



AGENDA

Lake Park Town Commission
Town of Lake Park, Florida
Regular Commission Meeting
Wednesday, May 20, 2009, 7:30 p.m.
Lake Park Town Hall
535 Park Avenue

Desca DuBois	—	Mayor
Jeff Carey	—	Vice-Mayor
Edward Daly	—	Commissioner
Patricia Osterman	—	Commissioner
Kendall Rumsey	—	Commissioner
<hr/>		
Maria V. Davis	—	Town Manager
Thomas J. Baird, Esq.	—	Town Attorney
Vivian M. Lemley	—	Town Clerk

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the Town Commission, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. *Persons with disabilities requiring accommodations in order to participate in the meeting should contact the Town Clerk's office by calling 881-3311 at least 48 hours in advance to request accommodations.*

A. **CALL TO ORDER**

B. **INVOCATION**

C. **PLEDGE OF ALLEGIANCE**

D. **ROLL CALL**

E. **ADDITIONS/DELETIONS - APPROVAL OF AGENDA**

F. **PRESENTATION:**

Deputy of the Quarter Certificate of Appreciation to Deputy Carlos Cotto

2008 CAFR Report

G. **PUBLIC and OTHER COMMENT**

This time is provided for audience members to address items that do not appear on the Agenda. Please complete a comment card and provide it to the Town Clerk so speakers

may be announced. Please remember, comments are limited to a TOTAL of three minutes.

- H. **CONSENT AGENDA:** All matters listed under this item are considered routine and action will be taken by one motion. There will be no separate discussion of these items unless a Commissioner or person so requests, in which event the item will be removed from the general order of business and considered in its normal sequence on the Agenda. Any person wishing to speak on an Agenda item is asked to complete a public comment card located on either side of the Chambers and given to the Town Clerk. Cards must be submitted before the item is discussed.

For Approval:

1. Notification of Expenditure for Urgent Professional Engineering Services to Develop an Application Package to Become LAP (Local Area Program) Certified Tab 1
2. Resolution No. 20-05-09 Fee Schedule Tab 2
3. Renewal for Audit Services for Fiscal Year 2009 Tab 3

I. **PUBLIC HEARING(S)**
RESOLUTION(S):

4. RESOLUTION NO. 21-05-09 – Interlocal Agreement with Palm Beach County for Bus Shelters Tab 4

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE TOWN AND PALM BEACH COUNTY FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE, AND USE OF PALM TRAN BUS SHELTERS IN THE TOWN OF LAKE PARK, AUTHORIZING THE MAYOR TO EXECUTE SAID INTERLOCAL AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

J. **DISCUSSION AND POSSIBLE ACTION:**

5. Town Manager Goals Tab 5

K. **COMMISSIONER COMMENTS, TOWN ATTORNEY, TOWN MANAGER:**

L. **ADJOURNMENT:**

Presentation

**Town of Lake Park Town Commission
Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No.

- | | |
|--|---|
| <input type="checkbox"/> PUBLIC HEARING
<input type="checkbox"/> Ordinance on Second Reading
<input type="checkbox"/> Public Hearing

<input type="checkbox"/> ORDINANCE ON FIRST READING

<input type="checkbox"/> GENERAL APPROVAL OF ITEM

<input checked="" type="checkbox"/> Other: Presentation | <input type="checkbox"/> RESOLUTION

<input type="checkbox"/> DISCUSSION

<input type="checkbox"/> BID/RFP AWARD

<input type="checkbox"/> CONSENT AGENDA |
|--|---|

SUBJECT: Deputy of the Quarter, January – March 2009

RECOMMENDED MOTION/ACTION:

Approved by Town Manager W. Davis **Date:** 5/14/09

Name/Title

Date of Actual Submittal

Originating Department: Town Manager	Costs: \$ Funding Source: Acct. #	Attachments:
Department Review: <input type="checkbox"/> Town Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or Not applicable in this case _____: Please initial one.

Summary Explanation/Background: Palm Beach County Sheriff's Office Captain Reese will deliver the background information which resulted in Deputy Sheriff Carlos Cotto earning the distinction of Deputy of the Quarter for the first quarter of 2009. Mayor DuBois will present Deputy Cotto with a Certificate of Appreciation on behalf of the Town Commission.

PALM BEACH COUNTY

SHERIFF'S OFFICE

RIC L. BRADSHAW, SHERIFF



**CAPTAIN DOUGLAS REECE
DISTRICT 10 – LAKE PARK
PHONE: (561) 881-3325**

FAX: (561) 881-3327

E-MAIL: reeced@pbsso.org

District 10 – Deputy of the Quarter January - March 2009

Deputy Sheriff Carlos Cotto was selected as the District 10 Deputy of the Quarter for January – March 2009 in recognition of his efforts which led to the identification and arrest of an armed robbery suspect on January 25, 2009.

At approximately 12:30 am, while on proactive patrol, Deputy Cotto made casual contact with a suspicious subject in front of a closed business located at 300 block of 10th Street. The subject later identified as Christopher Tate, provided Deputy Cotto with a false name. At this time, Cpl Mancino and Deputy Bufano arrived to assist Deputy Cotto and immediately recognized Tate from previously distributed information of an armed robbery suspect who had committed numerous robberies in the area. Cpl Mancino additionally had knowledge of particular clothing worn by the suspect in one of the robberies and was able to identify a shirt that Tate was wearing as the same as that being worn by the robbery suspect. As Tate was about to be detained, he fled on foot from the Deputies who immediately gave chase. After Deputy Bufano and Cpl Mancino deployed their tasers, Tate was taken into custody.

Tate was then transported to the Palm Beach County Sheriff's Office Violent Crimes Bureau where he was interviewed by Detective Connor and subsequently confessed to six robberies, three investigated by the Palm Beach County Sheriff's Office, two by the Riviera Beach Police Department and one by the North Palm Beach Police Department. Three days later, Tate reinitiated contact with Detective Connor and subsequently confessed to six more robberies dating back to 2006.

Due to the aggressive, proactive patrol techniques employed by Deputy Cotto, a career criminal was taken off the streets of Palm Beach County and numerous violent robbery investigations were solved. Deputy Cotto should be commended for his outstanding efforts.



Certificate
of

Appreciation

Deputy Sheriff Carlos Colto

Is hereby recognized
as Deputy of the Quarter for his unselfish
commitment
to the citizens of the Town of Lake Park.

Presented this 20th day of May, 2009

Mayor Desca DuBois


Jessica Shepherd
Deputy Town Clerk Jessica Shepherd

**Town of Lake Park Town Commission
Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No.

- | | |
|--|---|
| <input type="checkbox"/> PUBLIC HEARING
<input type="checkbox"/> Ordinance on Second Reading
<input type="checkbox"/> Public Hearing

<input type="checkbox"/> ORDINANCE ON FIRST READING

<input type="checkbox"/> GENERAL APPROVAL OF ITEM | <input type="checkbox"/> RESOLUTION

<input type="checkbox"/> DISCUSSION

<input type="checkbox"/> BID/RFP AWARD

<input type="checkbox"/> CONSENT AGENDA |
|--|---|

[X] Other: Presentation

SUBJECT: Presentation regarding the Comprehensive Annual Financial Report for Fiscal Year 2008.

RECOMMENDED MOTION/ACTION: Accept audit.

Approved by Town Manager

Handwritten signature: A. J. Davis

Date: *5/15/09*

Handwritten signature: Anne M. Costello
Name/Title Finance Director

5/15/09
Date of Actual Submittal

Originating Department: Finance	Costs: N/A Funding Source:	Attachments: Audit Report
Department Review: <input type="checkbox"/> Town Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input checked="" type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or Not applicable in this case _____: Please initial one.

Summary Explanation/Background: Mr. Edward Holt, external auditor, from the firm of Nowlen, Holt & Miner, P.A. will briefly report on the condition of the Town's finances for Fiscal Year 2007/2008.



TOWN OF LAKE PARK FLORIDA



Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
SEPTEMBER 30, 2008**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2008

**Prepared by
Finance Department**

**Anne M. Costello
Finance Director**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

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INTRODUCTORY SECTION



TOWN OF LAKE PARK

FINANCE DEPARTMENT

April 8, 2009

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, 2008, 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, 2008.

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 or 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' 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, 2008 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, 2008, 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.

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 approximately 9,100 residents, 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 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, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the Town Manager and Town Attorney. The Mayor and Commission Members are elected on a non-partisan basis. All are elected for three-year terms.

Elections are staggered with only the Mayor being elected in one election year, two commissioners are elected in the next election year and the remaining two commissioners are elected in the next election year. The Town Manager is responsible for carrying out the policies and ordinances of the governing commission, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments.

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

In fiscal year 2008, the Town's economic growth slowed 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 and 2008. 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 has already been developed. The Town does not anticipate any increase in the taxable values of properties within its boundaries due to the softening of the real estate market and the overall economic downturn that has impacted both home values and sales.

On January 28, 2008, voters approved a constitutional amendment intended to lower property taxes. With the passing of this amendment, known as Amendment One (Property Tax Reform), the Town's assessed taxable values were negatively impacted. The property tax amendment increased the homestead exemption by up to an additional \$25,000 per homestead, provided for an exemption on tangible personal property in the amount of \$25,000, provided portability for "Save Our Homes" constitutional amendment and limited increases on non-homestead properties to 10% per year.

The resulting decrease in taxable values within the Town due to this amendment exceeded more than \$40 million dollars, or 5.5%, which translated to a loss of \$292,500 in tax revenue. Although property values declined significantly in other areas, the Town of Lake Park experienced only a slight decrease, less than 1%, due to the economic slide. Since public safety costs consume 85% of our tax revenue, and public safety is paramount, a tax increase of nearly \$1.00 per thousand dollars of assessed value was unanimously approved for Fiscal Year 2009.

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 Town of Lake Park currently enjoys a favorable economic environment and local indicators point to continued growth and stability. The region has a varied manufacturing and light industrial base that adds to the stability of the unemployment rate. The economic base of the Town has historically been dependent on the real estate and construction industries associated with producing housing for the increasing population of the County. During the winter and spring months, many businesses rely on the economic gain from the increase in tourism. Tourists are drawn to South Florida due to our warm weather and major league baseball training camps.

