



TOWN OF LAKE PARK FLORIDA



Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
SEPTEMBER 30, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2013

**Prepared by
Finance Department**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

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THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

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INTRODUCTORY SECTION



April 30, 2014

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, 2013, 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, 2013.

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, 2013, 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the Financial Section of this report on page 1.

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

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PROFILE OF THE TOWN

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

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

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

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

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

The Town is required by State law to adopt an annual budget for the general fund. The annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The Town Manager may transfer resources within a department as needed. Budgetary transfers between departments require the approval of the Town Commission.

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 2006, but slowed significantly in 2007. The taxable value of property within the Town decreased 5.5% in 2008, mainly due to the passage of Amendment One (Property Tax Reform), an additional 15.8% in 2009 due to the economic downturn, and values dropped an additional 17.5% in 2010 bringing the assessed value of property within the Town back to 2005 levels. The taxable value decreased an additional 5.50% in 2011 and 3.65% in 2012, but recovered 3.90% in 2013. The relationship of commercial assessments compared to residential assessment has historically been around 50/50. With the decline in the housing market over the past few years, this relationship has shifted

to approximately 60/40. The Town does not anticipate any significant changes in the pace of planned new growth since most of the vacant parcels within the municipal limits have already been developed. It is anticipated that the decline in residential assessments has leveled off. However, there is concern that the commercial assessments have not reached the bottom yet.

The decrease in taxable values within the Town totaled more than \$285 million, which translated to a loss of over \$2.45 million dollars in tax revenue of the General fund. A small increase in the millage was adopted for Fiscal Year 2013-2014. While public safety costs represent 50% of the General Fund expenditures and consume in excess of 100% of the tax revenue, public safety is paramount to the citizens of the Town. Operational cuts across all departments, excluding public safety, continue to be implemented to counter the loss of revenue. Additional cuts are anticipated in the upcoming budget year as the Town continues to struggle with the declining property values.

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 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. A limited business development loan program and grant program was continued 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

During recent years, the Town has devoted a significant amount of time, energy and resources to the continuing growth and redevelopment of the Town. The Town Commission made a commitment to provide specific programming for seniors and for children, and the Director of Parks and Recreation was tasked with developing those programs. Additional emphasis was placed on the scheduling of community-wide special events.

A Marina Task Force was created by the Town Commission to develop recommendations on physical and operational improvements to the Lake Park Harbor Marina. Over the course of six months, the Task Force held public meetings and eventually issued a report and recommendation to the Town Commission for ways to improve the physical configuration of the two parking lots, increase parking revenue, improve traffic flow, increase installation of way-finding signage, and enhance the usage of the boat ramp at the facility.

Partnered with the Office of Congressman Alcee Hasting to house a District Office for the Congressman.

Using funds from an allocation of Community Development Block Grant money provided to the Town by Palm Beach County, made surface improvements to all four tennis courts in Lake Shore Park and the two tennis courts in Kelsey Park. Improvements also included net repairs, fence repairs and improvement to drainage.

Held the first annual Lake Park Harbor Marina Fishing Tournament with a total of 72 vessels participating in the event.

Undertook two demonstration projects for determining the best method for making repairs to the seawalls and sidewalks at the Lake Park Harbor Marina. One demonstration project used an excavation method on the landward side of the seawall to a specific depth, installing filter fabric material and then backfilling and compacting the backfill. The other demonstration method of repair used a chemical grout injection along both sides of the seawall, with voids in the backfill being filled. In the end, the chemical grout injection method was chosen as the best method for making the permanent repairs.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lake Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. This report must satisfy both U.S. Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

A Certificate of Achievement is valid for a period of one year only. The Town of Lake Park has received a Certificate of Achievement for the past eight years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to

the GFOA to determine its eligibility for another certificate.

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 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,



Dale S. Sugerman, Ph.D.
Town Manager



Blake K. Rane
Finance Director

TOWN OF LAKE PARK

List of Principal Officials

September 30, 2013

Mayor

James DuBois

Vice Mayor

Kimberly Glas-Castro

Town Commission

Erin Flaherty
Michael O'Rourke
Kathleen Rapoza

Town Manager

Dale S. Sugerman, Ph.D.

Town Clerk / Deputy Town Manager

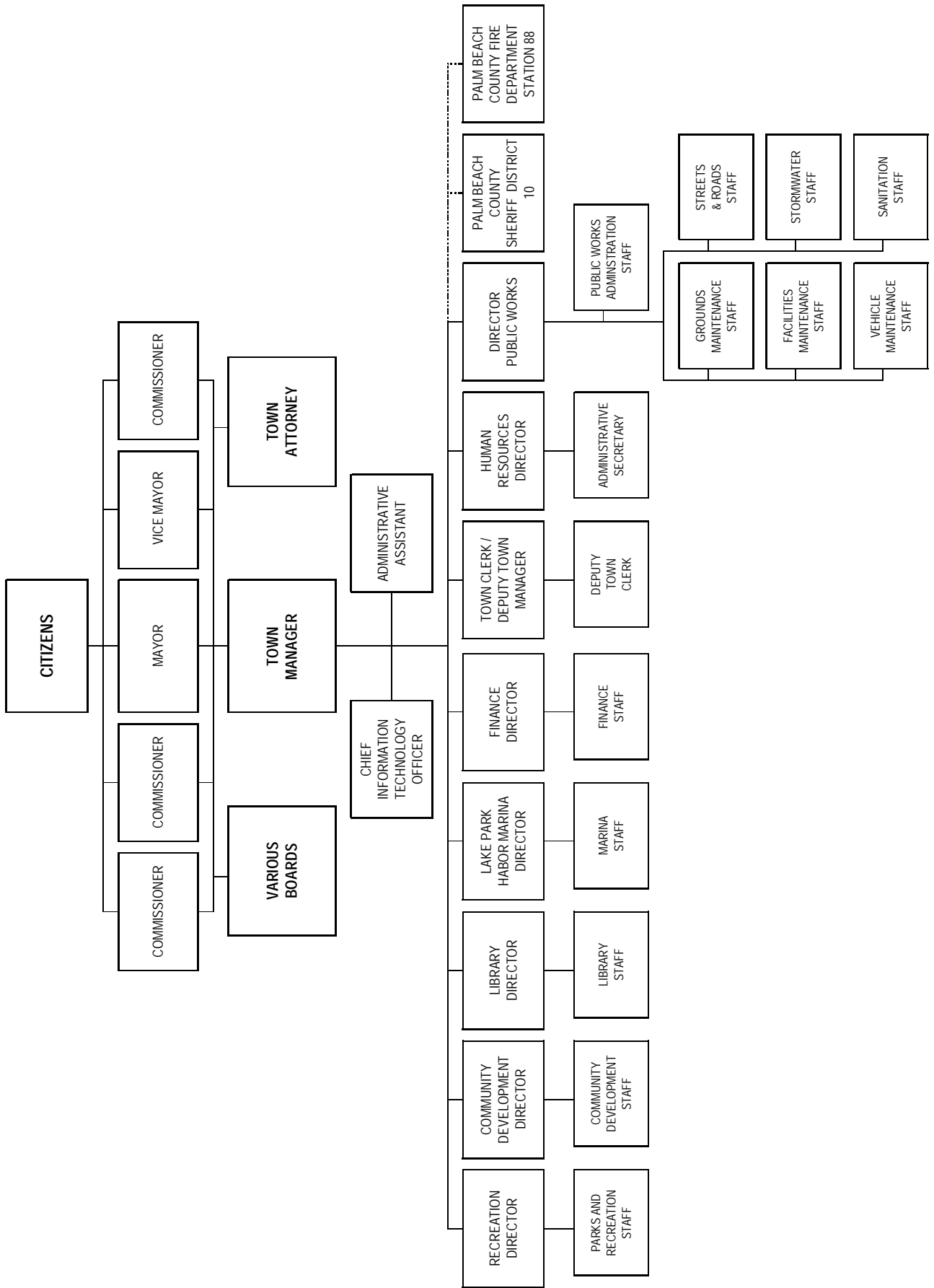
Vivian Mendez

Finance Director

Blake K. Rane, CGFO

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

J. David Hunt
Nadia DiTomasso
Karen Mahnk
Kathleen M. Carroll
James C. Hart
Bambi McKibbon-Turner
Hoa Hoang





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Lake Park
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida as of and for the year ended September 30, 2013, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, Pension and Other Post Employment Benefit trend information on pages 68 through 70, and budgetary comparison information on pages 71 through 78 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 is the responsibility of management and was 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 April 30, 2014, 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.

April 30, 2014
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, 2013. 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 of the Town of Lake Park exceeded its liabilities at September 30, 2013 by \$7,986,777. Of this amount, unrestricted net position became positive, increasing to \$964,680.
- The total net position increased by \$370,268, of which a decrease of \$2,072,945 was attributed to governmental activities and an increase of \$2,443,213 was related to business-type activities. The change in net position between the business-type and governmental activities of the Town was primarily due to the Town Commission forgiving the inter-fund debt owed by the Marina Fund to the General Fund of \$2,480,000. At the same time the Commission forgave inter-fund debt owed by the Marina Fund to the Sanitation Fund of \$400,000.

Fund Financial Statements

- As of the close of the 2013 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$739,291 a decrease of \$2,381,441 from the prior year. Of the total, \$540,569 is restricted, assigned, and non-spendable, while \$198,722 is unassigned and available for future uses by the Town Commission.
- At the end of the 2013 Fiscal Year, the unreserved fund balance for the General Fund represented just less than 2.6% of total General Fund expenditures or approximately 9.5 days of available funding.
- Total long term obligations for the Town decreased by \$1,198,201. General Obligation Bond debt and loans payable decreased in the amount of \$1,214,082, 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 and liabilities 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, the difference between assets and liabilities, 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 four kinds of funds, governmental, proprietary, fiduciary, and special revenue, 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.
- Special Revenue funds - Special Revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The Town has two funds in this category: the CRA Fund and Streets & Roads Fund. The basic fund financial statements can be found on pages 18-21 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 27-67 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 68-70 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 71-78 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 78-83 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 by \$2,315,968. Business-type activity assets exceeded liabilities by \$5,670,809. The Town-wide total net position were \$7,986,777 at the close of the fiscal year ended September 30, 2013. 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 \$6,680,600 or almost 84% of total net position at September 30, 2013. Capital assets total \$18,559,063 at September 30, 2013, or 89% of all assets, which total \$20,923,214. 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 \$341,497 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$964,680 may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

Net Position

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 1,246,208	\$ 3,565,641	\$ 1,117,943	\$ (1,665,594)	\$ 2,364,151	\$ 1,900,047
Capital assets	8,478,012	9,100,228	10,081,051	10,731,998	18,559,063	19,832,226
Total assets	<u>9,724,220</u>	<u>12,665,869</u>	<u>11,198,994</u>	<u>9,066,404</u>	<u>20,923,214</u>	<u>21,732,273</u>
Liabilities:						
Long-term liabilities	7,017,616	7,859,745	5,319,042	5,677,114	12,336,658	13,536,859
Other liabilities	390,636	417,211	209,143	161,694	599,779	578,905
Total liabilities	<u>7,408,252</u>	<u>8,276,956</u>	<u>5,528,185</u>	<u>5,838,808</u>	<u>12,936,437</u>	<u>14,115,764</u>
Net position:						
Net investment in capital assets	1,778,341	2,400,557	4,902,259	5,205,987	6,680,600	7,606,544
Restricted	304,159	267,633	37,338	99,592	341,497	367,225
Unrestricted	233,468	1,720,723	731,212	(2,077,983)	964,680	(357,260)
Total net position	<u>\$ 2,315,968</u>	<u>\$ 4,388,913</u>	<u>\$ 5,670,809</u>	<u>\$ 3,227,596</u>	<u>\$ 7,986,777</u>	<u>\$ 7,616,509</u>

Governmental Activities: Net position of the governmental activities of the Town have decreased \$2,072,945 from 2012. Total assets of governmental activities have decreased by \$2,941,649 and total liabilities have also decreased by \$868,704. Unrestricted net position are down by \$1,487,255

Business Activities: Net position for business activities have increased \$2,443,213 from 2012. Total assets are up \$2,132,590 while total liabilities have decreased by \$310,623. Unrestricted net position have increased by \$2,809,195.

The following is a summary of the changes in net position for the years ended September 30, 2013 and 2012:

Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 931,606	\$ 958,446	\$2,766,623	\$2,862,109	\$ 3,698,229	\$ 3,820,555
Operating grants and contributions	16,371	23,424			16,371	23,424
Capital grants and contributions	54,721	135,443			54,721	135,443
General revenues:						
Taxes	6,246,087	6,389,645			6,246,087	6,389,645
Intergovernmental	1,033,832	1,012,470			1,033,832	1,012,470
Construction settlement			880,000		880,000	
Investment earnings	26,307	37,586	11,214	11,902	37,521	49,488
Gain on sale of equipment	2,043		18,388		20,431	-
Total revenues	<u>\$ 8,310,967</u>	<u>\$ 8,557,014</u>	<u>\$3,676,225</u>	<u>\$2,874,011</u>	<u>\$11,987,192</u>	<u>\$11,431,025</u>

Overall total revenues are down \$344,264. Program revenues decreased by \$210,101 while general revenues declined by \$134,163.

Governmental Activities: Revenue collections of taxes including property taxes, franchise fees, utility services taxes, fuel taxes and communication services taxes have decreased \$143,558. Property values within the Town increased slightly in 2013, 3.9% over 2012. When combined with the loss in value from Amendment One, property tax reform, and the economy changing; property values within the Town have decreased more than \$285 million dollars or 38.9% since 2007. The decrease in charges for services of governmental activities is attributable to the continued decrease in property taxes combined with a small increase in the overall millage rate.

Business Activities: Charges for services for business activities of the Town have decreased \$95,486. Primarily the result of the Marina fee structure being adjusted in an attempt to increase occupancy.

