recreation										
Marina										
Wet Slips	103	103	103	103	112	112	112	112	112	112
Library										
Books	33,233	33,710	33,710	36,119	35,611	34,676	35,435	35,000	37,000	37,695
Leisure Services										
Ballfields - lighted	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Parks	6	6	6	7	7	7	7	7	7	7
Sanitation										
Garbage Trucks	10	14	13	13	13	13	13	13	14	14
Water /Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Provided by Seacoast Utility)										

N/A: Not applicable

Source: Town Departments, Town of Lake Park, Florida

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Lake Park, Florida, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

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

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

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

Finding 2013-1 Written Accounting Procedures Manual

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

Condition: The Town has prepared an accounting policy manual and subsequent to fiscal year end has added a significant amount of procedures to the manual. However, during the current fiscal year the policies in place were not consistently nor timely performed or reviewed.

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

- Bank reconciliations were not timely performed and reviewed.
- Review and approval of adjusting journal and budgetary entries was not always documented or maintained.
- Accounts receivable and accounts payable were not correctly recorded at year end.

Recommendation: We recommend that the Town continue updating and refining the Policy and Procedures Manual. Items that need to be added include; more detailed direction on who will perform the procedures, how the procedures will be performed, documenting when the procedure is performed and reviewed, and time frames for the performance and supervisory review of the procedures.

Compliance and Other Matters

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

Town of Lake Park, Florida's Response to Findings

Town of Lake Park, Florida's response to the finding identified in our audit is described in the attached letter dated September 28, 2018. Town of Lake Park, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Nowlen, Holt & Mimer, P.A.

September 28, 2018
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

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

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

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

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

Report on the Financial Statements

We have audited the financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2017, and have issued our report thereon dated September 28, 2018.

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 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 September 28, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Finding 2013-1 *Written Accounting Procedures Manual* still applies in the current year and was in the prior two years' reports.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Lake Park, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the Town of Lake Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2017.

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

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

Finding 2017-1 Fund Reimbursements and Administrative Fees

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

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

Finding 2017-2 Annual Financial Report

Condition: We noted that the audit report and the Annual Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2017 was not filed timely.

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

Annual Financial Report

Section 10.554(1)(i)5.b. 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 the annual financial report for the Town of Lake Park, Florida for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

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

Additional Matters

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

Single Audits

The Town expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the year ended September 30, 2017, and was not required to have a federal single audit or a state single audit.

Response to Management Letter

The Town of Lake Park, Florida's responses to the findings identified in our audit are described in the attached letter dated September 28, 2018. We did not audit Town of Lake Park, Florida's responses and, accordingly, we express no opinion on them.

Purpose of this Letter

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

Nowlen, Holt & Mimer, P.A.

September 28, 2018
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

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

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

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

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

We have examined the Town of Lake Park, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management of the Town of Lake Park, Florida is responsible for the Town of Lake Park, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the Town of Lake Park, Florida’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the Town of Lake Park, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2017.

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

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
September 28, 2018



September 28, 2018

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

RE: Response to the Report on Internal Control and the
Management Letter required by the Rules of the
Auditor General for the State of Florida for the Fiscal
Year ended September 30, 2017.

REPORT ON INTERNAL CONTROLS

2013-1: Written Accounting Procedure Manual

We recognize that a detailed manual is important towards the safeguarding of the Town's assets. Funds were budgeted in fiscal year 2017-18 and the Accounting Procedures Manual was completed. The added accounting procedures have been put in place for fiscal year end 2017-2018, with a renewed focus for fiscal year 2018-2019. The Town will continue updating and refining the Policy and Procedures manual to include detail directions on who will perform the procedures, how the procedures will be performed and provide documentation and review procedures.

REPORT ON FINANCIAL MANAGEMENT

2017-1 Fund Reimbursements and Administrative Fees

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

2017-2 Annual Financial Reporting

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

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

Sincerely,

Lourdes Cariseo
Finance Director

535 Park Avenue
Lake Park, FL 33403
Phone: (561) 881-3300
Fax: (561) 881-3314

www.lakeparkflorida.gov