During fiscal year 2008, the Town experienced major growth in its commercial/industrial area with the addition of a Kohl's department store. In addition a Bank of America branch opened on Congress Avenue along with a Sonic Drive-in restaurant. Chick-Fil-A, a fast food chicken franchise, constructed a restaurant in the Kmart Plaza on Northlake Blvd. The Town entered into an agreement with Sprint/Nextel to construct a cell tower at its public works site which was completed in December of 2008. During 2008, the Town issued 875 building permits and 176 new business tax receipts were issued, accounting for 474 new jobs for the community.

The Community Redevelopment Agency purchased three residential properties along Foresteria Drive that border the downtown. That area is projected to be used for additional downtown parking. A major refurbishing of the downtown's alleyways are just being completed in FY2009. The CRA has initiated a façade improvement grant program that will provide for up to \$25,000 in matching grant monies to improve building facades.

For the first part of FY2009, building permits are down by 9%, business tax receipts are up by 5% and new jobs created are up 73% due mainly to Kohl's providing 169 new jobs. The Town has been feeling the pinch of the economy. A major construction project that would have included an Office Depot was cancelled and a major car dealer expansion has been put on hold. In addition, two flex building projects let their permits expire. One Park Place, a commercial/residential project on Park Avenue, has completed the first building and will be receiving a certificate of occupancy by early spring 2009.

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.

Annually, tests are performed by external auditors to determine the adequacy of the Town's internal control, including that portion related to federal awards programs, as well as to determine that the Town has complied with applicable laws and regulations. The audit cited certain deficiencies in internal control over financial reporting that are being addressed in the subsequent fiscal year.

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 continued its work with the older neighborhoods to develop improvement plans and then commit the financial resources to help them achieve their goals. Systematic resurfacing of streets and repair of the storm drainage system in the Town has continued. With additional Community Development Block Grant funds received from Palm Beach County, the Town has repaired a large portion of drainage on the Town's southwest side.

The Commission and staff are continuing to move ahead with ambitious plans to revitalize the Town, and develop the western corridor. Grant monies will continue to be vigorously pursued to supplement Town funds for operations and improvements.

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, 2007. 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 three 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; Deborah Doiron, Merry Ann Catusus and Dena Davis. 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,

A handwritten signature in cursive script that reads "Anne M. Costello".

Anne M. Costello
Director of Finance

TOWN OF LAKE PARK

List of Principal Officials

September 30, 2008

Mayor

Desca DuBois

Vice Mayor

Ed Daly

Town Commission

G. Chuck Balius

Jeffrey Carey

Patricia Osterman

Town Manager

Maria V. Davis

Finance Director

Anne M. Costello

Public Works Director

Community Development Director

Library Director

Community Affairs Director

Town Clerk

Harbor Marina Manager

Human Resources Director

Information Technology Director

Abubakr Canady

Patrick Sullivan

Michael Kennelly

Gregory Dowling

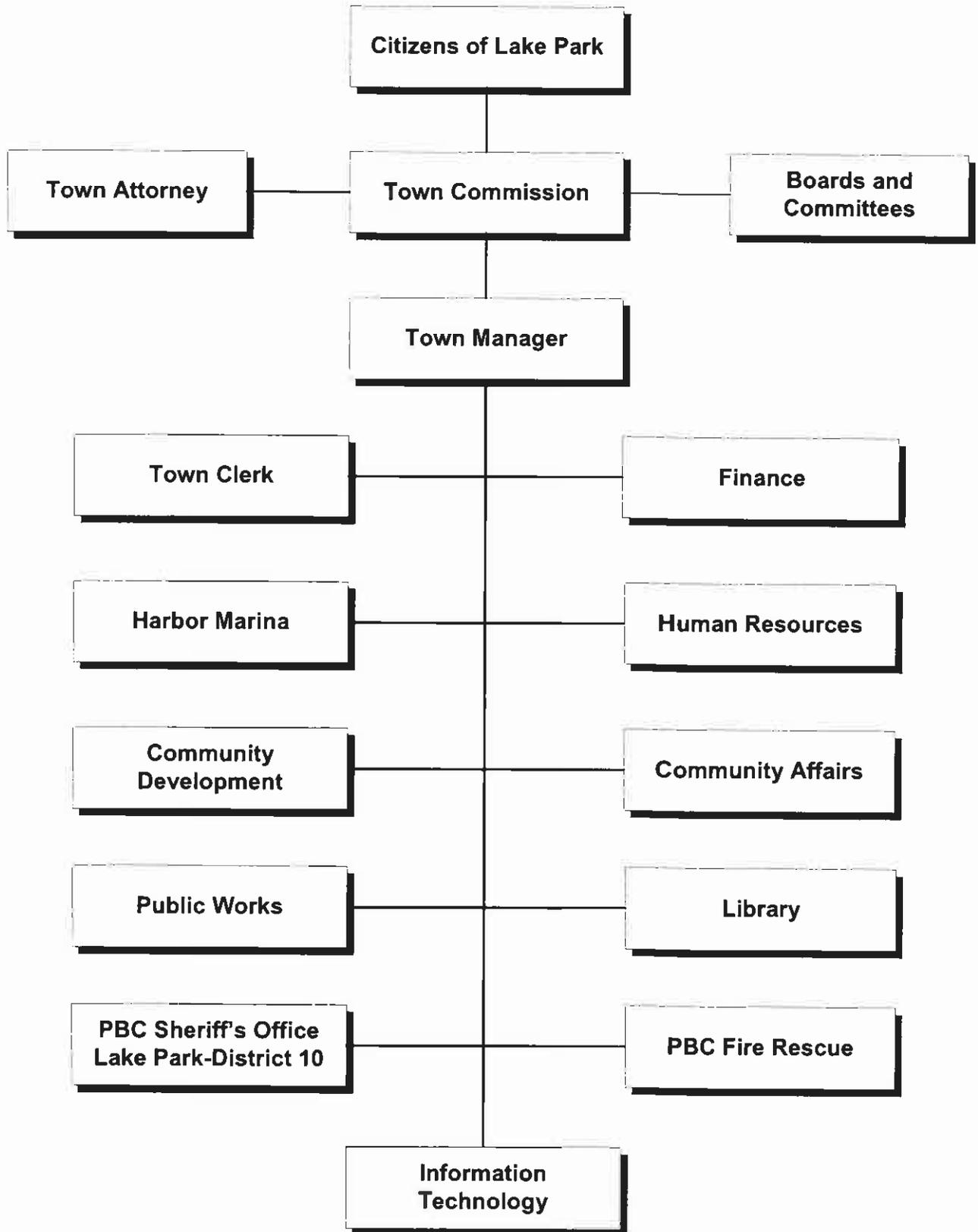
Vivian Lemley

Michael Pisano

Bambi McKibbon-Turner

Hoa Hoang

**TOWN OF LAKE PARK, FLORIDA
ORGANIZATIONAL CHART**



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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
215 FIFTH STREET, SUITE 200
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628

EVERETT B. NOWLEN (1930-1994), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, CPA
ROBERT W. HENDRICK, JR., CPA
JANET R. BARICEVICH, CPA

KATHLEEN A. MINER, CPA
ROBERT W. HELMREICH, CPA
TERRY L. MORTON, JR., CPA
RONALD BENNETT, CPA
MICHAEL STEVENS, CPA
DANIEL A. KIRCHMAN, CPA
ALEXIA G. VARGA, CPA
BRIAN J. BRESCIA, CPA
DANIEL B. YOUNG, CPA
KARA D. PETERSON, CPA

INDEPENDENT AUDITORS' REPORT

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

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

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, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Lake Park, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2009, on our consideration of the Town of Lake Park, Florida's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 12 and the Required Supplementary Information on pages 64 through 74 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 information contained in the Introductory Section, Other Supplementary Information, 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 of the Town of Lake Park, Florida. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Nowlen, Holt & Mims, P.A.

April 8, 2009
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, 2008. 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

- The assets of the Town of Lake Park exceeded its liabilities at September 30, 2008 by \$8,731,066. Of this amount, unrestricted net assets of \$2,762,626 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets decreased by \$134,763, of which an increase of \$704,691 was associated with governmental activities and a decrease of \$839,454 was related to business-type activities. The changes in net assets can be attributed to the issuance of debt for the settlement of the firefighters' pension lawsuit, alleyway improvements in the CRA, improvements within the marina and the purchase of vehicles for the sanitation department. These transactions were outstanding as of September 30, 2008 and the cash has been restricted for the specific uses for which the debt was issued. Additionally, a property at 725 Foresteria Drive was purchased for future development of a municipal parking lot.
- As of the close of the 2008 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$2,187,630, an increase of \$78,822 from the prior year. This increase can be attributed to the receipt of unanticipated FEMA reimbursements for the 2004 and 2005 hurricanes. Of this amount \$1,501,345 is reserved or specifically designated and not available for spending and \$686,285 is unreserved, undesignated and available for future uses by the Town Commission.
- At the end of the 2008 Fiscal Year, the unreserved fund balance for the general fund represented 6.6% of total general fund expenditures or just less than 30 days of available funding.
- The Town of Lake Park's total long term obligations increased by \$3,927,360. General Obligation debt realized a decrease of \$477,269 due to scheduled principal payments along with a decrease in Capital Lease obligations in the amount of \$61,116. Claims and Settlements decreased in the amount of

\$741,783 for the settlement of the judgment in favor of the Board of Trustees of the Town of Lake Park Firefighters' Pension Plan (see Notes to the Financial Statements #9). Governmental and Business activities had an increase in debt obligations in the amount of \$5,237,900 due to the aforementioned loan that was issued for various purposes throughout the different funds.

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 Assets 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 Assets 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 Assets 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 assets and changes therein. Net assets, 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 assets are an indicator of whether the financial health is improving or deteriorating.