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenses:						
General government	\$ 1,543,348	\$ 1,938,137	\$	\$	\$ 1,543,348	\$ 1,938,137
Public safety	4,578,728	4,726,961			4,578,728	4,726,961
Physical environment	289,172	286,687			289,172	286,687
Transportation	565,936	619,207			565,936	619,207
Culture and recreation	919,506	846,998			919,506	846,998
Economic Impact	1,921	3,458			1,921	3,458
Interest on long-term debt	316,601	354,828			316,601	354,828
Marina			1,591,055	1,632,308	1,591,055	1,632,308
Sanitation			1,396,551	1,396,191	1,396,551	1,396,191
Stormwater			414,106	384,366	414,106	384,366
Total expenses	<u>8,215,212</u>	<u>8,776,276</u>	<u>3,401,712</u>	<u>3,412,865</u>	<u>11,616,924</u>	<u>12,189,141</u>
Transfers In/(Out)	<u>(2,168,700)</u>	<u>324,350</u>	<u>2,168,700</u>	<u>(324,350)</u>		
Increase in net position	(2,072,945)	105,088	2,443,213	(863,204)	370,268	(758,116)
Net position - beginning of year	4,388,913	4,283,825	3,227,596	4,090,800	7,616,509	8,374,625
Net position - end of year	<u>\$ 2,315,968</u>	<u>\$ 4,388,913</u>	<u>\$ 5,670,809</u>	<u>\$ 3,227,596</u>	<u>\$ 7,986,777</u>	<u>\$ 7,616,509</u>

Overall net position increased \$370,268. The increase in net position is related to the cost cutting measures that have been undertaken by the Town and the CRA.

Governmental Activities: Changes in the expenses for 2013 in Public Safety are attributable to eliminating a contract with the Sheriff's Office for specific services in the CRA. The other decreases in expenses items result from vacant positions in several departments, other cost saving measures, and continued debt service payments.

Business-type Activities: The decreased expenses for the Marina Fund results from the reduction in the expenses for construction deficiencies, professional fees, and legal fees associated with this situation.

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, unreserved 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, 2013, the Town's primary operating fund, the General Fund, reported ending fund balance of \$739,291, a decrease of \$2,381,441 from the prior year. Of this amount, \$198,722 is considered unassigned fund balance. However; \$33,929 is restricted for specific purposes; (1) Community Improvement Beautification (CIB) Fund and (2) library donations designated for improvements. The unassigned balance of

\$198,722 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 (\$540,569) 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 (\$34,678) and (2) as advances to other funds, in particular to cover the cash deficit in the pooled cash of the Marina Fund (\$401,314).

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents less than 2.6 percent (approximately 9.5 days) of total general fund expenditures, while total fund balance represents 9.7 percent of that same amount. A sound financial management policy would dictate that the unreserved, undesignated fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2014 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.

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 original General Fund appropriation was unchanged during the year.

The budget was amended for new programs implemented after the adoption of the budget, revenues and corresponding expenditures not anticipated during the budget process. These items had no appropriations in the original budget.

Capital Asset and Debt Administration

Capital assets. The Town's total investment in capital assets at September 30, 2013 was \$18,559,063 (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, 2013 and 2012 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,691,891	\$ 2,691,891	\$ 2,492,332	\$ 2,492,332	\$ 5,184,223	\$ 5,184,223
Construction in progress	81,153	28,111	396,556	396,556	477,709	424,667
Buildings	2,806,508	3,005,251	-	-	2,806,508	3,005,251
Equipment and vehicles	106,253	175,549	115,639	362,710	221,892	538,259
Streets, roads, and sidewalks	2,792,207	3,199,426	7,076,524	7,480,400	9,868,731	10,679,826
Total assets	<u>\$ 8,478,012</u>	<u>\$ 9,100,228</u>	<u>\$ 10,081,051</u>	<u>\$ 10,731,998</u>	<u>\$ 18,559,063</u>	<u>\$ 19,832,226</u>

Capital projects during Fiscal Year 2013 included the following:

- Marina Seawall Reparation Engineering and Test Projects
- Tennis Court Surface Improvements at Lake Shore and Kelsey Parks
- Alleyway Drainage Improvement.

Additional information on the Town's capital assets can be found in Note #6 on pages 45-46 of this report.

Long-term debt. At year end 2013, the Town had \$12.3 million of outstanding debt. No new debt was incurred during fiscal year 2013. The debt position of the Town is summarized as follows:

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Loans Payable	\$ 6,819,080	\$ 7,684,304	5,142,615	5,491,473	\$ 11,961,695	\$ 13,175,777
Capital lease obligations	-	-	-	-	-	-
Other Post-Emp. Benefits Pension contrib. payable	32,320	24,493	14,822	12,430	47,142	36,923
Compensated absences	166,216	148,948	39,109	44,460	205,325	193,408
Unamortized premium	-	-	122,496	128,751	122,496	128,751
Total	\$ 7,017,616	\$ 7,857,745	\$ 5,319,042	\$ 5,677,114	\$ 12,336,658	\$ 13,534,859

Additional information on the Town's debt can be found in Note #9 on pages 47-55 of this report.

Economic factors and Next Year's Budgets and Rates

The Town, along with all other surrounding communities, saw a small increase in the taxable value of properties due to the economic decline experienced nationwide. Values dropped within the Town. The taxable assessed value of homes within the Town has dropped below the 2005 level. Combined with the decreases of the previous four years, this modest increase equates to a loss of more than \$2 million dollars in tax revenue during this period.

For fiscal year 2013-2014 the Town Commission adopted a General Fund budget of \$8,329,827 compared with the budget for fiscal year 2012-2013 in the amount of \$8,166,202. The operating millage rate was increased from 8.5000 mills to 8.8055 mills. The debt millage rate decreased to 1.7400 mills, meeting the debt service requirements of the General Obligation bonds of 1997 and 1998.

The greatest impact on the General Fund expenditures is Public Safety which represents 51% of the total and uses 100% of the Ad Valorem property tax revenue plus an additional \$433,132 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 the operational cuts across all departments and continues to limit capital and other projects.

There were no rate increases adopted for the Sanitation, and Stormwater enterprise operations for Fiscal Year 2013. The dockage rates at the Marina were decreased effective 10/1/2012.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
September 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 1,167,515	\$ 474,048	\$ 1,641,563
Restricted cash and cash equivalents		37,338	37,338
Investments	20,301	11,329	31,630
Accounts receivable, net	166,848	138,078	304,926
Notes receivable	106,722		106,722
Due from other governments	93,666		93,666
Internal balances	(325,216)	325,216	
Inventory	14,329	45,615	59,944
Prepaid items	2,043		2,043
Unamortized bond costs		86,319	86,319
Capital assets			
Capital assets not being depreciated	2,773,044	2,888,888	5,661,932
Capital assets being depreciated, net of accumulated depreciation	5,704,968	7,192,163	12,897,131
Total assets	<u>9,724,220</u>	<u>11,198,994</u>	<u>20,923,214</u>
Liabilities			
Accounts payable	62,146	89,515	151,661
Accrued expenses	53,007	19,652	72,659
Accrued interest payable	35,993	82,088	118,081
Unearned revenue	227,545		227,545
Deposits	11,945	17,888	29,833
Noncurrent liabilities:			
Due within one year	938,096	371,474	1,309,570
Due in more than one year	6,079,520	4,947,568	11,027,088
Total liabilities	<u>7,408,252</u>	<u>5,528,185</u>	<u>12,936,437</u>
Net Position			
Net investment in capital assets	1,778,341	4,902,259	6,680,600
Restricted for:			
Debt service	106,624		106,624
Capital projects	163,606	37,338	200,944
Other restrictions	33,929		33,929
Unrestricted	233,468	731,212	964,680
Total net position	<u>\$ 2,315,968</u>	<u>\$ 5,670,809</u>	<u>\$ 7,986,777</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2013

Functions/Programs	Expenses	Charges for Activities
Government:		
Governmental activities		
General government	\$ 1,543,348	\$ 79,381
Public safety	4,578,728	754,094
Physical environment	289,172	
Transportation	565,936	29,015
Culture and recreation	919,506	69,116
Economic environmnet	1,921	
Interest on long-term debt	316,601	
Total governmental activities	<u>8,215,212</u>	<u>931,606</u>
Business-type activities		
Marina	1,591,055	801,716
Sanitation	1,396,551	1,459,636
Stormwater	414,106	505,271
Total business-type activities	<u>3,401,712</u>	<u>2,766,623</u>
Total	<u>\$ 11,616,924</u>	<u>\$ 3,698,229</u>

Program Revenues		Net Expense (Revenue) and Changes in Net Assets		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$	\$	\$ (1,463,967)	\$	\$ (1,463,967)
		(3,824,634)		(3,824,634)
5,000		(284,172)		(284,172)
	18,141	(518,780)		(518,780)
11,371	36,580	(802,439)		(802,439)
		(1,921)		(1,921)
		(316,601)		(316,601)
<u>16,371</u>	<u>54,721</u>	<u>(7,212,514)</u>		<u>(7,212,514)</u>
			(789,339)	(789,339)
			63,085	63,085
			91,165	91,165
			<u>(635,089)</u>	<u>(635,089)</u>
<u>\$ 16,371</u>	<u>\$ 54,721</u>	<u>(7,212,514)</u>	<u>(635,089)</u>	<u>(7,847,603)</u>
General Revenues:				
Taxes:				
Property taxes		4,315,899		4,315,899
Franchise fees		493,884		493,884
Utility service taxes		849,228		849,228
Local option gas taxes		230,639		230,639
Communication services taxes		356,437		356,437
Unrestricted intergovernmental shared revenues		1,033,832		1,033,832
Investment earnings		26,307	11,214	37,521
Construction Settlements			880,000	880,000
Gain on disposal of capital assets		2,043	18,388	20,431
Transfers		(2,168,700)	2,168,700	
Total general revenues and transfers		<u>5,139,569</u>	<u>3,078,302</u>	<u>8,217,871</u>
Change in net position		(2,072,945)	2,443,213	370,268
Net position, beginning of year		<u>4,388,913</u>	<u>3,227,596</u>	<u>7,616,509</u>
Net position, end of year		<u>\$ 2,315,968</u>	<u>\$ 5,670,809</u>	<u>\$ 7,986,777</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2013

	<u>Major Governmental Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>CRA Fund</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Assets				
Pooled cash and cash equivalents	\$ 903,684	\$ 58,016	\$ 190,862	\$ 1,152,562
Investments	18,306	1,640	355	20,301
Accounts receivable, net	159,183	7,665		166,848
Notes receivable		106,722		106,722
Due from other governments	74,136		19,530	93,666
Due from other funds	57,781	97,000	64,658	219,439
Advances to other funds	401,314			401,314
Inventory	14,329			14,329
Prepaid items	2,043			2,043
Total assets	<u>\$ 1,630,776</u>	<u>\$ 271,043</u>	<u>\$ 275,405</u>	<u>\$ 2,177,224</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 41,838	\$ 7,249	\$ 3,059	\$ 52,146
Accrued liabilities	50,157		2,850	53,007
Deferred revenue	227,545			227,545
Due to other funds	560,000	52,781	5,000	617,781
Advance from other funds		401,314		401,314
Deposits	11,945			11,945
Total liabilities	<u>891,485</u>	<u>461,344</u>	<u>10,909</u>	<u>1,363,738</u>
Fund balances				
Nonspendable:				
Inventories and prepaids	16,372			16,372
SBA Fund B	18,306	1,640		19,946
Advances to other funds	401,314			401,314
Restricted for:				
Debt service			106,624	106,624
Transportation			147,013	147,013
Capital projects			16,593	16,593
Community improvement	10,316			10,316
Library	23,613			23,613
Assigned to:				
Subsequent year's expenditures	70,648			70,648
Capital projects funds			26,915	26,915
Unassigned	198,722	(191,941)	(32,649)	(25,868)
Total fund balances	<u>739,291</u>	<u>(190,301)</u>	<u>264,496</u>	<u>813,486</u>
Total liabilities and fund balances	<u>\$ 1,630,776</u>	<u>\$ 271,043</u>	<u>\$ 275,405</u>	<u>\$ 2,177,224</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 Funds
September 30, 2013

Total Fund Balances - Governmental Funds		\$ 813,486
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Amounts reported for governmental activities in the statement of net assets 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	\$ 16,970,252	
Less accumulated depreciation	<u>(8,492,240)</u>	8,478,012

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	(35,993)	
Compensated absences	(166,216)	
Other post-employment benefits	(32,320)	
Loans payable	(3,742,842)	
General obligation bonds	<u>(3,076,238)</u>	(7,053,609)

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 assets.

		<u>78,079</u>
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Net position of governmental activities		<u><u>\$ 2,315,968</u></u>
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See notes to the financial statements.

TOWN OF LAKE PARK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Revenues				
Taxes	\$ 4,909,864	\$	\$ 749,147	\$ 5,659,011
Licenses and permits	502,279			502,279
Intergovernmental	1,195,399	137,196	385,425	1,718,020
Charges for services	418,675			418,675
Fines and forfeitures	185,451			185,451
Miscellaneous	162,528	2,973	2,200	167,701
Total revenues	<u>7,374,196</u>	<u>140,169</u>	<u>1,136,772</u>	<u>8,651,137</u>
Expenditures				
Current				
General government	1,297,233	129,388	2,954	1,429,575
Public safety	4,578,945			4,578,945
Physical environment	267,232			267,232
Transportation	305,783		165,682	471,465
Culture and recreation	774,931	1,636		776,567
Economic environment		1,921		1,921
Capital outlay	7,604		63,159	70,763
Debt service				
Principal	262,353		602,871	865,224
Interest charges	158,463		165,237	323,700
Total expenditures	<u>7,652,544</u>	<u>132,945</u>	<u>999,903</u>	<u>8,785,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(278,348)</u>	<u>7,224</u>	<u>136,869</u>	<u>(134,255)</u>
Other financing sources (uses)				
Transfers in	621,925	245,018		866,943
Transfer out	<u>(2,725,018)</u>	<u>(210,625)</u>	<u>(100,000)</u>	<u>(3,035,643)</u>
Total other financing sources (uses)	<u>(2,103,093)</u>	<u>34,393</u>	<u>(100,000)</u>	<u>(2,168,700)</u>
Net change in fund balances	(2,381,441)	41,617	36,869	(2,302,955)
Fund balances				
Beginning of year	3,120,732	(231,918)	227,627	3,116,441
End of year	<u>\$ 739,291</u>	<u>\$ (190,301)</u>	<u>\$ 264,496</u>	<u>\$ 813,486</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, 2013

Net change in fund balances - total governmental funds \$ (2,302,955)

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	\$ 69,951	
Less: current year depreciation	(692,167)	(622,216)

Governmental Funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

Flagler Boulevard Grant	(15,620)
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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 assets of the governmental activities.

Long term debt repayments:

General obligation bonds	602,871	
Loans payable	262,353	865,224

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	(17,267)	
Change in other post-employment benefits	(5,827)	
Change in accrued interest	7,099	(15,995)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

Net income allocable to governmental activities	18,617
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Change in net position of governmental activities	\$ (2,072,945)
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See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2013

	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities
	Marina Fund	Sanitation Fund			Internal Service Fund
Assets					
Current assets					
Pooled cash and cash equivalents	\$ 28,470	\$ 437,985	\$ 7,593	\$ 474,048	\$ 14,953
Restricted cash and cash equivalents			37,338	37,338	
Investments		11,329		11,329	
Accounts receivable, net	40,984	94,220	2,874	138,078	
Due from other funds	495,000		320,000	815,000	175,000
Inventory	45,615			45,615	
Total current assets	610,069	543,534	367,805	1,521,408	189,953
Noncurrent assets					
Unamortized bond issue costs	75,808		10,511	86,319	
Capital assets not being depreciated	2,550,192	64,157	274,539	2,888,888	
Capital assets net of accumulated depreciation	6,764,679	89,052	338,432	7,192,163	
Total noncurrent assets	9,390,679	153,209	623,482	10,167,370	
Total assets	10,000,748	696,743	991,287	11,688,778	189,953
Liabilities					
Current liabilities					
Accounts payable	66,529	20,448	2,538	89,515	10,000
Accrued liabilities	6,341	10,870	2,441	19,652	
Due to other funds	175,000	402,200	14,458	591,658	
Deposits payable - slip rentals	17,888			17,888	
Accrued interest payable	82,088			82,088	
Compensated absences payable, current portion	711	6,025	1,086	7,822	
Bonds payable, current maturities	151,631	106,153	105,868	363,652	
Total current liabilities	500,188	545,696	126,391	1,172,275	10,000
Long-term liabilities					
Compensated absences payable, less current portion	2,843	24,100	4,344	31,287	
Other post-employment benefits	1,527	11,062	2,233	14,822	
Bonds payable, net of unamortized premium and current maturities	4,584,239	110,048	207,172	4,901,459	
Total long-term liabilities	4,588,609	145,210	213,749	4,947,568	
Total liabilities	5,088,797	690,906	340,140	6,119,843	10,000
Net position					
Net investment in capital assets	4,654,809	(62,992)	310,442	4,902,259	
Restricted for capital projects			37,338	37,338	
Unrestricted	257,142	68,829	303,367	629,338	179,953
Total net position	\$ 4,911,951	\$ 5,837	\$ 651,147	5,568,935	\$ 179,953
				101,874	
Adjustment to reflect consolidation of internal service fund activities				101,874	
Net position of business-type activities				\$ 5,670,809	

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, 2013

	<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	\$ 797,791	\$ 1,452,704	\$ 502,330	\$ 2,752,825	\$ 278,511
Miscellaneous	3,925	6,932	2,941	13,798	31,246
Total operating revenues	<u>801,716</u>	<u>1,459,636</u>	<u>505,271</u>	<u>2,766,623</u>	<u>309,757</u>
Operating expenses					
Personal services	164,147	537,756	162,286	864,189	84,171
Operating expenses	726,309	651,950	136,377	1,514,636	179,040
Depreciation	484,199	209,606	96,336	790,141	
Total operating expenses	<u>1,374,655</u>	<u>1,399,312</u>	<u>394,999</u>	<u>3,168,966</u>	<u>263,211</u>
Operating income (loss)	<u>(572,939)</u>	<u>60,324</u>	<u>110,272</u>	<u>(402,343)</u>	<u>46,546</u>
Nonoperating revenues (expenses)					
Amortization	(3,871)		(4,023)	(7,894)	
Construction settlements	880,000			880,000	
Sale of surplus property		18,388		18,388	
Interest revenue	4,777	5,174	1,263	11,214	
Interest expense	(226,027)	(9,808)	(16,946)	(252,781)	
Total nonoperating revenues (expenses)	<u>654,879</u>	<u>13,754</u>	<u>(19,706)</u>	<u>648,927</u>	
Income (loss) before transfers	<u>81,940</u>	<u>74,078</u>	<u>90,566</u>	<u>246,584</u>	<u>46,546</u>
Transfers					
Transfers in	2,880,000			2,880,000	
Transfers out	(10,000)	(650,000)	(51,300)	(711,300)	
Total transfers	<u>2,870,000</u>	<u>(650,000)</u>	<u>(51,300)</u>	<u>2,168,700</u>	
Change in net position	2,951,940	(575,922)	39,266	2,415,284	46,546
Net position - beginning of year	<u>1,960,011</u>	<u>581,759</u>	<u>611,881</u>	<u>3,153,651</u>	<u>133,407</u>
Net position - ending	<u>\$ 4,911,951</u>	<u>\$ 5,837</u>	<u>\$ 651,147</u>	<u>\$ 5,568,935</u>	<u>\$ 179,953</u>
Change in net position				\$ 2,415,284	
Adjustment to reflect consolidation of internal service fund activities				27,929	
Change in net position of business-type activities				<u>\$ 2,443,213</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2013

	<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>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Service Fund</u>
Cash flows from operating activities:					
Cash received from customers	\$ 804,661	\$ 1,457,596	\$ 502,397	\$ 2,764,654	\$
Miscellaneous receipts					\$ 31,246
Cash paid to suppliers	(686,044)	(651,910)	(134,033)	(1,471,987)	(253,211)
Cash paid to employees	(160,922)	(548,119)	(161,518)	(870,559)	
Payments to other funds	(320,000)		(305,542)	(625,542)	(175,000)
Payments from other funds		402,200		402,200	278,511
Net cash provided (used) by operating activities	<u>(362,305)</u>	<u>659,767</u>	<u>(98,696)</u>	<u>198,766</u>	<u>(118,454)</u>
Cash flows from noncapital financing activities:					
Transfers in (out)	(10,000)	(250,000)	(51,300)	(311,300)	
Net cash provided (used) by noncapital financing activities	<u>(10,000)</u>	<u>(250,000)</u>	<u>(51,300)</u>	<u>(311,300)</u>	
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(106,894)	(813)	(31,487)	(139,194)	
Construction settlements	880,000			880,000	
Sale of surplus property		18,388		18,388	
Interest paid on debt	(234,798)	(9,808)	(16,946)	(261,552)	
Principal repayments on revenue bonds	(145,265)	(102,395)	(101,198)	(348,858)	
Net cash provided (used) by capital and related financing activities	<u>393,043</u>	<u>(94,628)</u>	<u>(149,631)</u>	<u>148,784</u>	
Cash flows from investing activities:					
Purchase of investments		9,373		9,373	
Interest on investments	4,777	5,174	1,263	11,214	
Net cash provided (used) by investing activities	<u>4,777</u>	<u>14,547</u>	<u>1,263</u>	<u>20,587</u>	
Net increase (decrease) in cash and cash equivalents	25,515	329,686	(298,364)	56,837	(118,454)
Cash and cash equivalents at beginning of year	2,955	108,299	343,295	454,549	133,407
Cash and cash equivalents at end of year	<u>\$ 28,470</u>	<u>\$ 437,985</u>	<u>\$ 44,931</u>	<u>\$ 511,386</u>	<u>\$ 14,953</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (572,939)	\$ 60,324	\$ 110,272	\$ (402,343)	\$ 46,546
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	484,199	209,606	96,336	790,141	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,945	(2,040)	(2,874)	(1,969)	
(Increase) decrease in inventory	(10,727)			(10,727)	
(Increase) decrease in due from other funds		402,200		402,200	
Increase (decrease) in accounts payable	50,992	40	2,344	53,376	10,000
Increase (decrease) in accrued liabilities	1,813	(4,492)	(732)	(3,411)	
Increase (decrease) in compensated absences	1,412	(7,939)	1,176	(5,351)	
Increase (decrease) in other post-employment benefits		2,068	324	2,392	
Increase (decrease) in due to other funds	(320,000)		(305,542)	(625,542)	(175,000)
Total adjustments	210,634	599,443	(208,968)	601,109	(165,000)
Net cash provided (used) by operating activities	<u>\$ (362,305)</u>	<u>\$ 659,767</u>	<u>\$ (98,696)</u>	<u>\$ 198,766</u>	<u>\$ (118,454)</u>
Noncash investing, capital and financing activities					
Amortization of bond issue costs	\$ 3,871		\$ 4,023	\$ 7,894	
Amortization of premium on bonds	\$ (6,255)			\$ (6,255)	
Forgiveness of debt	\$ 2,880,000	\$ (400,000)		\$ 2,480,000	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Fiduciary Net Position
Retired Police Officers' Pension Trust Fund
September 30, 2013

Assets	
Cash and cash equivalents	\$ 56,709
Investments:	
Equity exchange traded funds	1,005,559
Bond exchange traded funds	351,619
Prepaid retirement benefits	<u>10,009</u>
Total assets	<u>1,423,896</u>
Net position	
Held in trust for pension benefits	<u><u>\$ 1,423,896</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Changes in Fiduciary Net Position
Retired Police Officers's Pension Trust Fund
For the Year Ended September 30, 2013

Additions	
Contributions	
Employer	\$ 58,008
Investment income	
Net increase in fair value of investments	140,610
Interest and dividends	29,128
Net investment income	<u>169,738</u>
Total additions	227,746
Deductions	
Retirement benefits	155,666
Administrative expenses	22,880
Total deductions	<u>178,546</u>
Change in net assets	49,200
Net position held in trust for pension benefits	
Net position - beginning of year	<u>1,374,696</u>
Net position - end of year	<u>\$ 1,423,896</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 fiduciary 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, 2013

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, 2013

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.

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, 2013

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, 2013

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, which is determined by using various third party pricing sources. The Local Government Surplus Funds Trust is a “2a-7 like” pool and, thus, these investments are valued using the pooled share price. 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, 2013

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 \$750 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, 2013

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

Deferred Revenue

The government reports deferred revenue on its government wide statement of net position, proprietary statement of net position, and governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Deferred revenue in the General Fund is composed of grant funds that were not received within ninety days of fiscal year end, and of business tax fees received prior to September 30, 2013, for the fiscal year beginning October 1, 2013. Deferred revenue in the Special Projects Fund is composed of unexpended grant funds.

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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences (Continued)

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, 2013. 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.

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Unamortized debt issue costs are included in assets and 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.

Deferred Outflow/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 does not report any Deferred Outflows of Resources.

The Statement of Net Position also includes a separate section 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. Currently, the Town does not report any Deferred Inflows of Resources.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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 and liabilities 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, 2013

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.

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, 2013

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, 2013, 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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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

A. Budgetary Data (Continued)

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

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. There were no funds with 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 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, 2013, was 10.5455 (\$10.5455 for each \$1,000 of assessed valuation), which includes 1.7400 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, 2013, 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, 2013

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

C. Contractual and Legal Obligations to Pay

In prior years, the Town failed to make the required annual incremental tax contributions to the Community Redevelopment Agency (CRA) since its inception, causing penalties and interest for non-payment to accrue beginning in fiscal year ending September 30, 2000 (see Note 15). Annual payments of current and prior year obligations will continue to be paid by the General Fund.

D. Deteriorating Financial Condition

The Marina Fund had an operating loss of \$572,939 for the year. Excluding depreciation expense, the fund has had operating losses for four out of the last five years. One of the primary causes of this is the decreased occupancy and increased expenses caused by construction deficiencies in the renovation of the Marina. In addition, the CRA fund balance has decreased from \$3,569,781 in fiscal year 2008 to a deficit of \$190,301 for the current fiscal year. This was caused by increased expenditures and drops in the incremental tax revenues over the years.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2013, the carrying amount of deposits (including fiduciary funds) was \$337,790 and the bank balances were \$533,999. The Town also had \$690 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.

Restricted cash

At September 30, 2013, the Town reported restricted cash for transportation capital projects.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

As of September 30, 2013, the Town held the following investments:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State Board of Administration:			
Florida PRIME	AAA(m)	\$ 1,392,594	40 days
Fund B	N/R	31,630	4.04 years (WAL)
Money market funds	N/R	4,536	N/A
Bond exchange traded funds	N/R	351,619	N/A
Equity exchange traded funds	N/R	<u>1,005,559</u>	N/A
Total investments		<u>\$ 2,785,938</u>	

All the investments other than the State Board of Administration are held in the fiduciary funds. The credit ratings are S&P's.

The exchange traded fund is 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.

The State Board of Administration is part of the Local Governments Surplus Funds Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Governments Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, (Local Government Surplus Funds Trust Fund Investment Pool) consisted of all money market appropriate assets. Pool B, (Surplus Funds Trust Fund) consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B. On August 3, 2009, the SBA announced

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

“Florida PRIME” as the highly enhanced version of the SBA’s prior Local Government Investment Pool.

At September 30, 2013, Florida PRIME was assigned a "AAA(m)" principal stability fund rating by the Standard and Poor's Ratings. Florida PRIME is considered a SEC 2a7-like fund, thus, the account balance should also be considered its fair value. Fund B is not considered a SEC 2a7-like fund and is not rated by any nationally recognized rating agency.

Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2013, was 1.13262284. The factor should be multiplied by the account balance in order to calculate the fair value of the investment in Fund B.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2013, was 40 days. A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes.

The weighted average life (WAL) of Fund B at September 30, 2013, was 4.04 years. A portfolio’s WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Fund B as of September 30, 2013. However, because fund B consists of restricted or defaulted securities there is considerable uncertainty regarding the weighted average life.

As of September 30, 2013, the Town of Lake Park had \$1,392,594 invested in Florida PRIME. The costs basis of Fund B as of September 30, 2013, was \$27,926, and the fair value and adjusted book value was \$31,630. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, 2013, 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.