The Statement of Net Assets 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 and Marina 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 16-19 of this report.
- Enterprise funds - The Town has two enterprise funds, Sanitation 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 Assets and the Statement of Activities. The basic proprietary fund financial statements can be found on pages 20-22 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 23-24 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 16-19 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 25-63 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 64-65 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 66-74 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 75-79 of this report.

Government-Wide Financial Analysis

Net Assets: As noted earlier, net assets 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 \$4,962,374. Business-type activity assets exceeded liabilities by \$3,768,692. The Town-wide total net assets were \$8,731,066 at the close of the fiscal year ended September 30, 2008. The Statement of Net Assets is on page 13 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 \$5,848,660 or 67% of total net assets at September 30, 2008. Capital assets total \$18,002,618 at September 30, 2008, or 68% of all assets, which total \$26,589,563. 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 assets (1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,762,626) may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Assets for the current year as compared to the prior year.

Net Assets

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 7,473,479	\$ 5,398,209	\$ 1,113,466	\$ 491,080	\$ 8,586,945	\$ 5,889,289
Capital assets	8,917,406	6,619,331	9,085,212	9,349,650	18,002,618	15,968,981
Total assets	<u>16,390,885</u>	<u>12,017,540</u>	<u>10,198,678</u>	<u>9,840,730</u>	<u>26,589,563</u>	<u>21,858,270</u>
Liabilities:						
Long-term liabilities	9,734,268	7,279,060	6,237,773	4,911,834	15,972,041	12,190,894
Other liabilities	1,694,243	480,797	192,213	320,750	1,886,456	801,547
Total liabilities	<u>11,428,511</u>	<u>7,759,857</u>	<u>6,429,986</u>	<u>5,232,584</u>	<u>17,858,497</u>	<u>12,992,441</u>
Net assets:						
Invested in capital assets, net of related debt	1,781,760	179,115	4,066,900	4,461,916	5,848,660	4,641,031
Restricted	119,780	239,847	-	-	119,780	239,847
Unrestricted	3,060,834	3,838,721	(298,208)	146,230	2,762,626	3,984,951
Total net assets	<u>\$ 4,962,374</u>	<u>\$ 4,257,683</u>	<u>\$ 3,768,692</u>	<u>\$ 4,608,146</u>	<u>\$ 8,731,066</u>	<u>\$ 8,865,829</u>

Governmental Activities: Governmental activities increased the Town's net assets by \$704,691 while net assets for business activities decreased by \$839,454 for 2008 resulting in a net decrease of \$134,763 or 1.5%. The following is a summary of the changes in net assets for the years ended September 30, 2008 and 2007:

Changes in Net Assets

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 893,595	\$ 1,049,949	\$ 2,703,827	\$ 2,703,874	\$ 3,597,422	\$ 3,753,823
Operating grants and contributions	32,047	127,787	-	-	32,047	127,787
Capital grants and contributions	325,270	366,002	-	825	325,270	366,827
General revenues:						
Taxes	8,220,895	8,360,336	-	-	8,220,895	8,360,336
Intergovernmental	974,834	1,062,715	-	-	974,834	1,062,715
Investment earnings	174,117	306,398	29,038	78,419	203,155	384,817
Miscellaneous revenues	38,971	24,658	-	7,168	38,971	31,826
Gain on sale of equipment	26	-	-	14,720	26	14,720
Total revenues	<u>\$ 10,659,755</u>	<u>\$ 11,297,845</u>	<u>\$ 2,732,865</u>	<u>\$ 2,805,006</u>	<u>\$ 13,392,620</u>	<u>\$ 14,102,851</u>

Charges for services for governmental activities decreased \$156 thousand, primarily due to a decrease in building permits as new construction slowed while charges for services for business activities remained relatively the same. Intergovernmental revenues are down nearly \$88 thousand due to decreasing State shared entitlement proceeds and reduced collections of communication services tax and sales tax. Investment earnings as a whole have decreased due to declining market conditions worldwide.

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Expenses:						
General government	\$ 2,538,501	\$ 2,237,149	\$	\$	\$ 2,538,501	\$ 2,237,149
Public safety	5,211,776	5,008,257			5,211,776	5,008,257
Physical environment	361,170	652,725			361,170	652,725
Transportation	683,463	573,501			683,463	573,501
Culture and recreation	1,161,870	1,450,650			1,161,870	1,450,650
Interest on						
long-term debt	320,280	314,933			320,280	314,933
Marina	-	-	1,898,460	1,610,274	1,898,460	1,610,274
Sanitation	-	-	1,351,863	1,283,851	1,351,863	1,283,851
Total expenses	<u>10,277,060</u>	<u>10,237,215</u>	<u>3,250,323</u>	<u>2,894,125</u>	<u>13,527,383</u>	<u>13,131,340</u>
Transfers In/(Out)	321,996	75,000	(321,996)	(75,000)	-	-
Increase in net assets	704,691	1,135,630	(839,454)	(164,119)	(134,763)	971,511
Net assets - beginning of year, as restated	4,257,683	3,122,053	4,608,146	4,772,265	8,865,829	7,894,318
Net assets - end of year	<u>\$ 4,962,374</u>	<u>\$ 4,257,683</u>	<u>\$ 3,768,692</u>	<u>\$ 4,608,146</u>	<u>\$ 8,731,066</u>	<u>\$ 8,865,829</u>

For the most part, the changes in expenses closely paralleled inflation and the demand for services. A noteworthy item is expenditures for public safety. The Town's contractual obligations with the Palm Beach County Sheriff's Office increased approximately \$193,000 (8%) and with Palm Beach County Fire-Rescue approximately \$55,000 (2.7%) for services in 2008. Higher personnel costs resulting from collective bargaining agreements were major contributing factors to these increases. Expenditures for Physical Environment (public works) reflected a decrease of approximately \$290,000 due to the lack of hurricane activity in 2008 and staff reductions through attrition and budgetary cuts. Culture and recreation expenditures have decreased due to cut backs resulting from budgetary constraints. Several library and recreation programs have been eliminated. Events have been curtailed or reduced in scale and staff positions have been cut. Overall, governmental activities increased the Town's net assets \$704,691.

Business-type Activities: Business-type activities decreased the Town's net assets by \$839,454 for 2008. The Marina expenses increased more than \$288 thousand due extreme repair costs resulting from construction deficiency issues that have been identified and are being pursued through litigation. The increased transfer in the amount of \$275,000 from the Sanitation Fund to the General Fund had a direct impact on the reduction in net assets of the business activities and the corresponding increase to the governmental activities.

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, 2008, the Town's primary operating fund, the general fund, reported ending fund balance of \$2,187,630 an increase of \$78,822 from the prior year. Of this amount, \$807,857 (37%) is considered unreserved fund balance however; \$121,572 is designated for specific purposes; (1) Community Improvement Beautification (CIB) Fund and (2) library donations designated for improvements. The balance, \$686,285 is undesignated and available for spending at the Town's discretion. The remainder of fund balance (\$1,379,773) is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$67,790), (2) for inventories and prepaid expenses, (3) for capital projects and (4) to cover the cash deficit in the pooled cash of the Marina Fund (\$1,023,918).

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 8 percent (approximately 30 days) of total general fund expenditures, while total fund balance represents 21 percent of that same amount. A sound financial management policy would dictate that the unreserved, undesignated fund balance is equal to at least 10% of total expenditures. To that end, the budget for Fiscal Year 2009 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 an ordinance and two readings by the Town Commission. The original General Fund appropriation was increased \$3,974,015 by the Town Commission 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 and the use of reserves as approved by the Town Commission during the year. In addition, the Town financed several projects with a bank loan such as the downtown alleyway project, property acquisitions and the settlement of the fire pension lawsuit. These items had no appropriations in the original budget.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets at September 30, 2008 amounts to \$18,002,618 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, equipment and vehicles and infrastructure. The Town's net capital assets at September 30, 2008 and 2007 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,778,229	\$ 663,717	\$ 81,157	\$ 81,157	\$ 1,859,386	\$ 744,874
Construction in progress	60,352	137,880	104,397	52,021	164,749	189,901
Buildings	3,491,797	3,620,935	-	-	3,491,797	3,620,935
Equipment and vehicles	493,420	410,676	630,131	713,640	1,123,551	1,124,316
Streets, roads, and sidewalks	3,093,608	1,786,123	8,269,527	8,502,832	11,363,135	10,288,955
Total assets	<u>\$ 8,917,406</u>	<u>\$ 6,619,331</u>	<u>\$ 9,085,212</u>	<u>\$ 9,349,650</u>	<u>\$ 18,002,618</u>	<u>\$ 15,968,981</u>

Capital projects completed during the current fiscal year included the following:

- The final phase, the northern third, of the Lake Shore Park Renovation was started prior to the end of the fiscal year with completion after the New Year. This included construction of the northern portion of the seawall which was funded with a grant through the Florida Inland Navigation District.
- 10th Street was repaved from Park Avenue to Northlake Boulevard.
- Park Avenue Landscape Project from 10th Street to 7th Street was substantially underway.
- Ilex Park was renovated with landscaping and irrigation.
- A records storage facility was installed in the building that houses the Sheriff's office.
- The elevator in Town Hall was completely refurbished.
- An emergency generator was installed at the Public Works compound.
- A 25 passenger bus was purchased for the Recreation Department.
- The clock tower chimes were refurbished on Park Avenue.
- Drainage improvements were constructed in the Neighborhood Target Area that included Bayberry Drive from 7th Court to 8th Street. The project consisted of additional storm water drainage along with street and sidewalk replacements, reconstruction of swales and new sod.
- Property was purchased at 725 Foresteria Drive for the future construction of a municipal parking lot.

- Initial improvements to the break water at the Marina were completed.