The money market and closed end funds are owned by the Pension Trust Funds.

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, 2013

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, 2013

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	\$ 337,790
Petty cash	690
Investments	<u>2,785,938</u>
Total deposits and investments	<u><u>\$ 3,124,418</u></u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$ 1,167,515
Investments	20,301
Business-type activities	
Cash and cash equivalents	474,048
Restricted cash and cash equivalents	37,338
Investments	<u>11,329</u>
Total statements of net position	<u><u>1,710,531</u></u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	56,709
Investments	<u>1,357,178</u>
Total fiduciary funds	<u><u>1,413,887</u></u>
Total deposits and investments	<u><u>\$ 3,124,418</u></u>

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, 2013, there were \$106,722 of loans outstanding which are recorded as notes receivable and \$26,662 of grants outstanding for which no asset is recorded since the expectation is that the business will not be sold.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 5 – ACCOUNTS RECEIVABLES

Receivables at September 30, 2013, were as follows:

	<u>General Fund</u>	<u>CRA Fund</u>	<u>Marina Fund</u>	<u>Sanitation Fund</u>	<u>Nonmajor Enterprise Fund</u>
Accounts receivable	\$ 30,988	\$ 7,665	\$ 45,398	\$ 99,501	\$ 2,874
Accrued receivables	144,716			3,860	
Total receivables	<u>175,704</u>	<u>7,665</u>	<u>45,398</u>	<u>103,361</u>	<u>2,874</u>
Less: allowance for uncollectible accounts	<u>(16,521)</u>		<u>(4,414)</u>	<u>(9,141)</u>	
Accounts receivable, net	<u>\$ 159,183</u>	<u>\$ 7,665</u>	<u>\$ 40,984</u>	<u>\$ 94,220</u>	<u>\$ 2,874</u>

NOTE 6 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2013, 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	28,111	53,042		81,153
Capital assets being depreciated:				
Buildings	7,357,691			7,357,691
Improvements	5,001,762			5,001,762
Machinery and equipment	<u>1,820,846</u>	<u>16,909</u>		<u>1,837,755</u>
Total at historical cost:	16,900,301	69,951		16,970,252
Less accumulated depreciation for:				
Buildings	(4,352,440)	(198,743)		(4,551,183)
Improvements	(1,802,336)	(407,219)		(2,209,555)
Machinery and equipment	<u>(1,645,297)</u>	<u>(86,205)</u>		<u>(1,731,502)</u>
Total accumulated depreciation	<u>(7,800,073)</u>	<u>(692,167)</u>		<u>(8,492,240)</u>
Governmental activities capital assets, net	<u>\$ 9,100,228</u>	<u>\$ (622,216)</u>	<u>\$</u>	<u>\$ 8,478,012</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 6 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 426,659
Public safety	1,179
Physical environment	22,189
Transportation	96,827
Culture and recreation	145,313
Total depreciation expense governmental activities	\$ 692,167

The capital asset activity of business-type activities for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,492,332	\$	\$	\$ 2,492,332
Construction in progress	396,556			396,556
Capital assets being depreciated:				
Improvements	10,506,586	115,921		10,622,507
Machinery and equipment	2,746,907	23,273		2,770,180
Total at historical cost:	16,142,381	139,194		16,281,575
Less accumulated depreciation for:				
Improvements	(3,026,186)	(519,797)		(3,545,983)
Machinery and equipment	(2,384,197)	(270,344)		(2,654,541)
Total accumulated depreciation	(5,410,383)	(790,141)		(6,200,524)
Business-type activities capital assets, net	\$10,731,998	\$ (650,947)	\$	\$10,081,051

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 7 – CONTRACT COMMITMENTS

The amount remaining on contracts awarded but not yet completed as of September 30, 2013, were as follows:

Construction Commitments:	
Drainage improvements	\$ 16,746
Other Town improvements	11,210
Subtotal, construction commitments	27,956
Consulting contracts	8,333
	\$ 36,289

NOTE 8 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amount due within one year
<u>Governmental activities:</u>					
Bonds and loans payable	\$ 7,684,304	\$	\$ (865,224)	\$ 6,819,080	\$ 904,853
OPEB (see note 11)	26,493	5,827		32,320	
Compensated absences payable	148,948	191,924	(174,656)	166,216	33,243
Total	\$ 7,859,745	\$ 197,751	\$ (1,039,880)	\$ 7,017,616	\$ 938,096
<u>Business-type activities:</u>					
Loans payable	\$ 5,491,473	\$	\$ (348,858)	\$ 5,142,615	\$ 363,652
OPEB (see note 11)	12,430	2,392		14,822	
Compensated absences payable	44,460	54,802	(60,153)	39,109	7,822
Total	\$ 5,548,363	\$ 57,194	\$ (409,011)	5,196,546	\$ 371,474
Unamortized premium				122,496	
				\$ 5,319,042	

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 8 – LONG-TERM LIABILITIES (Continued)

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.

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, 2013, 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

The required debt service payments on the Series 1997 bond at September 30, 2013, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2014	\$ 316,076	\$ 63,374	\$ 379,450
2015	331,947	47,503	379,450
2016	348,616	30,834	379,450
2017	<u>358,116</u>	<u>13,327</u>	<u>371,443</u>
	<u>\$1,354,755</u>	<u>\$ 155,038</u>	<u>\$1,509,793</u>

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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 8 – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

General Obligation Bond, Series 1998 (Continued)

The required debt service payments on the Series 1998 bond at September 30, 2013, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2014	\$ 315,316	\$ 73,341	\$ 388,657
2015	329,536	59,121	388,657
2016	344,397	44,260	388,657
2017	359,928	28,729	388,657
2018	<u>372,306</u>	<u>12,499</u>	<u>384,805</u>
	<u>\$1,721,483</u>	<u>\$217,950</u>	<u>\$1,939,433</u>

Revenue Bonds: The Town’s outstanding business-type activities revenue bonds at September 30, 2013, are summarized as follows:

Revenue Bonds, Series 2003A: On May 12, 2003, the Town entered into an agreement with the Florida Municipal Loan Council (the “Council”) to borrow funds for the construction of improvements at the Town’s marina. On May 16, 2003, the Council issued \$4,810,000 Florida Municipal Loan Council Revenue Bonds, Series 2003A, dated May 1, 2003, to finance the Town’s project and pay the costs of issuance for the bonds. The Town is required to meet certain minimum financial amounts, debt limitations and reporting requirements. Interest on the bonds is payable by the Town semi-annually on April 20 and October 20 and principal payments are due on April 20. Debt service on the bonds is payable from the net revenues of the marina operations, and all non-ad valorem revenues are pledged.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 8 – LONG-TERM LIABILITIES (Continued)

The debt service requirements and interest rates of the bonds at September 30, 2013, are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	5.25	\$ 120,000	\$ 197,012	\$ 317,012
2015	5.25	125,000	190,713	315,713
2016	5.25	130,000	184,150	314,150
2017	5.25	140,000	177,325	317,325
2018	5.25	145,000	169,975	314,975
2019	5.25	155,000	162,363	317,363
2020	5.25	160,000	154,225	314,225
2021	5.00	170,000	145,825	315,825
2022	5.00	180,000	137,325	317,325
2023	4.50	185,000	128,325	313,325
2024	4.50	195,000	120,000	315,000
2025	4.50	205,000	111,225	316,225
2026	5.00	215,000	102,000	317,000
2027	5.00	225,000	91,250	316,250
2028	5.00	235,000	80,000	315,000
2029	5.00	245,000	68,250	313,250
2030	5.00	260,000	56,000	316,000
2031	5.00	275,000	43,000	318,000
2032	5.00	285,000	29,250	314,250
2033	5.00	300,000	15,000	315,000
		<u>\$3,950,000</u>	<u>\$2,363,213</u>	<u>\$6,313,213</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Promissory Notes: The Town’s outstanding promissory notes payable at September 30, 2013, are summarized as follows:

Promissary 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.

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	\$ 2,831,001
Business-type activities	<u>662,921</u>
	<u>\$ 3,493,922</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

Promissory Note, Series 2008A (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities:

Year Ending September 30	Principal	Interest	Total Amount
2014	\$ 174,361	\$ 100,698	\$ 275,059
2015	180,760	94,182	274,942
2016	187,394	87,426	274,820
2017	194,271	80,423	274,694
2018	201,401	73,162	274,563
2019-2023	1,123,452	247,225	1,370,677
2024-2028	769,362	72,623	841,985
Total	<u>\$ 2,831,001</u>	<u>\$ 755,739</u>	<u>\$ 3,586,740</u>

Business-type activities:

Year Ending September 30	Principal	Interest	Total Amount
2014	\$ 129,015	\$ 21,962	\$ 150,977
2015	133,750	17,140	150,890
2016	24,571	14,235	38,806
2017	25,473	13,317	38,790
2018	26,408	12,365	38,773
2019-2023	147,308	46,274	193,582
2024-2028	176,396	16,650	193,046
Total	<u>\$ 662,921</u>	<u>\$ 141,943</u>	<u>\$ 804,864</u>

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%.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

Promissory Note, Series 2008B (Continued)

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 16,264
Business-type activities	<u>216,654</u>
	<u>\$ 232,918</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>
2014	\$ 7,865	\$ 836	\$ 8,701
2015	8,399	285	8,684
Total	<u>\$ 16,264</u>	<u>\$ 1,121</u>	<u>\$ 17,385</u>

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2014	\$ 8,769	\$ 14,392	\$ 23,161
2015	9,363	13,777	23,140
2016	9,998	13,121	23,119
2017	10,676	12,420	23,096
2018	11,400	11,672	23,072
2019-2023	69,696	45,231	114,927
2024-2028	96,752	17,258	114,010
Total	<u>\$ 216,654</u>	<u>\$ 127,871</u>	<u>\$ 344,525</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

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	\$ 895,577
Business-type activities	<u>58,958</u>
	<u>\$ 954,535</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>
2014	\$ 91,235	\$ 45,764	\$ 136,999
2015	63,622	41,102	104,724
2016	66,873	37,851	104,724
2017	70,289	34,434	104,723
2018	73,881	30,842	104,723
2019-2023	430,046	93,570	523,616
2024	99,631	5,092	104,723
Total	<u>\$ 895,577</u>	<u>\$ 288,655</u>	<u>\$ 1,184,232</u>

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2014	<u>\$ 58,958</u>	<u>\$ 3,012</u>	<u>\$ 61,970</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 8 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

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
2014	\$ 46,910	\$ 9,225	\$ 56,135
2015	48,787	7,311	56,098
2016	50,738	5,321	56,059
2017	52,768	3,251	56,019
2018	54,879	1,097	55,976
Total	\$ 254,082	\$ 26,205	\$ 280,287

Pledged Revenues: The Revenues Bonds Series 2003A 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, 2013 were \$6,456,169 and the related debt service was \$972,537. The Promissory Notes Series 2011 is secured by the revenues on the stormwater utility fund which were \$505,271 and the related debt service was \$56,173 for the fiscal year ended September 30, 2013.

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
2014	\$ 1,268,505	\$ 529,617	\$ 1,798,122
2015	1,231,164	471,134	1,702,298
2016	1,162,587	417,198	1,579,785
2017	1,211,521	363,225	1,574,746
2018	885,275	311,612	1,196,887
2019-2023	2,620,502	1,160,362	3,780,864
2024-2028	2,217,141	616,100	2,833,241
2029-2033	1,365,000	211,500	1,576,500
Total	\$ 11,961,695	\$ 4,080,748	\$ 16,042,443

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 9 – DEFERRED COMPENSATION PLAN ASSETS

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

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

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

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

NOTE 10 – PENSION PLANS

Defined Contribution 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 Council.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 10 – PENSION PLANS (Continued)

Defined Contribution Plan (Continued)

The Town is required to contribute 5% of the plan members' annual compensation and matches 50% of the employees' voluntary contributions under the deferred compensation plan, up to a maximum of 2.5% of participants' annual compensation. Total contributions for the year ended September 30, 2013, were \$85,416 by the Town and \$107,023 by the employees.

Vesting of the Town's contributions in the 401(a) plan commences after two years of service, with 20% vesting in year two and 20% each year thereafter until fully vested after six 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.

Defined Benefit 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 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.

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

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

Post-retirement Benefits: The Town offers continuation of health, dental, vision, and life insurance benefits to employees upon retirement. The cost of such benefits is paid by the retirees and the Town has no further liability for post-retirement benefits.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 10 – PENSION PLANS (Continued)

Defined Benefit Plans (Continued)

The Retired Police Officers’ Pension Fund

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, 2013, the date of the latest actuarial valuation, the RPOPF included three service retirees and four disability retirees.

Schedule of Employer Contributions

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2011	\$ 47,660	100%
2012	71,883	100%
2013	58,008	100%

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 10 – PENSION PLANS (Continued)

Defined Benefit Plans (Continued)

The Retired Police Officers' Pension Fund (Continued)

Annual Pension Costs and Related Information: The significant actuarial assumptions used in the most recent actuarial valuation of the Retired Police Officers' Pension Fund are summarized as follows:

Valuation date	October 1, 2013
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level dollar amount - closed
Remaining amortization period	15 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return (Net of administrative expenses)	7.5%
Inflation rate	N/A
Projected salary increase	N/A
Post retirement COLA	N/A

Three Year Trend Information

	<u>Actuarially Determined Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 47,660	100%	
2012	71,883	100%	
2013	58,008	100%	

Schedule of Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded AAL as % of Covered Payroll</u>
10/01/13	\$1,423,896	\$1,764,115	\$340,219	80.71%	N/A	N/A

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 10 – PENSION PLANS (Continued)

The RPOPF utilizes the entry age normal actuarial cost method to determine contributions to the Plan. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2013**

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	\$ 11,067
Interest on normal cost	498
Amortization	5,156
Interest on amortization	<u>232</u>
Annual required contribution	16,953
Interest on net unfunded OPEB obligation	1,752
Adjustment to annual required contribution	<u>(2,446)</u>
Annual OPEB cost	16,259
Contributions made	<u>(8,040)</u>
Increase in net OPEB obligation	8,219
Net OPEB obligation October 1, 2012	<u>38,923</u>
Net OPEB obligation September 30, 2013	<u>\$ 47,142</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>
09/30/11	\$21,397	39.2%	\$ 25,336
09/30/12	\$21,982	38.2%	\$ 38,923
09/30/13	\$16,259	49.5%	\$ 47,142

Funded Status

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

Actuarial valuation date	10/01/2012
Actuarial accrued liability	\$ 81,779
Actuarial value of plan assets	\$
Unfunded actuarial accrued liability (UAAL)	\$ 81,779
Funded ratio	0.0%
Covered payroll	\$2,011,760
UAAL as a percentage of covered payroll	4.1%

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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. Because the fiscal year ended September 30, 2010, was the year of implementation of GASB 45 and actuarial valuations are only required every three years, only two years are presented in the schedule at this time. In future years, required trend data will be presented. 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	10/01/2012
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actual assumptions:	
Investment rate of return	4.5%
Healthcare cost trend	8.5% for 2013 decreasing to 4.5% in 2017

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 \$68,020 to Seacoast during the fiscal year for water and sewer service.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

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, 2013**

NOTE 14 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS

The General Fund provides the other funds with various management services. Administrative costs totaling \$100,000 for the Marina fund, \$135,000 for the Sanitation fund, and \$50,000 for the Stormwater Utility fund were charged for 2013.

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, 2013, 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	\$ 52,781	\$ 401,314	\$ 454,095
	Nonmajor			
General Fund	Governmental	5,000		5,000
Internal Service	Marina Fund	175,000		175,000
Nonmajor				
Governmental	General Fund	33,000		33,000
Nonmajor	Nonmajor			
Governmental	Enterprise	14,458		14,458
Nonmajor				
Governmental	Sanitation Fund	17,200		17,200
CRA Fund	General Fund	97,000		97,000
Nonmajor				
Enterprise	Sanitation Fund	320,000		320,000
Marina Fund	Sanitation Fund	65,000		65,000
Marina Fund	General Fund	430,000		430,000

The payable to the General Fund from the CRA Fund of \$454,095 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, 2013**

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

Interfund transfers during the year ended September 30, 2013, are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 210,625	
CRA Fund		\$ 210,625
General Fund	100,000	
Nonmajor Governmental		100,000
General Fund	51,300	
Nonmajor Enterprise		51,300
General Fund	10,000	
Marina Fund		10,000
General Fund	250,000	
Sanitation Fund		250,000
CRA Fund	245,018	
General Fund		245,018
Marina Fund	2,480,000	
General Fund		2,480,000
Marina Fund	400,000	
Sanitation Fund		400,000

The transfer of \$210,625 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 \$245,018 from the General Fund to the CRA Fund was for the 2012 incremental tax obligation.

The transfers to the Marina Fund from the General Fund and Sanitation Fund were to forgive the advances to the Marina Fund.

The transfers were also used to reimburse the General Fund for shared administrative costs and make payment in lieu of taxes.

NOTE 16 – INTER-LOCAL AGREEMENTS

Fire Protection and Emergency Medical Services

On June 5, 2002, the Town and Palm Beach County entered into an agreement for fire protection and emergency medical services beginning July 29, 2002. The agreement expired on October 1, 2009, and was renewed for an additional seven year term. The contract price for the services under the agreement each year is calculated by multiplying the Town's current taxable property value times the millage rate for the Fire Rescue MSTU as adopted by the Board of County Commissioners. For the period from October 1, 2013, thru September 30, 2014, the Town will pay \$1,550,505 in equal monthly installments.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 16 – INTER-LOCAL AGREEMENTS (Continued)

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 ninth addendum to the contract extended the term of service from October 1, 2013, thru September 30, 2014, and the Town will pay \$2,662,624 in equal monthly installments.

NOTE 17 – ACCOUNTING CHANGE

Below is a brief description of the new standards implemented in the current year.

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 directly incorporates the applicable guidance from FASB and AICPA pronouncements into the state and local government accounting and financial reporting standards, with provisions modified, as appropriate, to recognize the effects of the governmental environment and the needs of governmental financial statement users without affecting the substance of the applicable guidance.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 18 – NEW ACCOUNTING STANDARDS

Below is a brief description and effective date of new accounting standards that could have a significant impact on the Town. Management is currently evaluating the impact of the adoption of these statements on the Town's financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for the fiscal year ending September 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. GASB 66 improves accounting and financial reporting for a governmental reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for the fiscal year ending September 30, 2014.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement 25*. GASB 67 improves financial reporting by state and local governmental pension plans primarily through enhanced note disclosures and schedules of required supplementary information. This statement is effective for the fiscal year ending September 30, 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*. GASB 68 improves financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement is effective for the fiscal year ending September 30, 2015.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This Statement amends paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB 68.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

FIDUCIARY FUNDS

Pension Trust Funds

Retired Police Officers' Pension Trust Fund

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
September 30, 2013

Retired Police Officers' Pension Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2006	1,919,359	2,061,642	142,283	93.10%	N/A	N/A
10/1/2009	1,382,517	1,771,112	388,595	78.06%	N/A	N/A
10/1/2010	1,375,827	1,742,929	367,102	78.94%	N/A	N/A
10/1/2011	1,266,384	1,828,986	562,602	69.24%	N/A	N/A
10/1/2012	1,374,695	1,784,148	409,453	77.05%	N/A	N/A
10/1/2013	1,423,896	1,764,115	340,219	80.71%	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2008	\$ 19,189	\$ 19,189	100.0%
2009	20,725	20,725	100.0%
2010	47,889	47,889	100.0%
2011	47,600	47,600	100.0%
2012	71,883	71,883	100.0%
2013	58,008	58,008	100.0%

Note 1: The Retired Police Officers' Pension Fund was established on October 1, 2003. The most recent actuarial valuation of the plan was at October 1, 2012. The fund is a substituted trust established to provide retired members of the predecessor Town of Lake Park Police Pension Plan with the monthly retirement benefits that were accrued under the former retirement plan. Accordingly, the plan includes only services retirees and has no active members, and receives no state money.

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
Notes to the Trend Data
September 30, 2013

	Retired Police Officers' Pension Fund
	<hr/>
Contribution rates as of 9/30/13:	
Town	N/A
Plan Members	N/A
Actuarially Determined Contribution	58,008
Contributions Made	58,008
Valuation date	10/1/2013
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortized Method	Level dollar amount, closed
Remaining Amortization Period	15 Years
Asset Valuation Method	Market
Actuarial Assumption:	
Investment rate of return (net of administrative expenses)	7.5%
Projected salary increase	N/A
Post Retirement cost of living adjustments	N/A

OTHER POST-EMPLOYMENT BENEFITS

TOWN OF LAKE PARK, FLORIDA
Required Supplementary Information
September 30, 2013

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%

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. Because the fiscal year ended September 30, 2010, was the year of implementation of GASB 45 and the Town elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented. 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 3,582,245	\$ 3,582,245	\$ 3,566,752	\$ (15,493)
Franchise taxes				
Electricity	530,000	530,000	464,734	(65,266)
Gas	2,000	2,000	5,719	3,719
Solid Waste	14,000	14,000	23,431	9,431
Utility taxes				
Electricity	630,000	630,000	667,672	37,672
Water	145,000	145,000	136,912	(8,088)
Gas	40,150	40,150	44,644	4,494
Total taxes	<u>4,943,395</u>	<u>4,943,395</u>	<u>4,909,864</u>	<u>(33,531)</u>
Licenses and permits				
Building permits	110,200	110,200	114,488	4,288
Alarm permits	14,500	14,500	15,950	1,450
Signage permits	6,500	6,500	8,050	1,550
Business tax receipts	330,000	330,000	331,767	1,767
Business tax confirmation	10,000	10,000	13,285	3,285
Reinspection fees	7,000	7,000	4,800	(2,200)
Cost recovery	10,000	10,000	10,375	375
Special event fees	2,000	2,000	1,350	(650)
Contractors fees	2,000	2,000	2,214	214
Total licenses and permits	<u>492,200</u>	<u>492,200</u>	<u>502,279</u>	<u>10,079</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	554,000	554,000	563,688	9,688
Local communication services taxes	398,887	398,887	356,437	(42,450)
State revenue sharing	250,000	250,000	232,778	(17,222)
Alcoholic beverage licenses	10,000	10,000	10,243	243
Motor fuel tax refund	9,000	9,000	5,482	(3,518)
County shared revenues				
County business tax	13,000	13,000	18,390	5,390
Grant revenues				
State aid to libraries	6,500	6,500	8,381	1,881
Total intergovernmental revenues	<u>\$ 1,241,387</u>	<u>\$ 1,241,387</u>	<u>\$ 1,195,399</u>	<u>\$ (45,988)</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, 2013

	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	\$
Stormwater utility	50,000	50,000	50,000	
Marina	100,000	100,000	100,000	
Parking fees	37,250	37,250	29,015	(8,235)
Plan review fees	5,000	5,000	6,750	1,750
Bank registration fees	5,000	5,000	10,050	5,050
Parks and recreation	63,025	63,025	67,089	4,064
Other charges for services	12,300	12,300	20,771	8,471
Total charges for services	<u>407,575</u>	<u>407,575</u>	<u>418,675</u>	<u>11,100</u>
Fines and forfeitures				
Court fines	25,000	25,000	39,380	14,380
Code violations	48,350	48,350	103,761	55,411
Code violations - administrative cost	16,800	16,800	14,418	(2,382)
Parking violations	8,500	8,500	6,610	(1,890)
Alarm violations	10,000	10,000	11,875	1,875
Business tax penalties	7,000	7,000	8,536	1,536
Library fines	600	600	871	271
Total fines and forfeitures	<u>116,250</u>	<u>116,250</u>	<u>185,451</u>	<u>69,201</u>
Miscellaneous revenue				
Interest earnings	3,500	3,500	3,959	459
Interest earnings - tax collector	17,000	17,000	10,793	(6,207)
Unrealized gain on investments			4,007	4,007
Rent	61,500	51,300	52,296	996
Sale of surplus property	5,000	5,000	2,043	(2,957)
Sale of scrap material	500	500		(500)
Fuel reimbursement from Sheriff	110,000	25,000	31,332	6,332
Reimbursement from Stormwater utility	39,550	39,550	39,550	
Miscellaneous revenues	26,400	26,400	18,548	(7,852)
Total miscellaneous revenues	<u>263,450</u>	<u>168,250</u>	<u>162,528</u>	<u>(5,722)</u>
Total revenues	<u>\$ 7,464,257</u>	<u>\$ 7,369,057</u>	<u>\$ 7,374,196</u>	<u>\$ 5,139</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,384	\$ 51,684	\$ 51,472	\$ 212
Operating expenditures	23,420	43,180	40,269	2,911
Total legislative	<u>74,804</u>	<u>94,864</u>	<u>91,741</u>	<u>3,123</u>
Town manager				
Personal services	205,285	205,842	205,794	48
Operating expenditures	13,220	12,745	12,670	75
Total town manager	<u>218,505</u>	<u>218,587</u>	<u>218,464</u>	<u>123</u>
Personnel				
Personal services	101,124	103,824	102,180	1,644
Operating expenditures	27,845	25,145	20,961	4,184
Total personnel	<u>128,969</u>	<u>128,969</u>	<u>123,141</u>	<u>5,828</u>
Town clerk				
Personal services	124,102	124,847	124,722	125
Operating expenditures	35,980	35,235	35,158	77
Total town clerk	<u>160,082</u>	<u>160,082</u>	<u>159,880</u>	<u>202</u>
Finance				
Personal services	329,666	303,576	300,466	3,110
Operating expenditures	82,770	108,860	106,994	1,866
Total finance	<u>412,436</u>	<u>412,436</u>	<u>407,460</u>	<u>4,976</u>
Legal				
Operating expenditures	130,000	130,000	97,869	32,131
Total legal	<u>130,000</u>	<u>130,000</u>	<u>97,869</u>	<u>32,131</u>
Information technology				
Personal services	97,913	98,133	98,024	109
Operating expenditures	49,025	49,120	41,177	7,943
Capital outlay	2,000	3,465	2,779	686
Total information technology	<u>148,938</u>	<u>150,718</u>	<u>141,980</u>	<u>8,738</u>
Non-departmental				
Personal services	84,250	58,008	58,008	
Operating expenditures	1,000	1,300	1,469	(169)
Debt service	379,910	379,910	379,822	88
Total non-departmental	<u>465,160</u>	<u>439,218</u>	<u>439,299</u>	<u>(81)</u>
Total general government	<u>1,738,894</u>	<u>1,734,874</u>	<u>1,679,834</u>	<u>55,040</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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Safety				
Law enforcement				
Operating expenditures	\$ 2,695,541	\$ 2,615,541	\$ 2,610,559	\$ 4,982
Disaster				
Operating expenditures	10,000	10,000		10,000
Total disaster	10,000	10,000		10,000
Fire department				
Operating expenditures	1,490,976	1,490,976	1,490,976	
Community development				
Personal services	354,171	353,408	343,237	10,171
Operating expenditures	142,319	140,069	134,173	5,896
Capital outlay		3,013	3,012	1
Total community development	496,490	496,490	480,422	16,068
Total public safety	4,693,007	4,613,007	4,581,957	31,050
Physical environment				
Public works- administration				
Personal services	182,604	179,054	178,603	451
Operating expenditures	13,984	17,534	17,452	82
Total Public works- administration	196,588	196,588	196,055	533
Vehicle maintenance				
Personal services	36,164	38,661	38,137	524
Operating expenditures	35,947	33,450	33,040	410
Total vehicle maintenance	72,111	72,111	71,177	934
Total physical environment	268,699	268,699	267,232	1,467
Transportation				
Facility maintenance				
Personal services	86,288	90,253	90,200	53
Operating expenditures	174,845	177,680	177,510	170
Capital outlay	2,000	985	875	110
Total facility maintenance	263,133	268,918	268,585	333
Parking facilities				
Personal services	18,268	18,268	18,048	220
Operating expenditures	22,410	22,410	20,025	2,385
Capital outlay				
Debt service	32,280	32,280	32,277	3
Total parking facilities	72,958	72,958	70,350	2,608
Total transportation	336,091	341,876	338,935	2,941