Additional information on the Town's capital assets can be found in Note #5 on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the Town had \$15,972,041 in outstanding long-term debt consisting of loans payable of \$15,533,931, capital lease obligations of \$154,827 and compensated absences of \$146,453. The Town's net long-term debt increased by \$3,781,147 during the fiscal year. This is due to the combination of a decrease in the amount of \$1,640,399 due to scheduled annual repayments and the settlement of the fire pension lawsuit and an increase of \$5,430,929 due to the issuance of new debt to pay the settlement of the lawsuit, purchase property and the construction of various capital improvement projects. The Town's outstanding debt is summarized as follows:

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Loans Payable	\$ 9,553,519	\$ 6,313,300	5,980,412	4,550,000	\$ 15,533,931	\$ 10,863,300
Capital lease obligations	63,034	124,150	91,793	191,521	154,827	315,671
Claims and settlements	-	741,783	-	-	-	741,783
Compensated absences	117,715	99,827	28,738	24,100	146,453	123,927
Unamortized premium	-	-	136,830	146,213	136,830	146,213
Total	<u>\$ 9,734,268</u>	<u>\$ 7,279,060</u>	<u>\$ 6,237,773</u>	<u>\$ 4,911,834</u>	<u>\$ 15,972,041</u>	<u>\$ 12,190,894</u>

Additional information on the Town's debt can be found in Note #7 on pages 45-53 of this report.

Economic factors and Next Year's Budgets and Rates

The Town has a stable property tax base in that a large portion of the Town is commercial/industrial development. Property taxes represent approximately 53% of the budgeted General Fund revenues of the Town. The balance of revenue comes from sales and use taxes, intergovernmental revenues, utility taxes, charges for Town services, licenses, permits and fines.

For fiscal year 2008-2009 the Town Commission adopted a General Fund budget of \$10,607,865 compared with the final amended budget for fiscal year 2007-2008 in the amount of \$14,471,430. Excluding the loan proceeds, the General Fund budget actually decreased only 1.5% from the prior year.

The State electorate voted for a constitutional amendment known as "Amendment One" (Property Tax Reform). This new amendment doubled the homestead exemption for residential properties, provided for an exemption of up to \$25,000 on tangible personal property and limited increases on non-homesteaded properties to 10%. The amendment also provided for "portability" of the "Save Ours Homes" constitutional amendment. The impact of this amendment on the taxable values within the Town was a reduction of approximately \$40,332,000. Additionally, property values have declined which further exacerbates the diminishing revenue stream. The financial impact to the general fund as a result of "Amendment One" was \$292,500. Further, state sales tax and other state sharing revenue streams have been anticipated to be reduced by an estimated \$100,000.

The greatest impact on the General Fund expenditures is Public Safety which represents 45% of the total and uses 85% of the property tax revenue. In an effort to off-set some of the impact on the general fund revenue, the Town Commission increased user fees wherever possible. In order to maintain the same level of service for public safety, the millage rate was increased over one mill to a combined rate of 9.6663 for operating purposes and debt.

Another factor in the economic outlook for the Town is its Community Redevelopment Agency (CRA). Now that the Town is properly contributing its tax increment finance revenue to the CRA, several infrastructure projects have been completed or are underway. A new \$330,000 Streetscape Project on Park Avenue from 7th to 10th Streets is currently under construction. The alleyways south of Park Ave. from 7th to 10th Streets and north of Park Avenue from 10th Street to Northern Drive are being refurbished for an estimated amount of \$1.2 million. Again this year sidewalk replacements in the amount of \$50,000 are planned for various areas throughout the CRA. Additionally the CRA has begun to acquire properties adjacent to the downtown corridor projected to be used for municipal parking.

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 Assets
September 30, 2008

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 3,743,988	\$ 1,274,964	\$ 5,018,952
Restricted cash and cash equivalents	1,270,936	1,106,044	2,376,980
Investments	73,442	43,116	116,558
Accounts receivable, net	247,414	107,890	355,304
Due from other governments	237,816	3,838	241,654
Internal balances	1,559,126	(1,559,126)	
Inventory	13,427	50,278	63,705
Prepaid items	327,330	1,782	329,112
Unamortized bond costs		84,680	84,680
Capital assets			
Capital assets not being depreciated	1,838,581	185,554	2,024,135
Capital assets being depreciated, net of accumulated depreciation	7,078,825	8,899,658	15,978,483
Total assets	16,390,885	10,198,678	26,589,563
Liabilities			
Accounts payable	180,403	37,156	217,559
Pension settlement payable	1,204,200		1,204,200
Accrued expenses	115,366	27,559	142,925
Accrued interest payable	68,408	92,042	160,450
Unearned revenue	124,466		124,466
Deposits	1,400	35,456	36,856
Noncurrent liabilities:			
Due within one year	819,988	341,143	1,161,131
Due in more than one year	8,914,280	5,896,630	14,810,910
Total liabilities	11,428,511	6,429,986	17,858,497
Net Assets			
Invested in capital assets, net of related debt	1,781,760	4,066,900	5,848,660
Restricted for:			
Debt service	119,780		119,780
Unrestricted	3,060,834	(298,208)	2,762,626
Total net assets	\$ 4,962,374	\$ 3,768,692	\$ 8,731,066

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Activities</u>
Government:		
Governmental activities		
General government	\$ 2,538,501	\$ 40,726
Public safety	5,211,776	796,094
Physical environment	361,170	
Transportation	683,463	
Culture and recreation	1,161,870	56,775
Interest on long-term debt	320,280	
Total governmental activities	<u>10,277,060</u>	<u>893,595</u>
Business-type activities		
Marina	1,898,460	1,220,299
Sanitation	<u>1,351,863</u>	<u>1,483,528</u>
Total business-type activities	<u>3,250,323</u>	<u>2,703,827</u>
Total	<u>\$ 13,527,383</u>	<u>\$ 3,597,422</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
\$ 15,879	\$ 8,637	\$ (2,481,896)	\$	\$ (2,481,896)
	91,533	(4,407,045)		(4,407,045)
	225,100	(361,170)		(361,170)
16,168		(591,930)		(591,930)
		(863,827)		(863,827)
		(320,280)		(320,280)
<u>32,047</u>	<u>325,270</u>	<u>(9,026,148)</u>		<u>(9,026,148)</u>
			(678,161)	(678,161)
			131,665	131,665
			<u>(546,496)</u>	<u>(546,496)</u>
<u>\$ 32,047</u>	<u>\$ 325,270</u>	(9,026,148)	(546,496)	(9,572,644)
General Revenues:				
Taxes:				
Property taxes		6,156,686		6,156,686
Franchise fees		630,215		630,215
Utility service taxes		681,568		681,568
Local option gas taxes		246,643		246,643
Communication services taxes		505,783		505,783
Unrestricted intergovernmental shared revenues		974,834		974,834
Sale of surplus property		26		26
Miscellaneous revenues		38,971		38,971
Investment earnings		174,117	29,038	203,155
Transfers		321,996	(321,996)	
Total general revenues and transfers		<u>9,730,839</u>	<u>(292,958)</u>	<u>9,437,881</u>
Change in net assets		704,691	(839,454)	(134,763)
Net assets, beginning of year, as restated		<u>4,257,683</u>	<u>4,608,146</u>	<u>8,865,829</u>
Net assets, end of year		<u>\$ 4,962,374</u>	<u>\$ 3,768,692</u>	<u>\$ 8,731,066</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2008

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Assets				
Pooled cash and cash equivalents	\$ 2,482,373	\$ 932,292	\$ 329,323	\$ 3,743,988
Restricted cash and cash equivalents	25,800	1,245,136		1,270,936
Investments	54,736	7,062	11,644	73,442
Accounts receivable, net	239,528		7,886	247,414
Due from other governments	102,323		135,493	237,816
Due from other funds	883,433	250,000		1,133,433
Advances to other funds	1,023,918	1,203,477		2,227,395
Inventory	13,427			13,427
Prepaid items	248,838			248,838
Total assets	<u>\$ 5,074,376</u>	<u>\$ 3,637,967</u>	<u>\$ 484,346</u>	<u>\$ 9,196,689</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 106,700	\$ 65,433	\$ 8,270	\$ 180,403
Pension settlement payable	1,204,200			1,204,200
Accrued items	107,953	2,753	4,660	115,366
Deferred revenue	13,016		120,550	133,566
Due to other funds	250,000		279,335	529,335
Advance from other funds	1,203,477			1,203,477
Deposits	1,400			1,400
Total liabilities	<u>2,886,746</u>	<u>68,186</u>	<u>412,815</u>	<u>3,367,747</u>
Fund balances				
Reserved for/reported in:				
Inventories and prepaids	262,265			262,265
Encumbrances	67,790	1,068,194	26,296	1,162,280
Advances to other funds	1,023,918	1,203,477		2,227,395
Debt service/debt service fund			119,780	119,780
Capital projects	25,800	336,513		362,313
Unreserved				
Designated for community improvement	99,272			99,272
Designated for library improvement	22,300			22,300
Undesignated, reported in				
General fund	686,285			686,285
Special revenue funds		961,597	(78,475)	883,122
Capital projects funds			3,930	3,930
Total fund balances	<u>2,187,630</u>	<u>3,569,781</u>	<u>71,531</u>	<u>5,828,942</u>
Total liabilities and fund balances	<u>\$ 5,074,376</u>	<u>\$ 3,637,967</u>	<u>\$ 484,346</u>	<u>\$ 9,196,689</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
Governmental Funds
September 30, 2008

Total Fund Balances - Governmental Funds \$ 5,828,942

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	\$ 13,805,682	
Less accumulated depreciation	<u>(4,888,276)</u>	8,917,406

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

Grant revenues	9,100
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable on long-term debt	(68,408)	
Compensated absences	(117,715)	
Loans payable	(3,717,488)	
General obligation bonds	(5,836,031)	
Capital leases	<u>(63,034)</u>	(9,802,676)

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.