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures (Continued)				
Culture and recreation				
Library				
Personal services	\$ 190,523	\$ 185,230	\$ 185,032	\$ 198
Operating expenditures	61,238	66,531	66,465	66
Total library	<u>251,761</u>	<u>251,761</u>	<u>251,497</u>	<u>264</u>
Recreation				
Personal services	112,099	109,803	107,396	2,407
Operating expenditures	70,599	70,134	64,546	5,588
Capital outlay		950	938	12
Debt service	8,719	8,719	8,717	2
Total recreation	<u>191,417</u>	<u>189,606</u>	<u>181,597</u>	<u>8,009</u>
Public works - ground maintenance				
Personal services	281,767	278,524	278,232	292
Operating expenditures	72,016	75,059	73,260	1,799
Total public works - ground maintenance	<u>353,783</u>	<u>353,583</u>	<u>351,492</u>	<u>2,091</u>
Total culture and recreation	<u>796,961</u>	<u>794,950</u>	<u>784,586</u>	<u>10,364</u>
Total expenditures	<u>7,833,652</u>	<u>7,753,406</u>	<u>7,652,544</u>	<u>100,862</u>
Excess (deficiency) of revenues over (under) revenues	<u>(369,395)</u>	<u>(384,349)</u>	<u>(278,348)</u>	<u>106,001</u>
Other financing sources (uses)				
Transfers in				
Transfer from Streets and Roads	100,000	100,000	100,000	
Transfer from CRA	260,845	260,845	210,625	(50,220)
Transfer from Marina	10,000	10,000	10,000	
Transfer from Stormwater	51,300	51,300	51,300	
Transfer from Sanitation	250,000	250,000	250,000	
Total transfers in	<u>672,145</u>	<u>672,145</u>	<u>621,925</u>	<u>(50,220)</u>
Transfers out				
Transfer out CRA	(245,950)	(245,950)	(245,018)	932
Transfer out Marina		(2,480,000)	(2,480,000)	
Total transfers out	<u>(245,950)</u>	<u>(2,725,950)</u>	<u>(2,725,018)</u>	<u>932</u>
Balance brought forward	<u>125,000</u>	<u>2,603,131</u>	<u></u>	<u>(2,603,131)</u>
Contingency, reserves and unappropriated	<u>(181,800)</u>	<u>(164,977)</u>	<u></u>	<u>164,977</u>
Total other financing sources (uses)	<u>369,395</u>	<u>384,349</u>	<u>(2,103,093)</u>	<u>(2,487,442)</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ (2,381,441)</u>	<u>\$ (2,381,441)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$ 138,835	\$ 138,835	\$ 137,196	\$ (1,639)
Miscellaneous revenue	5,377	5,377	2,973	(2,404)
Transfer from General Fund	245,825	245,825	245,018	(807)
Total revenues	<u>390,037</u>	<u>390,037</u>	<u>385,187</u>	<u>(4,850)</u>
Expenditures				
General government	128,642	128,642	129,388	(746)
Culture and recreation	550	550	1,636	(1,086)
Economic environment			1,921	(1,921)
Transfers	260,845	260,845	210,625	50,220
Total expenditures	<u>390,037</u>	<u>390,037</u>	<u>343,570</u>	<u>46,467</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 41,617</u>	<u>\$ 41,617</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2013**

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, 2013

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 no 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, 2013

	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	\$ 106,269	\$ 35,838	\$ 16,593	\$ 32,162	\$ 190,862
Investments	355				355
Due from other governments		19,530			19,530
Due from other funds		64,658			64,658
Total assets	<u>\$ 106,624</u>	<u>\$ 120,026</u>	<u>\$ 16,593</u>	<u>\$ 32,162</u>	<u>\$ 275,405</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$	\$ 2,812	\$	\$ 247	\$ 3,059
Accrued items		2,850			2,850
Due to other funds				5,000	5,000
Total liabilities		<u>5,662</u>		<u>5,247</u>	<u>10,909</u>
Fund balances					
Restricted for:					
Debt service	106,624				106,624
Transportation		147,013			147,013
Capital projects			16,593		16,593
Assigned to:					
Capital projects fund				26,915	26,915
Unassigned		(32,649)			(32,649)
Total fund balances	<u>106,624</u>	<u>114,364</u>	<u>16,593</u>	<u>26,915</u>	<u>264,496</u>
Total liabilities and fund balances	<u>\$ 106,624</u>	<u>\$ 120,026</u>	<u>\$ 16,593</u>	<u>\$ 32,162</u>	<u>\$ 275,405</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, 2013

	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	\$ 749,147	\$	\$	\$	\$ 749,147
Intergovernmental		333,225		52,200	385,425
Miscellaneous	2,200				2,200
Total revenues	<u>751,347</u>	<u>333,225</u>		<u>52,200</u>	<u>1,136,772</u>
Expenditures					
Current					
General government				2,954	2,954
Transportation		165,682			165,682
Capital outlay		22,370		40,789	63,159
Debt service					
Principal	602,871				602,871
Interest charges	165,237				165,237
Total expenditures	<u>768,108</u>	<u>188,052</u>		<u>43,743</u>	<u>999,903</u>
Excess of revenues over (under) expenditures	<u>(16,761)</u>	<u>145,173</u>		<u>8,457</u>	<u>136,869</u>
Other financing sources (uses)					
Transfers out		(100,000)			(100,000)
Total other financing sources (uses)		<u>(100,000)</u>			<u>(100,000)</u>
Net changes in fund balances	(16,761)	45,173		8,457	36,869
Fund balances - beginning (deficit)	<u>123,385</u>	<u>69,191</u>	<u>16,593</u>	<u>18,458</u>	<u>227,627</u>
Fund balances - ending (deficit)	<u>\$ 106,624</u>	<u>\$ 114,364</u>	<u>\$ 16,593</u>	<u>\$ 26,915</u>	<u>\$ 264,496</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Debt Service Fund
For the Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 772,700	\$ 772,700	\$ 749,147	\$ (23,553)
Investment earnings			2,200	2,200
Total revenues	<u>772,700</u>	<u>772,700</u>	<u>751,347</u>	<u>(21,353)</u>
Expenditures				
Debt service	<u>772,700</u>	<u>772,700</u>	<u>768,108</u>	<u>4,592</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (16,761)</u>	<u>\$ (16,761)</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual Amounts</u>
Revenues				
Intergovernmental	\$ 332,000	\$ 332,000	\$ 333,225	\$ 1,225
Total revenues	<u>332,000</u>	<u>332,000</u>	<u>333,225</u>	<u>1,225</u>
Expenditures				
Transportation	160,870	159,870	165,682	(5,812)
Capital outlay	39,125	40,125	22,370	17,755
Debt service	16,715	16,715		16,715
Other	15,290	15,290		15,290
Transfer to General fund	100,000	100,000	100,000	
Total expenditures	<u>332,000</u>	<u>332,000</u>	<u>288,052</u>	<u>43,948</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 45,173</u>	<u>\$ 45,173</u>

PROPRIETARY FUNDS

Internal Service Fund

Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Contributed revenue	\$ 277,950	\$ 277,950	\$ 278,511	\$ 561
Miscellaneous revenue			31,246	31,246
Total revenues	<u>277,950</u>	<u>277,950</u>	<u>309,757</u>	<u>31,807</u>
Expenditures				
Personal services	79,000	79,000	84,171	(5,171)
Operating expenses	<u>198,950</u>	<u>198,950</u>	<u>179,040</u>	<u>19,910</u>
Total expenditures	<u>277,950</u>	<u>277,950</u>	<u>263,211</u>	<u>14,739</u>
Net change in net position - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 46,546</u>	<u>\$ 46,546</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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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.

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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.

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

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Net investment in capital assets	\$ (2,042,578)	\$	\$ (1,219,252)	\$ 179,115	\$ 1,781,760
Restricted	88,879	114,301	149,558	239,847	119,780
Unrestricted	2,268,630	1,640,854	3,711,384	3,838,721	3,060,834
Total governmental activities net position	<u>\$ 314,931</u>	<u>\$ 1,755,155</u>	<u>\$ 2,641,690</u>	<u>\$ 4,257,683</u>	<u>\$ 4,962,374</u>
Business-type activities					
Net investment in capital assets	\$ 1,957,744	\$ 3,666,688	\$ 4,240,204	\$ 4,461,916	\$ 4,066,900
Restricted		292,141	61,648		
Unrestricted	2,094,262	904,990	996,718	146,230	(298,208)
Total business-type activities net position	<u>\$ 4,052,006</u>	<u>\$ 4,863,819</u>	<u>\$ 5,298,570</u>	<u>\$ 4,608,146</u>	<u>\$ 3,768,692</u>
Primary government					
Net investment in capital assets	\$ (84,834)	\$ 3,666,688	\$ 3,020,952	\$ 4,641,031	\$ 5,848,660
Restricted	88,879	406,442	211,206	239,847	119,780
Unrestricted	4,362,892	2,545,844	4,708,102	3,984,951	2,762,626
Total primary government net position	<u>\$ 4,366,937</u>	<u>\$ 6,618,974</u>	<u>\$ 7,940,260</u>	<u>\$ 8,865,829</u>	<u>\$ 8,731,066</u>
	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ 2,062,366	\$ 2,204,432	\$ 2,225,160	\$ 2,400,557	\$ 1,778,341
Restricted	96,090	86,902	241,509	267,633	304,159
Unrestricted	3,320,736	2,531,305	1,817,156	1,720,723	233,468
Total governmental activities net position	<u>\$ 5,479,192</u>	<u>\$ 4,822,639</u>	<u>\$ 4,283,825</u>	<u>\$ 4,388,913</u>	<u>\$ 2,315,968</u>
Business-type activities					
Net investment in capital assets	\$ 4,297,968	\$ 3,809,874	\$ 5,690,265	\$ 5,205,987	\$ 4,902,259
Restricted				99,592	37,338
Unrestricted	(1,028,259)	(1,332,901)	(1,599,465)	(2,077,983)	731,212
Total business-type activities net position	<u>\$ 3,269,709</u>	<u>\$ 2,476,973</u>	<u>\$ 4,090,800</u>	<u>\$ 3,227,596</u>	<u>\$ 5,670,809</u>
Primary government					
Net investment in capital assets	\$ 6,360,334	\$ 6,014,306	\$ 7,915,425	\$ 7,606,544	\$ 6,680,600
Restricted	96,090	86,902	241,509	367,225	341,497
Unrestricted	2,292,477	1,198,404	217,691	(357,260)	964,680
Total primary government net position	<u>\$ 8,748,901</u>	<u>\$ 7,299,612</u>	<u>\$ 8,374,625</u>	<u>\$ 7,616,509</u>	<u>\$ 7,986,777</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$ 1,315,158	\$ 1,462,056	\$ 1,704,011	\$ 2,237,149	\$ 2,538,501
Public safety	3,106,822	3,870,758	4,377,568	5,008,257	5,211,776
Physical environment	440,968	462,674	953,466	652,725	361,170
Transportation	531,581	559,433	820,777	573,501	683,463
Culture and recreation	887,990	1,052,857	1,242,254	1,450,650	1,161,870
Economic environment					
Interest on long-term debt	367,469	351,729	334,083	314,933	320,280
Total governmental activities expenses	<u>6,649,988</u>	<u>7,759,507</u>	<u>9,432,159</u>	<u>10,237,215</u>	<u>10,277,060</u>
Business-type activities:					
Marina	118,893	216,922	1,143,506	1,610,274	1,902,634
Sanitation	1,040,062	1,321,437	1,245,151	1,283,851	1,355,926
Stormwater					
Total business-type activities expenses	<u>1,158,955</u>	<u>1,538,359</u>	<u>2,388,657</u>	<u>2,894,125</u>	<u>3,258,560</u>
Total primary government expenses	<u>\$ 7,808,943</u>	<u>\$ 9,297,866</u>	<u>\$ 11,820,816</u>	<u>\$ 13,131,340</u>	<u>\$ 13,535,620</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 392,336	\$ 415,029	\$ 504,806	\$ 33,232	\$ 40,726
Public safety	221,502	607,252	451,805	967,365	796,094
Physical environment					
Transportation					
Culture and recreation	44,670	38,817	48,471	49,352	56,775
Operating contributions and grants:					
General government	118,178	200,470	324,969	103,021	15,879
Public safety				7,950	
Physical environment		22,662	10,000		
Transportation	463,685	748,968	810,226		
Culture and recreation	15,764			16,816	16,168
Capital contributions and grants:			16,437		
General government	76,697	327,408	226,097		
Public safety				3,435	8,637
Physical environment				40,000	
Transportation				15,709	91,533
Culture and recreation				306,858	225,100
Total governmental activities program revenues	<u>1,332,832</u>	<u>2,360,606</u>	<u>2,392,811</u>	<u>1,543,738</u>	<u>1,250,912</u>
Business-type activities:					
Charges for services:					
Marina	5,296	184,545	1,092,204	1,279,927	1,220,299
Sanitation	1,364,796	1,403,863	1,409,510	1,423,947	1,483,528
Stormwater					
Operating contributions and grants					
Marina	210,807	22,098			
Sanitation		354,529	259,527		
Capital contributions and grants					
Marina		240,193		825	
Stormwater					
Total business-type activities program revenues	<u>1,580,899</u>	<u>2,205,228</u>	<u>2,761,241</u>	<u>2,704,699</u>	<u>2,703,827</u>
Total primary government program revenues	<u>\$ 2,913,731</u>	<u>\$ 4,565,834</u>	<u>\$ 5,154,052</u>	<u>\$ 4,248,437</u>	<u>\$ 3,954,739</u>

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

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (expense) revenue					
Governmental activities	\$ (5,317,156)	\$ (5,398,901)	\$ (7,039,348)	\$ (8,693,477)	\$ (9,026,148)
Business-type activities	421,944	666,869	372,584	(189,426)	(554,733)
Total primary government net expense	<u>\$ (4,895,212)</u>	<u>\$ (4,732,032)</u>	<u>\$ (6,666,764)</u>	<u>\$ (8,882,903)</u>	<u>\$ (9,580,881)</u>
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	\$ 3,711,359	\$ 4,251,570	\$ 5,066,005	\$ 6,262,727	\$ 6,156,686
Franchise fees	473,764	518,641	631,811	629,365	630,215
Utility service taxes	618,080	651,733	671,970	668,400	681,568
Local option gas taxes	661,796			260,282	246,643
Communication sales tax	500,277			539,562	505,783
Intergovernmental, unrestricted	39,468	1,266,350	720,919	1,062,715	974,834
Gain on sale of surplus property		17,140	39,629		26
Miscellaneous revenue				24,658	38,971
Investment earnings	64,028	133,691	532,902	306,398	174,117
Transfers	(140,549)		262,647	75,000	321,996
Total governmental activities	<u>5,928,223</u>	<u>6,839,125</u>	<u>7,925,883</u>	<u>9,829,107</u>	<u>9,730,839</u>
Business-type activities					
Investment earnings	42,417	44,694	62,167	78,419	29,038
Gain on sale of equipment		100,250		14,720	
Miscellaneous revenues				7,168	
Transfers	140,549			(75,000)	(321,996)
Total business-type activities	<u>182,966</u>	<u>144,944</u>	<u>62,167</u>	<u>25,307</u>	<u>(292,958)</u>
Total primary government	<u>\$ 6,111,189</u>	<u>\$ 6,984,069</u>	<u>\$ 7,988,050</u>	<u>\$ 9,854,414</u>	<u>\$ 9,437,881</u>
Changes in net position					
Governmental activities	\$ 611,067	\$ 1,440,224	\$ 886,535	\$ 1,135,630	\$ 704,691
Business-type activities	604,910	811,813	434,751	(164,119)	(847,691)
Total primary government	<u>\$ 1,215,977</u>	<u>\$ 2,252,037</u>	<u>\$ 1,321,286</u>	<u>\$ 971,511</u>	<u>\$ (143,000)</u>

Fiscal Year				
2009	2010	2011	2012	2013
\$ (9,642,988)	\$ (9,628,204)	\$ (8,677,131)	\$ (7,658,963)	\$ (7,212,514)
(293,529)	(536,070)	1,887,225	(550,756)	(635,089)
<u>\$ (9,936,517)</u>	<u>\$ (10,164,274)</u>	<u>\$ (6,789,906)</u>	<u>\$ (8,209,719)</u>	<u>\$ (7,847,603)</u>
\$ 6,827,668	\$ 5,448,106	\$ 4,730,840	\$ 4,434,500	\$ 4,315,899
603,269	569,868	572,846	545,895	493,884
690,743	771,384	796,663	804,467	849,228
236,037	236,960	230,060	229,780	230,639
539,808	464,184	414,748	375,003	356,437
893,510	1,144,701	1,072,929	1,012,470	1,033,832
	174			2,043
102,096				
54,121	54,473	36,181	37,586	26,307
212,554	281,801	284,050	324,350	(2,168,700)
<u>10,159,806</u>	<u>8,971,651</u>	<u>8,138,317</u>	<u>7,764,051</u>	<u>5,139,569</u>
7,100	16,780	10,652	11,902	11,214
	8,355			18,388
				880,000
(212,554)	(281,801)	(284,050)	(324,350)	2,168,700
<u>(205,454)</u>	<u>(256,666)</u>	<u>(273,398)</u>	<u>(312,448)</u>	<u>3,078,302</u>
<u>\$ 9,954,352</u>	<u>\$ 8,714,985</u>	<u>\$ 7,864,919</u>	<u>\$ 7,451,603</u>	<u>\$ 8,217,871</u>
\$ 516,818	\$ (656,553)	\$ (538,814)	\$ 105,088	\$ (2,072,945)
(498,983)	(792,736)	1,613,827	(863,204)	2,443,213
<u>\$ 17,835</u>	<u>\$ (1,449,289)</u>	<u>\$ 1,075,013</u>	<u>\$ (758,116)</u>	<u>\$ 370,268</u>

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

	Fiscal Year			
	2003	2004	2005	2006
General fund				
Reserved	\$ 8,617	\$ 44,961	\$ 177,971	\$ 135,074
Unreserved				
Designated				
Undesignated	1,590,425	1,879,919	2,672,593	3,138,613
Total general fund	<u>\$ 1,599,042</u>	<u>\$ 1,924,880</u>	<u>\$ 2,850,564</u>	<u>\$ 3,273,687</u>
All other governmental funds				
Reserved	\$	\$	\$	\$ 149,558
Unreserved		88,879	114,301	
Designated for capital projects				
Designated for subsequent year's budget	37,698			
Undesignated, reported in:				
Debt service fund				
Special revenue funds	(755)			
Capital projects fund	(45,208)	(94,042)	135,371	244,852
Total all other governmental funds	<u>\$ (8,265)</u>	<u>\$ (5,163)</u>	<u>\$ 249,672</u>	<u>\$ 394,410</u>
	Fiscal Year			
	2007	2008	2009	2010
General fund				
Reserved	\$ 946,499	\$ 1,379,773	\$ 2,209,117	\$ 2,526,148
Unreserved				
Designated	151,963	121,572	28,814	32,424
Undesignated	1,010,346	686,285	1,176,019	510,773
Total general fund	<u>\$ 2,108,808</u>	<u>\$ 2,187,630</u>	<u>\$ 3,413,950</u>	<u>\$ 3,069,345</u>
All other governmental funds				
Reserved	\$ 1,590,692	\$ 2,754,260	\$ 638,293	\$ 241,608
Unreserved				
Designated for capital projects				
Designated for subsequent year's budget				
Undesignated, reported in:				
Debt service fund				
Special revenue funds	849,579	883,122	1,156,193	842,342
Capital projects fund	164,837	3,930	49,634	42,786
Total all other governmental funds	<u>\$ 2,605,108</u>	<u>\$ 3,641,312</u>	<u>\$ 1,844,120</u>	<u>\$ 1,126,736</u>
	Fiscal Year			
	2011	2012	2013	
General fund				
Nonspendable	\$ 2,582,849	\$ 3,045,989	\$ 435,992	
Restricted	118,164	54,100	33,929	
Assigned				
Subsequent year's expenditures	84,887		70,648	
Unassigned	277,015	20,643	198,722	
Total general fund	<u>\$ 3,062,915</u>	<u>\$ 3,120,732</u>	<u>\$ 739,291</u>	
All other governmental funds				
Nonspendable	\$ 4,022	\$	\$ 1,640	
Restricted	123,345	213,533	270,230	
Assigned				
Subsequent year's expenditures	181,592			
Special revenue funds	8,374			
Capital projects funds	24,863	18,458	26,915	
Unassigned		(236,283)	(224,590)	
Total all other governmental funds	<u>\$ 342,196</u>	<u>\$ (4,292)</u>	<u>\$ 74,195</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Taxes	\$ 4,536,447	\$ 4,803,203	\$ 5,556,457	\$ 6,369,786	\$ 7,286,723
Licenses and permits	479,752	412,858	786,175	567,044	695,726
Intergovernmental	2,180,062	1,823,113	2,415,388	2,356,210	2,323,977
Charges for services	163,004	176,671	161,681	239,705	254,759
Fines and forfeitures	68,319	68,979	100,642	185,234	220,724
Miscellaneous	635,643	116,780	162,248	600,715	421,268
Total revenues	<u>8,063,227</u>	<u>7,401,604</u>	<u>9,182,591</u>	<u>10,318,694</u>	<u>11,203,177</u>
Expenditures					
General government	1,343,427	1,291,440	1,451,403	1,594,394	1,701,253
Public safety	2,915,117	3,069,983	3,814,984	4,302,722	4,992,454
Physical environment	342,981	355,001	357,690	835,987	551,320
Transportation	499,871	512,437	550,861	809,325	573,007
Culture and recreation	646,691	699,347	806,050	940,868	1,330,674
Economic environment					
Capital outlay	1,799,244	282,527	116,093	1,008,895	1,126,772
Debt service					
Principal	397,570	417,354	448,808	472,830	510,523
Interest	390,570	372,129	356,611	339,199	320,294
Other debt service charges					
Total expenditures	<u>8,335,471</u>	<u>7,000,218</u>	<u>7,902,500</u>	<u>10,304,220</u>	<u>11,106,297</u>
Excess of revenues over (under) expenditures	(272,244)	401,386	1,280,091	14,474	96,880
Other financing sources (uses)					
Transfers in	160,550			46,107	867,005
Transfers out	(81,164)	(140,549)		(46,107)	(792,005)
Proceeds from sale of assets		226,870	243,905	256,897	5,742
Bonds issued					
Loan proceeds					
Capital lease obligations		61,606	84,453	103,185	
Total other financing sources (uses)	<u>79,386</u>	<u>147,927</u>	<u>328,358</u>	<u>360,082</u>	<u>80,742</u>
Net change in fund balances	<u>\$ (192,858)</u>	<u>\$ 549,313</u>	<u>\$ 1,608,449</u>	<u>\$ 374,556</u>	<u>\$ 177,622</u>
Debt service as a percentage of non-capital expenditures	<u>12.06%</u>	<u>11.75%</u>	<u>10.34%</u>	<u>8.74%</u>	<u>8.33%</u>

	2008	2009	2010	2011	2012	2013
\$	7,165,046	\$ 7,825,211	\$ 6,789,358	\$ 6,100,349	\$ 5,784,862	\$ 5,659,011
	579,519	529,487	526,201	467,389	470,844	502,279
	2,681,555	2,198,263	1,938,633	1,833,846	1,765,296	1,718,020
	295,517	293,756	375,283	467,931	431,057	418,675
	174,643	213,105	120,890	132,963	183,345	185,451
	250,799	184,381	302,937	310,590	291,484	167,701
	<u>11,147,079</u>	<u>11,244,203</u>	<u>10,053,302</u>	<u>9,313,068</u>	<u>8,926,888</u>	<u>8,651,137</u>
	3,267,652	2,361,396	2,432,667	2,382,504	1,915,421	1,429,575
	5,206,596	5,413,894	5,484,119	4,906,546	4,725,084	4,578,945
	368,740	287,322	308,366	292,967	256,855	267,232
	626,366	553,392	581,424	533,475	517,457	471,465
	1,039,190	1,087,407	858,955	870,465	697,998	776,567
			32,063	49,637	3,458	1,921
	2,699,269	2,369,922	490,174	153,252	234,513	70,763
	538,385	746,625	765,541	801,042	827,516	865,224
	308,481	397,670	442,783	398,200	361,607	323,700
	17,488	19,450				
	<u>14,072,167</u>	<u>13,237,078</u>	<u>11,396,092</u>	<u>10,388,088</u>	<u>9,539,909</u>	<u>8,785,392</u>
	(2,925,088)	(1,992,875)	(1,342,790)	(1,075,020)	(613,021)	(134,255)
	3,868,013	1,392,713	1,248,816	1,109,374	986,222	866,943
	(3,546,017)	(1,180,159)	(967,015)	(825,324)	(661,872)	(3,035,643)
	630					
	3,717,488	1,209,449				
	<u>4,040,114</u>	<u>1,422,003</u>	<u>281,801</u>	<u>284,050</u>	<u>324,350</u>	<u>(2,168,700)</u>
\$	<u>1,115,026</u>	<u>\$ (570,872)</u>	<u>\$ (1,060,989)</u>	<u>\$ (790,970)</u>	<u>\$ (288,671)</u>	<u>\$ (2,302,955)</u>
	<u>7.46%</u>	<u>10.55%</u>	<u>11.08%</u>	<u>11.72%</u>	<u>12.78%</u>	<u>13.64%</u>

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

Fiscal Year	Property Taxes	Franchise Fees	Utility Service Taxes	Communication Services Taxes	Sales Tax	Totals
2004	\$ 3,711,359	\$ 473,764	\$ 618,080	\$ 500,277	\$ 661,796	\$ 5,965,276
2005	4,251,570	518,641	655,214	530,407	679,722	6,635,554
2006	5,066,005	631,811	673,848	532,902	720,919	7,625,485
2007	6,262,727	629,365	668,400	539,562	675,208	8,775,262
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

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
2004	\$ 3,954,690	\$ 412,858	\$ 1,402,673	\$ 176,671
2005	4,637,685	786,175	1,538,637	161,681
2006	5,861,265	566,508	843,445	239,705
2007	7,286,723	695,726	2,323,977	254,759
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

Fiscal Year	Fines and Forfeitures	Miscellaneous	Other Financing Sources	Total	Annual Percentage Increase (Decrease)
2004	\$ 68,979	\$ 88,775	\$	\$ 6,104,646	(1.4) %
2005	100,642	142,127		7,366,947	20.7 %
2006	182,788	696,141		8,389,852	13.9 %
2007	220,724	421,268		11,203,177	33.5 %
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	11.2 %

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					
2004	\$ 213,547,796	175,020,828	\$ 38,469,559	\$ 897,274	\$ 427,935,457	10.2500	\$ 427,935,457
2005	275,026,756	197,918,997	38,469,559	897,274	512,312,586	10.1000	512,312,586
2006	343,048,900	277,146,764	43,072,903	899,238	664,167,805	9.3000	664,167,805
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

(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

Fiscal Year	Town of Lake Park Property Tax Rates			Overlapping Property Tax Rates - (1)		
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	Total County Millage
2004	8.3500	2.5000	10.8500	4.5000	0.2910	4.7910
2005	8.3500	1.9000	10.2500	4.5000	0.2677	4.7677
2006	8.2000	1.9000	10.1000	4.4500	0.2700	4.7200
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

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.)

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
8.251	0.320	8.571	2.5557	26.7677
8.158	0.274	8.432	2.5257	25.9754
7.880	0.220	8.100	2.5085	25.4285
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

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

	2013			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owner LLC	\$ 20,390,867	215,032	1	4.55%
Wal Mart Stores East LP	13,641,619	143,858	2	3.05%
Congress Ave Properties, LTD	11,788,034	124,311	3	2.63%
Lake Park Square Joint Venture	9,212,821	97,154	4	2.06%
Trust Lake Park LTD	9,000,000	94,910	5	2.01%
Mullinax Ford of PBC, LLC	8,680,461	91,540	6	1.94%
Northlake Square East LLC	6,968,715	73,489	7	1.56%
Earl Stewart, LLC	6,741,493	71,092	8	1.51%
Twin City Investors, Inc	6,614,513	69,753	9	1.48%
Kelsey Industrial, LLC	6,469,345	68,222	10	1.44%
Totals	<u>\$ 99,507,868</u>	<u>\$ 1,049,361</u>		<u>22.23%</u>

Source: Palm Beach County Property Appraiser.