9,602

Net assets of governmental activities	<u><u>\$ 4,962,374</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, 2008

	Major Governmental Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	CRA Fund		
Revenues				
Taxes	\$ 6,518,226	\$	\$ 646,820	\$ 7,165,046
Licenses and permits	579,519			579,519
Intergovernmental	1,532,840	305,949	842,766	2,681,555
Charges for services	295,517			295,517
Fines and forfeitures	174,643			174,643
Miscellaneous	226,431	1,290	23,078	250,799
Total revenues	9,327,176	307,239	1,512,664	11,147,079
Expenditures				
Current				
General government	2,895,281	372,371		3,267,652
Public safety	5,206,596			5,206,596
Physical environment	368,740			368,740
Transportation	337,169		289,197	626,366
Culture and recreation	1,020,990		18,200	1,039,190
Capital outlay	312,858	1,766,860	619,551	2,699,269
Debt service				
Principal	56,838		481,547	538,385
Interest charges	17,010		291,471	308,481
Other debt service charges	17,488			17,488
Total expenditures	10,232,970	2,139,231	1,699,966	14,072,167
Excess (deficiency) of revenues over (under) expenditures	(905,794)	(1,831,992)	(187,302)	(2,925,088)
Other financing sources (uses)				
Transfers in	421,992	3,155,494	290,527	3,868,013
Transfer out	(3,155,494)		(390,523)	(3,546,017)
Loan proceeds	3,717,488			3,717,488
Proceeds from sale of assets	630			630
Total other financing sources (uses)	984,616	3,155,494	(99,996)	4,040,114
Net change in fund balances	78,822	1,323,502	(287,298)	1,115,026
Fund balances				
Beginning of year	2,108,808	2,246,279	358,829	4,713,916
End of year	\$ 2,187,630	\$ 3,569,781	\$ 71,531	\$ 5,828,942

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, 2008

Net change in fund balances - total governmental funds	\$	1,115,026
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	\$ 2,754,635	
Less: current year depreciation	<u>(455,956)</u>	2,298,679
Gains and losses on disposal of capital assets are reported in the statement of activities, whereas in the governmental funds the proceeds from the sale increases financial resources. The difference is the net book value of the assets retired.		
		(604)
Governmental Funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.		
FEMA grant	(85,255)	
Park Avenue Streetscape grant	(50,168)	
Lakeshore Park Playground grant	(142,170)	
Urban Forestry Grant	<u>9,100</u>	(268,493)
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	477,269	
Capital lease obligations	61,116	
Long term debt issuances:		
Loans payable	<u>(3,717,488)</u>	(3,179,103)
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 settlement claims	741,783	
Change in compensated absences	(17,888)	
Change in accrued interest	<u>5,689</u>	729,584
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
Net income allocable to governmental activities		<u>9,602</u>
Change in net assets of governmental activities	\$	<u>704,691</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2008

	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Governmental Activities</u>
	<u>Marina Fund</u>	<u>Sanitation Fund</u>		<u>Internal Service Fund</u>
Assets				
Current assets				
Pooled cash and cash equivalents	\$ 8,806	\$ 1,266,158	\$ 1,274,964	\$
Restricted cash and cash equivalents	506,044	600,000	1,106,044	
Investments		43,116	43,116	
Accounts receivable, net	16,308	91,582	107,890	
Due from other governments		3,838	3,838	
Prepaid expenses	1,782		1,782	78,492
Inventory	50,278		50,278	
Total current assets	<u>583,218</u>	<u>2,004,694</u>	<u>2,587,912</u>	<u>78,492</u>
Noncurrent assets				
Unamortized bond issue costs	84,680		84,680	
Capital assets not being depreciated	121,396	64,158	185,554	
Capital assets net of accumulated depreciation	8,260,358	639,300	8,899,658	
Total noncurrent assets	<u>8,466,434</u>	<u>703,458</u>	<u>9,169,892</u>	
Total assets	<u>9,049,652</u>	<u>2,708,152</u>	<u>11,757,804</u>	<u>78,492</u>
Liabilities				
Current liabilities				
Accounts payable	22,061	15,095	37,156	
Accrued payroll and payroll taxes	8,381	19,178	27,559	
Due to other funds		544,072	544,072	60,026
Advance from other funds	1,023,918		1,023,918	
Deposits payable - slip rentals	35,456		35,456	
Accrued interest payable	92,042		92,042	
Compensated absences payable, current portion	2,899	19,500	22,399	
Capital lease obligations payable, current portion		84,733	84,733	
Bonds payable, current maturities	135,197	98,814	234,011	
Total current liabilities	<u>1,319,954</u>	<u>781,392</u>	<u>2,101,346</u>	<u>60,026</u>
Long-term liabilities				
Compensated absences payable, less current portion	2,898	3,441	6,339	
Capital lease obligations payable, less current portion		7,060	7,060	
Bonds payable, net of unamortized premium and current maturities	5,278,691	604,540	5,883,231	
Total long-term liabilities	<u>5,281,589</u>	<u>615,041</u>	<u>5,896,630</u>	
Total liabilities	<u>6,601,543</u>	<u>1,396,433</u>	<u>7,997,976</u>	<u>60,026</u>
Net assets				
Invested in capital assets, net of related debt	3,558,590	508,310	4,066,900	
Unrestricted	(1,110,481)	803,409	(307,072)	18,466
Total net assets	<u>\$ 2,448,109</u>	<u>\$ 1,311,719</u>	<u>3,759,828</u>	<u>\$ 18,466</u>
Adjustment to reflect consolidation of internal service fund activities			8,864	
Net assets of business-type activities			<u>\$ 3,768,692</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2008

	<u>Major Enterprise Funds</u>		<u>Total</u>	<u>Governmental</u>
	<u>Marina</u>	<u>Sanitation</u>	<u>Enterprise</u>	<u>Activities</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Internal</u>
				<u>Service Fund</u>
Operating revenue				
Charges for services	\$ 1,190,815	\$ 1,478,878	\$ 2,669,693	\$ 452,656
Miscellaneous	29,484	4,650	34,134	
Total operating revenues	<u>1,220,299</u>	<u>1,483,528</u>	<u>2,703,827</u>	<u>452,656</u>
Operating expenses				
Personal services	223,213	501,692	724,905	
Operating expenses	1,017,572	580,706	1,598,278	434,190
Depreciation	435,885	261,829	697,714	
Total operating expenses	<u>1,676,670</u>	<u>1,344,227</u>	<u>3,020,897</u>	<u>434,190</u>
Operating income (loss)	<u>(456,371)</u>	<u>139,301</u>	<u>(317,070)</u>	<u>18,466</u>
Nonoperating revenues (expenses)				
Amortization	918		918	
Interest revenue	2,536	26,502	29,038	
Loss on disposal	(1,545)		(1,545)	
Interest expense	<u>(225,964)</u>	<u>(11,699)</u>	<u>(237,663)</u>	
Total nonoperating revenues (expenses)	<u>(224,055)</u>	<u>14,803</u>	<u>(209,252)</u>	
Transfers out	<u>(46,992)</u>	<u>(275,004)</u>	<u>(321,996)</u>	
Change in net assets	(727,418)	(120,900)	(848,318)	18,466
Net assets - beginning of year, as restated	<u>3,175,527</u>	<u>1,432,619</u>	<u>4,608,146</u>	
Net assets - ending	<u>\$ 2,448,109</u>	<u>\$ 1,311,719</u>	<u>\$ 3,759,828</u>	<u>\$ 18,466</u>
Change in net assets			\$ (848,318)	
Adjustment to reflect consolidation of internal service fund activities			8,864	
Change in net assets of business-type activities			<u>\$ (839,454)</u>	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2008

	<u>Major Enterprise Funds</u>		<u>Total Enterprise Funds</u>
	<u>Marina Fund</u>	<u>Sanitation Fund</u>	
Cash flows from operating activities:			
Cash received from customers	\$ 1,174,104	\$ 1,497,800	\$ 2,671,904
Cash paid to suppliers	(1,070,878)	(596,496)	(1,667,374)
Cash paid to employees	(220,711)	(494,117)	(714,828)
Payments from other funds	298,918		298,918
Other receipts	29,484	4,650	34,134
Net cash provided (used) by operating activities	<u>210,917</u>	<u>411,837</u>	<u>622,754</u>
Cash flows from noncapital financing activities:			
Operating transfers in (out)	(46,992)	(275,004)	(321,996)
Net cash provided (used) by noncapital financing activities	<u>(46,992)</u>	<u>(275,004)</u>	<u>(321,996)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of property and equipment	(262,987)	(173,743)	(436,730)
Loan proceeds	817,058	703,354	1,520,412
Interest paid on debt	(227,089)	(11,699)	(238,788)
Principal repayments on capital lease obligation		(99,728)	(99,728)
Principal repayments on revenue bonds	(90,000)		(90,000)
Net cash provided (used) by capital and related financing activities	<u>236,982</u>	<u>418,184</u>	<u>655,166</u>
Cash flows from investing activities:			
Purchase of investments		(43,116)	(43,116)
Interest on investments	2,536	25,752	28,288
Net cash provided (used) by investing activities	<u>2,536</u>	<u>(17,364)</u>	<u>(14,828)</u>
Net increase (decrease) in cash and cash equivalents	403,443	537,653	941,096
Cash and cash equivalents at beginning of year	111,407	1,328,505	1,439,912
Cash and cash equivalents at end of year	<u>\$ 514,850</u>	<u>\$ 1,866,158</u>	<u>\$ 2,381,008</u>
Cash flows from operating activities:			
Operating income (loss)	\$ (456,371)	\$ 139,301	\$ (317,070)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	435,885	261,829	697,714
Change in assets and liabilities:			
(Increase) in accounts receivable	66,893	22,760	89,653
(Increase) in accounts due from other governments		(3,838)	(3,838)
(Increase) in inventory	(18,364)		(18,364)
(Increase) decrease in prepaid expenses	(1,485)		(1,485)
Increase (decrease) in accounts payable	(33,457)	(15,790)	(49,247)
Increase (decrease) in accrued liabilities	1,101	4,338	5,439
Increase (decrease) in deposits	(36,781)		(36,781)
Increase (decrease) in deferred revenue	(46,823)		(46,823)
Increase (decrease) in compensated absences	1,401	3,237	4,638
Increase (decrease) in due to other funds	298,918		298,918
Total adjustments	<u>667,288</u>	<u>272,536</u>	<u>939,824</u>
Net cash provided (used) by operating activities	<u>\$ 210,917</u>	<u>\$ 411,837</u>	<u>\$ 622,754</u>
Noncash investing, capital and financing activities			
Amortization of bond issue costs	<u>\$ 5,806</u>	<u>\$</u>	<u>\$ 5,806</u>
Amortization of premium on bonds	<u>\$ 9,382</u>	<u>\$</u>	<u>\$ 9,382</u>
Property, plant and equipment disposals	<u>\$ 3,911</u>	<u>\$ 38,815</u>	<u>\$ 42,726</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Fiduciary Net Assets
Pension Trust Funds
September 30, 2008

	<u>Pension Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 47,546
Investments:	
Closed end equity funds	1,069,037
Closed end taxable bond funds	467,749
Receivables	
Contributions	1,204,200
Prepaid retirement benefits	10,622
Total assets	<u>2,799,154</u>
Liabilities	
Accounts payable	6,262
Termination refunds payable	1,197,938
Total liabilities	<u>1,204,200</u>
Net assets	
Held in trust for pension benefits	<u>\$ 1,594,954</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended September 30, 2008

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 562,454
Investment income	
Net decrease in fair value of investments	(315,402)
Interest and dividends	61,057
Net investment income	<u>(254,345)</u>
Total additions	308,109
Deductions	
Retirement benefits	166,881
Refunds of contributions	556,192
Administrative expenses	30,965
Total deductions	<u>754,038</u>
Change in net assets	(445,929)
Net assets held in trust for pension benefits	
Net assets - beginning of year	2,040,883
Net assets - end of year	<u>\$ 1,594,954</u>

See notes to the financial statements.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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.

In accordance with Statement 14 of the Government Accounting Standards Board, the underlying concept of the governmental financial reporting entity is that governmental organizations are responsible to elected governing officials; therefore, financial reporting should report on the elected officials' accountability for those organizations. Furthermore, the financial statements of the reporting entity should allow users to distinguish between the primary government and its component units, if any, by communicating information about the component units and their relationships with the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Determining factors of financial accountability includes appointment of a voting majority, imposition of will, financial benefit or burden on a primary government, or fiscal dependency. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Community Redevelopment Agency (CRA)

Based on the application of these criteria, management has determined that the 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 in a governmental (special revenue) fund, the *Community Redevelopment Fund*. The purpose of the CRA is to promote and guide the physical and economic development of certain areas in the Town of Lake Park. The CRA is a legally separate entity established by ordinance of the Lake Park Town Commission. 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, 2008**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activities has been removed from these statements. 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, except for agency funds, the economic resources measurement focus. Agency funds do not have a 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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Expenditures are generally recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. 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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 financed by the proceeds of the Town's general obligation bond which are payable from ad valorem taxes.

Capital Projects Funds

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

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. The pension trust funds are held under the terms of a formal trust agreement. The fiduciary funds of the Town are as follows:

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.

Municipal Firemen's Pension Fund - This fund was established to receive and invest Town, State and Fire employees' contributions in a defined benefit pension plan and to disburse these monies to Fire employees in accordance with the Pension Plan Ordinance. This plan was terminated at September 30, 2007. The Town paid \$1,204,200 for the final distribution of net plan assets on October 1, 2008. (See Note 9.)

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fiduciary Funds (Continued)

the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private sector guidance.

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.

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.

D. Assets, Liabilities, and Net Assets 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 "Pool A" of the Local Government Surplus Funds Trust are reported as cash and cash equivalents.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 assets. 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.

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Revenue

The government reports deferred revenue on its government wide statement of net assets, proprietary statement of net assets, 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, 2008 for the fiscal year beginning October 1, 2008. 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 sick leave is accrued for employees who are eligible to receive termination payments upon separation. The Town's policy is to allow employees to accumulate annual leave to a maximum of 240 hours. At the time of retirement or termination all annual leave is payable at 100% to the employee. Except for liabilities incurred by employment terminations, such benefits are paid only when taken.

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. Benefits that were earned but not used during the current year were accrued at employees' pay rates in effect at September 30, 2008. 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 post-employment benefits for employees.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 assets. 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.

Net Assets

Equity in the government-wide statement of net assets and the proprietary funds is displayed in three categories: 1) invested in capital assets net of related debt, 2) net pension asset, 3) restricted, and 4) unrestricted. Net assets invested in capital assets net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net pension assets represent pension contributions above the actuarially required amount. Net assets are reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of the other three components.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Unreserved fund balance amounts that are reported as designations of fund balances represent tentative plans for financial resource utilization in a future period. The following is a description of the reserves used by the Town.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity (Continued)

Reserved for debt service – Restricted for future debt service expenditures.

Reserved for inventories, prepaid items and deposits – Indicates that a portion of fund balance is segregated since these items do not represent “available spendable resources.”

Reserved for encumbrances – Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as part of the budgetary accounting system in the General Fund. Encumbrances outstanding at year end, if any, are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Reserved for advances to other funds – Advances to other funds are reserved from fund balance since they are not available for appropriation and expenditure at the balance sheet date.

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 and liabilities, 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, 2008**

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. In 2008, 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 1, 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 1, 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, 2009, 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 or a department must be approved by the Town Commission; however, changes within a department which do not affect the total departmental expenditures may be approved by the Town Manager. Accordingly, the legal level of control is at the department level.
- All unencumbered balances lapse on September 30th.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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 reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

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, 2008, was 8.5850 (\$8.59 for each \$1,000 of assessed valuation), which includes .95 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, 2008, 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, 2008**

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. The General Fund made a payment of \$500,000 on December 7, 2007 toward the 2007 principal due. (See Note 14.) Annual payments of current and prior year obligations will continue to be paid by the General Fund.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2008, the carrying amount of deposits (including fiduciary funds) was \$3,295,364 and the bank balances were \$3,498,058. The Town also had \$675 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, Marina, and Sanitation.

Restricted cash

As September 30, 2008, the Town reported restricted cash for unexpended loan proceeds restricted for capital projects.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

As of September 30, 2008, the Town held the following investments:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State Board of Administration:			
Investment Pool A	N/R	\$ 4,137,344	8.5 days
Investment Pool B	N/R	116,558	9.36 years
Money market funds	N/R	10,095	N/A
Closed end taxable bond funds	N/R	467,749	N/A
Closed end equity funds	N/R	1,069,037	N/A
Total investments		<u>\$ 5,800,783</u>	

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

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.

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, 2008 all investments were insured or collateralized, except the Town's two pension funds, 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.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Town's investments at September 30, 2008.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

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.

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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. 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, which was approximately \$12 billion or 86% of Pool assets. Pool B, (Surplus Funds Trust Fund) consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

At September 30, 2008, Pool A participants could withdraw 65% of their balance or \$12 million, whichever is greater, without penalty. On December 23, 2008, this restriction was withdrawn and Pool A participants could withdraw 100% of their balances without penalty.

On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A. Pool A is considered a SEC 2a7-like fund, thus, the account balance should also be considered its fair value. Pool B is not rated by any nationally recognized rating agency.

Pool B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2008 was .799. The factor should be multiplied by the account balance in order to calculate the fair value of the investment in Pool B.

The weighted average days to maturity (WAM) of Pool A at September 30, 2008 was 8.5 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 Pool A to interest rate changes.

The weighted average life (WAL) of Pool B at September 30, 2008 was 9.36 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 Pool B as of September 30, 2008.

As of September 30, 2008, the Town of Lake Park had \$4,137,344 invested in Pool A. The cost basis of Pool B as of September 30, 2008 was \$145,879 and the fair value and adjusted book value was \$116,558. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investments of the Fire and Police Retirement Fund can consist of the following:

1. Time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association insured by the Saving Insurance Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund.
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. Bonds or other evidence of indebtedness must hold a rating in one of the highest classifications by a major rating service.
 - 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.
4. Commingled stock, bond, real estate or money market funds whose investments are restricted to securities meeting the above criteria.
5. Foreign securities, provided they do not exceed 10% of the Pension Fund's assets at cost.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

6. 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 the holdings do not exceed 10% of the Pension Fund's assets at cost.

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

By Category:	
Deposits	\$ 3,295,364
Petty cash	675
Investments	5,800,783
Total deposits and investments	<u>\$ 9,096,822</u>
Presented in the statement of net assets	
Governmental activities	
Cash and cash equivalents	\$ 3,743,988
Restricted cash and cash equivalents	1,270,936
Investments	73,442
Business-type activities	
Cash and cash equivalents	1,274,964
Restricted cash and cash equivalents	1,106,044
Investments	43,116
Total statements of net assets	<u>7,512,490</u>
Presented in the statement of fiduciary net assets	
Pension trust funds	
Cash and cash equivalents	47,546
Investments	1,536,786
Total fiduciary funds	<u>1,584,332</u>
Total deposits and investments	<u>\$ 9,096,822</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 4 – RECEIVABLES

Receivables at September 30, 2008, were as follows:

	General Fund	Nonmajor Governmental Funds	Marina Fund	Sanitation Fund	Total
Accounts receivable	\$ 42,915	\$ 2,415	\$ 30,964	\$ 98,423	\$ 174,717
Accrued receivables	196,613	5,471		2,418	204,502
Total receivables	239,528	7,886	30,964	100,841	379,219
Less allowance for uncollectible accounts			(14,656)	(9,260)	(23,916)
Accounts receivable, net	\$ 239,528	\$ 7,886	\$ 16,308	\$ 91,581	\$ 355,303

NOTE 5 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2008, was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 663,717	\$1,114,512	\$	\$1,778,229
Construction in progress	137,880	976,745	(1,054,273)	60,352
Capital assets being depreciated:				
Buildings	7,057,883	42,236		7,100,119
Improvements	1,824,526	1,488,748		3,313,274
Machinery and equipment	1,418,220	186,667	(51,179)	1,553,708
Total at historical cost:	11,102,226	3,808,908	(1,105,452)	13,805,682
Less accumulated depreciation for:				
Buildings	(3,436,948)	(171,374)		(3,608,322)
Improvements	(38,403)	(181,263)		(219,666)
Machinery and equipment	(1,007,544)	(103,319)	50,575	(1,060,288)
Total accumulated depreciation	(4,482,895)	(455,956)	50,575	(4,888,276)
Governmental activities capital assets, net	\$6,619,331	\$ 3,352,952	(\$1,054,877)	\$8,917,406