	2004			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Bay Reach Development, LLC	\$ 15,600,000	\$ 438,307	1	11.37%
Trust Lake Park, LTD	12,000,000	355,610	2	9.22%
New Plan 31 Lake Park Apartments	9,000,000	267,780	3	6.95%
Lake Park Square Joint Venture	8,507,730	238,910	4	6.20%
SC Lake Park Associates, LLLP	8,000,000	231,505	5	6.01%
Twin Cities Investors Inc	6,845,768	212,826	6	5.52%
Nicholas S Smith	7,531,875	203,020	7	5.27%
Stuart Enterprises, Inc	6,721,630	195,172	8	5.06%
Crescent Properties	4,400,000	131,897	9	3.42%
Kasali Opabola	3,205,641	100,539	10	2.61%
Totals	<u>\$ 81,812,644</u>	<u>\$ 2,375,566</u>		<u>61.63%</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

Fiscal Year	Total Tax Levy	Amount of Current Taxes Collected (1)	Percent of Current Taxes Collected (1)	Amount of Delinquent Taxes Collected
2004	\$ 3,855,029	3,682,547	95.5 %	28,812
2005	4,407,224	4,119,485	93.5 %	132,085
2006	5,082,715	4,885,172	96.1 %	13,804
2007	6,209,531	5,989,731	96.5 %	18,140
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

Fiscal Year	Total Collected for the Year	Ratio of Total Taxes Collected to Current Levy	Accumulated Delinquent Taxes	Ratio of Delinquent Taxes to Current Levy
2004	\$ 3,711,359	96.3 %	144,146	3.7 %
2005	4,251,570	96.5 %	144,146	3.3 %
2006	4,898,976	96.4 %	145,225	2.9 %
2007	6,007,871	96.8 %	145,225	2.3 %
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 %	-	- %

(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
2004	\$ 7,618,861	\$ 63,113	\$ -	\$ 7,681,974	1.47%	\$ 843.71
2005	7,203,749	113,870	-	7,317,619	1.40%	802.99
2006	6,768,877	179,097	-	6,947,974	1.08%	762.42
2007	6,313,300	124,150	-	6,437,450	0.97%	706.40
2008	5,836,031	63,034	3,717,488	9,616,553	1.31%	1032.48
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%	1066.52
2011	4,254,912	-	4,256,908	8,511,820	1.90%	1043.75
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%	820.19

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
\$ 4,810,000	\$ -	\$ -	\$ 4,810,000	\$ 12,847,722	8,749	3.36%	\$ 1,468.48
4,810,000	-	153,175	4,963,175	12,645,149	9,105	2.87%	1,388.81
4,725,000	-	355,961	5,080,961	12,398,580	9,113	3.08%	1,360.54
4,640,000	-	287,367	4,927,367	11,875,341	9,113	2.92%	1,303.12
4,550,000	-	191,521	4,741,521	11,178,971	9,113	3.00%	1,226.71
4,460,000	1,520,412	91,793	6,072,205	15,688,758	9,314	3.79%	1,684.43
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	3.60%	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

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2013
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	\$ 3,076,238	100%	\$ 3,076,238
Loans payable	<u>4,608,066</u>	100%	<u>4,608,066</u>
	<u>7,684,304</u>		<u>7,684,304</u>
Other debt			
Palm Beach County	187,210,000	0.344%	644,002
Palm Beach County School Board	<u>1,797,703</u>	0.344%	<u>6,184</u>
	<u>189,007,703</u>		<u>650,186</u>
Total direct and overlapping debt			8,334,490
Estimated town population			<u>8,314</u>
Total per capita			<u>\$ 1002.46</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
2004	\$ 247,172	\$ 81,465	\$ 165,707	\$ 231,625	0.72
2005	234,161	192,934	41,227	316,625	0.13
2006	1,098,735	812,296	286,439	314,925	0.91
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)	315,534	(0.27)

(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

Fiscal Year	Population (1)	Per Capita Personal Income (1)	Average Household Income (1)	Median Age (1)	Education Level in Years of Formal Schooling	School Enrollment (3)	Unemployment Rate (4)
2004	9,105	N/A	48,380	-	N/A	482	5.7%
2005	9,113	N/A	44,050	-	N/A	430	4.2%
2006	9,113	N/A	44,518	-	N/A	386	3.7%
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%

Data Sources:

- (1) The population 2003 through 2006 was obtained from the University of Florida, Bureau of Economic Business Administration.
The Population for 2011 & 2012, 2013 was obtained from the US Census Bureau Fact Finder2
Per Capita, Avg Household Income & Median Age was obtained from the US Census Bureau Fact Finder2
- (3) Lake Park Elementary
- (4) Unemployment rate was obtained from the US Dept of Labor

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

	2013			2004		
	<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>
Employer						
Palm Beach County School District	21,495	1	N/A	18,677	1	N/A
Palm Beach County	11,381	2	N/A	9,000	2	N/A
Tenet Healthcare Corp	6,100	3	N/A	N/A	N/A	N/A
Next Era Energy	3,635	4	N/A	N/A	N/A	N/A
G4S	3,000	5	N/A	N/A	N/A	N/A
Hospital Corporation of America	2,714	6	N/A	N/A	N/A	N/A
Florida Atlantic University	2,706	7	N/A	1,500	15	N/A
Bethesda Memorial Hospital	2,391	8	N/A	1,500	11	N/A
Office Depot	2,250	9	N/A	1,500	15	N/A
Boca Raton Community Hospital	2,250	10	N/A	1,700	10	N/A
Totals	<u>57,922</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Town Manager	3	3	3	3	3	3	3	3	2	2
Personnel	2	2	2	2	1	2	1	1	1	2
Town Clerk	2	2	2	2	2	2	2	2	2	2
Finance	5	5	5	5	4	4	4	4	4	4
Information technology	-	-	1	1	1	1	1	1	1	1
Public Safety										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Community development	4	5	5	7	8	7	5	5	5	6
Physical Environment										
Public works	5	7	8	9	11	11	7	8	9	8
Vehicle maintenance	2	2	2	2	2	2	1	1	1	1
Transportation										
Transportation	3	3	3	3	2	2	2	2	2	2
Culture and Recreation										
Library	5	3	3	6	6	1	2	2	4	4
Park maintenance	6	6	6	8	8	6	5	5	5	6
Recreation	2	2	2	2	3	1	1	1	1	1
Marina	1	5	5	5	5	3	3	2	3	3
Sanitation	<u>8</u>	<u>8</u>	<u>8</u>	<u>10</u>	<u>8</u>	<u>10</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>8</u>
Total	<u>48</u>	<u>53</u>	<u>55</u>	<u>65</u>	<u>64</u>	<u>55</u>	<u>48</u>	<u>47</u>	<u>50</u>	<u>50</u>

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Community development										
Code violations	960	1,571	1,534	1,612	1,722	1,026	638	636	396	385
Building permits issued	861	1,784	1,140	841	841	651	590	555	566	564
Value of permits (in thousands)	16,796	37,679	20,121	24,835	189,451	5,860	6,598	2,676	5,711	4,379
Transportation										
Street resurfacing (miles)	N/A	N/A	3	-	1	-	-	-	-	-
Pot holes repaired	N/A	N/A	70	215	160	160	232	253	140	215
Culture and Recreation										
Library										
Circulation	28,788	24,972	23,021	26,789	23,296	23,316	23,316	27,656	26,942	27,240
Programs offered	190	467	430	434	468	434	434	280	942	1,283
Park maintenance										
Acres of parks	69	69	69	69	69	69	69	69	69	69
Recreation										
Recreation programs offered	8	10	12	18	15	9	7	7	3	3
Recreation program attendance	289	304	394	431	419	305	315	305	136	75
Youth athletic participants	15	185	210	263	241	125	150	140	21	0
Marina										
Available slips	(1)	103	103	103	103	103	103	103	112	112
Sanitation										
Residential customers	377	369	357	3,698	3,698	3,596	3,645	3,666	3,666	3,666
Commercial customers	300	300	300	367	275	272	264	259	264	268
Refuse collected (tons)	11,610	12,685	11,381	9,222	9,260	9,178	9,293	8,466	8,598	9,056
Recyclables collected (tons)	248	283	282	573	655	645	627	666	670	424

Sources: Town departments

N/A: Not available

(1) Marina was under construction and closed during these years

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	300	331	331	331	340	340	340	340	340	340
Lane Miles	64	64	64	64	64	64	64	64	64	64
Culture and Recreation										
Marina										
Wet Slips	0	103	103	103	103	103	103	103	112	112
Library										
Books	28,048	29,582	30,413	28,257	33,233	33,710	33,710	36,119	35,611	34,676
Leisure Services										
Ballfields - lighted	2	2	2	2	2	2	2	2	2	2
Basketball courts	1	1	1	2	2	2	2	2	2	2
Soccer fields	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	6	6	6	6	6	6	6
Parks	5	5	5	5	6	6	6	7	7	7
Sanitation										
Garbage Trucks	8	8	8	10	14	13	13	13	13	13
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.

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

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, 2013, 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 April 30, 2014.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. As discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

Finding 2013-1 Written Accounting Procedure Manual

In the current year the Town prepared an accounting policy manual and the Town has made improvements in strengthening the internal control system and in communicating to the employees their responsibilities in the system. However, there is not a detailed written accounting procedures manual. 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. Although developing the manual will take some time and effort, we believe this time will be more than offset by time saved later in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective. In the current year's audit, we noted that some year-end and monthly reconciliation procedures were not being performed timely or consistently. We think a detailed procedure manual would have helped prevent this.

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 April 30, 2014. Town of Lake Park, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Nowlen, Holt & Mimes, P.A.

April 30, 2014
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER

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

We have audited the financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2013, and have issued our report thereon dated April 30, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General. We have issued our 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*. Disclosures in that report, which is dated April 30, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

PRIOR YEAR COMMENTS

Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below.

The following prior year comment was in the prior two years' reports and still applies in the current year.

2011-2 Financial Condition Assessment Procedures

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Town'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 management. Our assessment was done as of the fiscal year end.

Based on our procedures, we noted the following items that lead us to believe the Town is in a deteriorating financial condition. The Marina Fund had an operating loss of \$572,939 for the year. Excluding depreciation expense, the fund has had operating losses for four out of the last five years. One of the primary causes of this is due to decreased occupancy and increased expenses caused by construction deficiencies in the renovation of the Marina. In addition, the CRA fund balance has decreased from \$3,569,781 in fiscal year 2008 to a deficit of \$190,301 for the current fiscal year. This was caused by increased expenditures and drops in the incremental tax revenues over the years.

CURRENT YEAR COMMENTS

Investment of Public Funds

Rules of the Auditor General require our audit to include a review of the Town's provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. The results of our procedures did not disclose any instances of noncompliance with Section 218.415, Florida Statutes, by the Town of Lake Park, Florida for the year ended September 30, 2013.

Recommendations to Improve Financial Management

Rules of the Auditor General require that we address in the Management Letter any recommendations to improve financial management. In connection with our audit for the fiscal year ended September 30, 2013, other than our comments 2011-2 and 2013-3 we did not have such recommendations.

Noncompliance with Provisions of Contracts or Grant Agreements, or Abuse

Rules of the Auditor General require that we address 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 which warrants the attention of those charged with governance. In connection with our audit for the fiscal year ended September 30, 2013, we did not have any such findings.

Oversight Unit and Component Units

Rules of the Auditor General require 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.

Consideration of Financial Emergency Criteria

Rules of the Auditor General require a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our procedures did not disclose that the Town of Lake Park, Florida has met any of the conditions described in Section 218.503(1) during the fiscal year ended September 30, 2013.

Annual Financial Report

Rules of the Auditor General require that we determine whether the annual financial report for the Town of Lake Park, Florida for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we noted that the two reports were in substantial agreement.

The Town of Lake Park, Florida's responses to the findings identified in our audit are described in the attached letter dated April 30, 2014. We did not audit Town of Lake Park, Florida's responses and, accordingly, we express no opinion on them.

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 & Miner, P.A.

April 30, 2014
West Palm Beach, Florida



Office of the
Town Manager

May 6, 2014

The Honorable Mayor, Vice-Mayor,
Town Commissioners 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, 2013.

REPORT ON INTERNAL CONTROL

Internal Control over Financial Reporting

2013-1: Written Accounting Procedure Manual

We appreciate the Town's external auditor has recognized that the Town has made improvements in the area of our internal controls. During the year written policies were prepared and accepted by the Town's Commission. We recognize that this step was only the beginning to having this internal control in place. Preparation of an Accounting Procedure Manual has been undertaken; however we were not able to complete it within the fiscal year.

MANAGEMENT LETTER

CURRENT YEAR COMMENTS

2011-2 Financial Condition Assessment Procedures

As reported in the Management Letter the Town continues to remain in a deteriorating financial condition. While property values did begin to stabilize for the first time in nearly five years during the audit period and the Town has continued to cut expenses, the significant loss in property values over the past several years has left the Town vulnerable to rising costs for required services and limited resources to apply towards needed improvements. It is unlikely that the financial condition will be able to improve based solely upon an increased tax rate or increased fees for services; therefore the Town will have to continue to be as frugal as it can be in its spending patterns and delivery of services, and wait for an overall improvement in the economy with a resultant recovery of property values.

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Specifically, it is expected to take the Marina Fund several years to overcome the financial challenges it currently faces, even with the significant efforts and promotions currently being applied by the Town staff. The Marina's challenges include its: current occupancy rates, operating expenses, and debt burdens. Finally, the Community Redevelopment Agency (CRA) has seen only minor redevelopment within its geographical boundaries and it is unlikely that its financial condition will improve until redevelopment occurs.

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

Sincerely,

A handwritten signature in blue ink that reads "Dale S. Sugerman". The signature is written in a cursive style with a large, looped initial "D".

Dale S. Sugerman, Ph.D.
Town Manager