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 254,322
Public safety	2,687
Physical environment	21,195
Transportation	58,604
Culture and recreation	<u>119,148</u>
Total depreciation expense governmental activities	<u><u>\$ 455,956</u></u>

The capital asset activity of business-type activities for the year ended September 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 81,157	\$	\$	\$ 81,157
Construction in progress	52,021	256,335	(203,959)	104,397
Capital assets being depreciated:				
Improvements	9,162,228	203,960		9,366,188
Machinery and equipment	<u>1,625,955</u>	<u>177,737</u>	<u>(42,726)</u>	<u>1,760,966</u>
Total at historical cost:	<u>10,921,361</u>	<u>638,032</u>	<u>(246,685)</u>	<u>11,312,708</u>
Less accumulated depreciation for:				
Improvements	(659,397)	(437,264)		(1,096,661)
Machinery and equipment	<u>(912,314)</u>	<u>(260,450)</u>	<u>41,929</u>	<u>(1,130,835)</u>
Total accumulated depreciation	<u>(1,571,711)</u>	<u>(697,714)</u>	<u>41,929</u>	<u>(2,227,496)</u>
Business-type activities capital assets, net	<u><u>\$9,349,650</u></u>	<u><u>\$ 59,682)</u></u>	<u><u>\$ 204,756)</u></u>	<u><u>\$ 9,085,212</u></u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 6 – CONTRACT COMMITMENTS

Contracts awarded but not yet completed were as follows:

Construction Commitments:	
Drainage improvements	\$ 30,484
Lake Shore Park improvements	18,154
CRA Alleyway improvements	884,650
Marina – Breakwater improvements	539,076
Other Town improvements	<u>51,072</u>
Subtotal, construction commitments	1,523,436
Commitment to purchase Sanitation vehicle	155,396
Consulting contracts	<u>46,250</u>
Total contract commitments	<u>\$1,725,082</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Balance October 1, 2007	Additions	Reductions	Balance September 30, 2008	Amount due within one year
<u>Governmental activities</u>					
Loans payable	\$6,313,300	\$3,717,488	\$ 477,269	\$9,553,519	\$ 705,580
Capital lease obligations	124,150		61,116	63,034	34,332
Claims and settlements	741,783		741,783		
Compensated absences payable	<u>99,827</u>	<u>158,924</u>	<u>141,036</u>	<u>117,715</u>	<u>80,076</u>
Total	<u>\$7,279,060</u>	<u>\$3,876,412</u>	<u>\$1,421,204</u>	<u>\$9,734,268</u>	<u>\$ 819,988</u>
<u>Business-type activities:</u>					
Loans payable	\$4,550,000	\$1,520,412	\$ 90,000	\$5,980,412	\$ 234,011
Capital lease obligations	191,521		99,728	91,793	84,733
Compensated absences payable	<u>24,100</u>	<u>34,105</u>	<u>29,467</u>	<u>28,738</u>	<u>22,399</u>
Total	<u>\$4,765,621</u>	<u>\$1,554,517</u>	<u>\$219,195</u>	6,100,943	<u>\$ 341,143</u>
Unamortized premium				<u>136,830</u>	
				<u>\$6,237,773</u>	

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Compensated absences for governmental activities are generally liquidated by the General Fund and by the Marina 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, 2008, 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, 2008 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2009	\$ 247,174	\$ 132,276	\$ 379,450
2010	259,586	119,864	379,450
2011	272,621	106,829	379,450
2012	286,310	93,140	379,450
2013	300,687	78,763	379,450
2014	315,787	63,663	379,450
2015	331,644	47,806	379,450
2016	348,297	31,153	379,450
2017	365,786	13,661	379,447
	<u>\$2,727,892</u>	<u>\$ 687,155</u>	<u>\$3,415,047</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, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The required debt service payments on the Series 1998 bond at September 30, 2008 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2009	\$ 252,822	\$ 135,835	\$ 388,657
2010	264,224	124,433	388,657
2011	276,140	112,517	388,657
2012	288,593	100,064	388,657
2013	301,608	87,049	388,657
2014	315,209	73,448	388,657
2015	329,424	59,233	388,657
2016	344,280	44,377	388,657
2017	359,806	28,851	388,657
2018	<u>376,033</u>	<u>12,624</u>	<u>388,657</u>
	<u>\$3,108,139</u>	<u>\$ 778,431</u>	<u>\$3,886,570</u>

Obligations Under Capital Lease: Capital lease obligations are generally liquidated by the General Fund. The Town's outstanding governmental activities obligations under capital lease at September 30, 2008 are summarized as follows:

Equipment: Lease purchase agreements dated March 2005 through September 2006 for vehicles and other equipment with an original cost of \$183,833 and accumulated depreciation in an amount of \$154,349. Minimum future lease payments under these agreements at September 30, 2008, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2009	\$ 34,332	\$ 2,167	\$ 36,499
2010	18,932	1,033	19,965
2011	<u>9,770</u>	<u>210</u>	<u>9,980</u>
	<u>\$ 63,034</u>	<u>\$ 3,410</u>	<u>\$ 66,444</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds: The Town’s outstanding business-type activities revenue bonds at September 30, 2008 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.

The debt service requirements and interest rates of the bonds at September 30, 2008, are as follows:

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	3.00	\$ 95,000	\$ 220,900	\$ 315,900
2010	5.00	95,000	218,050	313,050
2011	5.00	100,000	213,300	313,300
2012	5.00	105,000	208,300	313,300
2013	5.25	115,000	203,050	318,050
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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds (Continued)

Revenue Bonds, Series 2003A (Continued)

<u>Year Ending September 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>300,000</u>	<u>15,000</u>	<u>315,000</u>
		<u>\$4,460,000</u>	<u>\$3,426,813</u>	<u>\$7,886,813</u>

Obligations Under Capital Lease: Obligations under capital lease of the Town’s business-type activities at September 30, 2008, consisted of the following:

Vehicles: Lease purchase agreements dated June 2004 through March 2006 for sanitation vehicles with an original cost of \$482,749. The accumulated depreciation on the vehicles at September 30, 2008 was \$359,950. The capital lease obligations are payable from the net revenues of the Sanitation operations.

The minimum future lease payments due under this agreement at September 30, 2008, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2009	\$ 84,733	\$ 2,180	\$ 86,913
2010	4,657	254	4,911
2011	<u>2,403</u>	<u>52</u>	<u>2,455</u>
	<u>\$ 91,793</u>	<u>\$ 2,486</u>	<u>\$ 94,279</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes: The Town's outstanding promissory notes payable at September 30, 2008 are summarized as follows:

Promissory Note, Series 2008A: On August 28, 2008, the Town executed a tax-exempt note in the principal amount of \$4,928,350 with the Bank of America. Loan proceeds are restricted to finance the settlement of the pension obligation to the Town of Lake Park Firefighters' Pension and for the construction of improvements in the marina. In addition, \$2,420,000 of the governmental loan proceeds were transferred to the CRA as a grant for the acquisition of property and for the construction of improvements within the Town's community redevelopment area in accordance with an interlocal agreement between the Town and the CRA executed on August 20, 2008. (See Note 14.) 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	\$ 3,667,488
Business-type activities	<u>1,260,862</u>
	<u>\$ 4,928,350</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (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
2009	\$ 198,622	\$ 79,637	\$ 278,259
2010	150,951	127,308	278,259
2011	156,491	121,768	278,259
2012	162,235	116,024	278,259
2013	168,189	110,070	278,259
2014-2018	938,187	453,106	1,391,293
2019-2023	1,123,452	267,841	1,391,293
2024-2028	769,361	86,739	856,100
Total	<u>\$3,667,488</u>	<u>\$1,362,493</u>	<u>\$5,029,981</u>

Business-type activities:

Year Ending September 30	Principal	Interest	Total Amount
2009	\$ 125,966	\$ 27,378	\$ 153,344
2010	111,693	41,651	153,344
2011	115,793	37,551	153,344
2012	120,042	33,302	153,344
2013	124,448	28,896	153,344
2014-2018	339,217	85,242	424,459
2019-2023	147,307	48,978	196,285
2024-2028	176,396	19,888	196,284
Total	<u>\$ 1,260,862</u>	<u>\$ 322,886</u>	<u>\$ 1,583,748</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, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Note, Series 2008B (Continued)

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 50,000
Business-type activities	<u>259,550</u>
	<u>\$ 309,550</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>
2009	\$ 6,962	\$ 2,006	\$ 8,968
2010	6,050	2,918	8,968
2011	6,460	2,508	8,968
2012	6,898	2,070	8,968
2013	7,366	1,602	8,968
2014-2018	16,264	1,671	17,935
Total	<u>\$ 50,000</u>	<u>\$ 12,775</u>	<u>\$ 62,775</u>

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2009	\$ 13,046	\$ 10,412	\$ 23,458
2010	6,745	16,713	23,458
2011	7,202	16,256	23,458
2012	7,691	15,767	23,458
2013	8,212	15,246	23,458
2014-2018	50,206	67,084	117,290
2019-2023	69,696	47,594	117,290
2024-2028	96,752	20,537	117,289
Total	<u>\$ 259,550</u>	<u>\$ 209,609</u>	<u>\$ 469,159</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

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
2009	\$ 1,058,657	\$ 612,791	\$ 1,671,448
2010	917,838	652,224	1,570,062
2011	946,880	610,991	1,557,871
2012	976,769	568,667	1,545,436
2013	1,025,510	524,676	1,550,186
2014-2018	5,090,140	1,901,094	6,991,234
2019-2023	2,190,455	1,092,476	3,282,931
2024-2028	2,117,509	631,639	2,749,148
2029-2033	1,365,000	211,500	1,576,500
Total	<u>\$15,688,758</u>	<u>\$ 6,806,058</u>	<u>\$ 22,494,816</u>

NOTE 8 – DEFERRED COMPENSATION PLAN ASSETS

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

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

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

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 – 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. Plan assets are not considered the Town's assets; therefore, they are not included in the Town's basic financial statements. The Plan does not issue a stand alone financial report.

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, 2008 were \$113,603 by the Town and \$93,396 by the employees. Plan provisions and contribution requirements are established and may be amended by the Town Commission, which may also terminate the Plan at any time, at its sole discretion.

Vesting of the City'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 of service. A year of service is a computation period during which an employee is credited with at least 1,000 hours of service. Plan provisions and contribution requirements are established and may be amended by the City Council. The Town's finance director is the plan administrator.

Defined Benefit Plans: The Town administers two single employer defined benefit pension plans that cover no current Town employees. The Retired Police Officers' Pension Fund (RPOPF) covers certain police retirees and the Municipal Firemen's Pension Fund (MFPPF) is a terminated pension plan that covered substantially all former full-time fire department employees. The plans are established by the Town and administered by a separate board of trustees for each plan. The RPOPF and MFPPF plans are included as blended component units in the financial statements of the Town of Lake Park as pension trust funds. The plans do not issue stand alone financial reports.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 – PENSION PLANS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Post-retirement Benefits: The Town offers continuation of health 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.

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. Accordingly, at September 30, 2008 only four years of plan information was available for the Retired Police Officers' Pension Fund.

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. The Town is required to contribute actuarially determined amounts sufficient to fund the plan. An actuarial valuation report had not been performed and completed as of October 1, 2007. This report would have contained the contribution requirements for the plan year ended September 30, 2008. Therefore, the Town did not make a contribution. At October 1, 2006, the date of the latest actuarial valuation, the RPOPF included three service retirees and four disability retirees.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 – PENSION PLANS (Continued)

The Retired Police Officers' Pension Fund (Continued)

Schedule of Employer Contributions

<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2005	\$ 26,482	100%
2006	7,959	100%
2007	17,768	100%

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, 2005
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	8.0%
Projected salary increase *	N/A
*Included inflation at	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>
2004	\$ 9,622	100%	
2005	26,482	100	
2006	7,959	100	

* Annual Pension Cost from Town sources.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 – PENSION PLANS (Continued)

Municipal Firemen's Pension Fund

On October 1, 2001 the Palm Beach County Fire Rescue Department was contracted to provide fire protection and emergency medical services for the Town. In connection with the transfer of Town fire protection and emergency medical services to Palm Beach County Fire Rescue, the active plan members of the Municipal Firemen's Pension Fund were terminated and eligible for a lump sum payout. There were no retirees under the plan at the time of termination. On June 29, 2002, the Municipal Firemen's Pension Fund was terminated and the Board of Trustees of the Municipal Firemen's Pension Trust Fund (the "Board") through the year ended September 30, 2007, distributed lump sum payouts to the vested participants and the remaining pro-rata distributions according to the calculations performed by the actuary. At September 30, 2008 the Municipal Firemen's Pension Trust Fund is considered a terminated pension plan and actuarial information is not provided.

However, the Board actuarially determined a lump sum payout of accrued pension benefits, including interest, to be approximately \$2.1 million as of January 6, 2003, which was \$641,783 more than the fair value of the plan net assets. The Board through its attorney, made a demand that the Town pay the Municipal Firemen's Pension Trust Fund the shortfall of \$641,783, plus accrued interest and attorney fees to the date of settlement. The Town, based on the advice of its legal counsel, did not believe that it was obligated to pay any additional amounts resulting from the decision of the Board of Trustees to make an immediate, lump sum payout of accrued pension benefits and filed an action asking the court to determine whether the Town must pay the shortfall.

In October 2007, the 4th District Court of Appeal reversed the trial court's ruling in favor of the Town, and held that the Town had a legal obligation to fund the actuarial deficiency that was created when the pension plan was terminated and the pension board decided to distribute the assets in the form of lump sum payments to each member. Based on the order of the 4th District Court of Appeal, the Town and the Board entered into a general release of claims agreement, in which the Town agreed to pay to the Board the sum of \$1,204,200, in full settlement of the law suit. (See Note 1.) Subsequent to September 30, 2008, the Board received the settlement from the Town and distributed the accrued pension benefits to the vested participants and the accrued legal and actuarial fees.

Generally accepted accounting principles (GAAP) requires that financial statements for individual pension plans be presented in the notes to the financial statements of the primary government if separate, GAAP financial reports have not been issued. The individual pension funds of the Town of Lake Park, Florida do not have separate GAAP reports issued and the financial information for these is presented below.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 – PENSION PLANS FINANCIAL INFORMATION

**Statement of Fiduciary Net Assets
September 30, 2008**

	<u>Retired Police Officers' Pension Fund</u>	<u>Municipal Firemen's Pension Fund</u>
ASSETS		
Cash and cash equivalents	\$ 46,460	\$ 1,086
Investments		
Closed end equity funds	1,069,037	
Closed end taxable bond funds	467,749	
Receivables:		
Contributions		1,204,200
Prepaid retirement benefits	<u>10,622</u>	
Total assets	<u>1,593,868</u>	<u>1,205,286</u>
LIABILITIES		
Accounts payable		6,262
Termination refunds payable	<u> </u>	<u>1,197,938</u>
Total liabilities	<u> </u>	<u>1,204,200</u>
NET ASSETS held in trust for pension benefits	<u>\$ 1,593,868</u>	<u>\$ 1,086</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 9 - PENSION PLANS FINANCIAL INFORMATION (Continued)

**Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2008**

	<u>Retired Police Officers' Pension Fund</u>	<u>Municipal Firemen's Pension Fund</u>
ADDITIONS		
Contributions		
Employer	\$	\$ 562,454
Investment income		
Net decrease in fair value of investments	(315,402)	
Interest and dividends	<u>61,057</u>	
Net investment income	<u>(254,345)</u>	
Total additions	<u>(254,345)</u>	<u>562,454</u>
DEDUCTIONS		
Retirement benefits	166,881	
Refunds of contributions		556,192
Administrative expenses	<u>12,533</u>	<u>18,432</u>
Total deductions	<u>179,414</u>	<u>574,624</u>
Changes in net assets	<u>(433,759)</u>	<u>(12,170)</u>
Net assets, beginning of year	<u>2,027,627</u>	<u>13,256</u>
Net assets, end of year	<u>\$ 1,593,868</u>	<u>\$ 1,086</u>

NOTE 10 - RESERVED FUND BALANCES

The Town has established reserves to account for that portion of fund balance that is not appropriable for expenditure or is legally segregated for a specific future use. The reserves for inventory, encumbrances, debt service, and advances to other funds are amounts that are not appropriable for expenditure. The reserves for capital projects are funds that are legally segregated for a specific future use.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 11 - DEFICIT FUND EQUITY

At September 30, 2008 the following funds had deficits in fund equity which will be eliminated through future revenue of those funds:

<u>Fund</u>	<u>Deficit Fund Equity</u>
Streets and Roads Fund	\$ 74,956
Special Projects Fund	\$ 39,440

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 \$72,400 to Seacoast during the fiscal year for water and sewer service.

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 \$1 million. The Town does not retain any risk of loss under this policy.

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.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 13 – RISK MANAGEMENT (Continued)

Grants

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

Litigation

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

NOTE 14 – 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, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due to/from</u>	<u>Advance</u>	<u>Total</u>
CRA	General Fund	\$250,000	\$1,203,477	\$1,453,477
General Fund	Marina Fund		\$1,023,918	\$1,023,918
General Fund	Sanitation Fund	\$544,072		\$ 544,072
General Fund	Non-major governmental funds	\$279,335		\$ 279,335
General Fund	Insurance Fund	\$60,026		\$ 60,026

At September 30, 2008, the General Fund owed the CRA Fund \$1,453,477 for unpaid incremental tax revenue from fiscal year 2000 to the present. (See Note 2.) The amount due to the CRA to the General Fund includes outstanding principal of \$890,019 and penalties and interest of \$563,058.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 14 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The advance from the General Fund to the Marina Fund resulted from a cash overdraft in the Marina Fund’s pooled cash and cash equivalents account. The receivable from the Sanitation Fund to the General Fund is for prior year grant revenue that was reported in the wrong fund.

Interfund transfers during the year ended September 30, 2008 are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
CRA Fund	\$3,155,494	
General Fund		\$3,155,494
Nonmajor Government	99,996	
General Fund		99,996
General Fund	275,004	
Sanitation Fund		275,004
General Fund	46,992	
Marina Fund		46,992

The transfer of \$3,155,495 from the General Fund to the CRA Fund included the following:

- a. Transfer of \$2,420,000 for the acquisition of property and capital improvements in the CRA district in accordance with the Interlocal Agreement executed August 20, 2008 between the Town and the CRA. (See Note 7.)
- b. Transfer of \$612,691 for the 2007 incremental tax obligation.
- c. Transfer of \$122,803 for interest for late payment of the incremental tax obligation. (See Note 2.)

The transfers were also used to: (1) fund the Lakeshore Park renovation project; (2) reimburse the General Fund for shared administrative costs; and (3) make payment in lieu of taxes for the Sanitation Fund and Marina Fund.

NOTE 15 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS

The General Fund provides the enterprise funds with various management services. Administrative costs totaling \$78,000 and \$115,954 were charged to the Marina and Sanitation funds, respectively, for 2008.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 16 – NEW PRONOUNCEMENTS

The Town is required to implement Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ending September 30, 2009. Retirees of the Town pay an amount equal to the actual premium for health and life insurance charged by the carrier, but there is an implied subsidy in the insurance premiums for retirees under age 65 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. The impact of the implementation of GASB 45 will be determined by an actuarial valuation, which has not been completed.

NOTE 17 – SUBSEQUENT EVENTS

On December 19, 2008, the Town CRA purchased property located at 761 Foresteria Drive, Lake Park, Florida for \$337,000. An additional property located at 711 Foresteria Drive, Lake Park, Florida was purchased on January 23, 2009 for \$100,000. These properties will be used, along with the previously acquired property located at 725 Foresteria Drive, for the development of a municipal parking lot.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

FIDUCIARY FUNDS

Pension Trust Funds

Retired Police Officers' Pension Trust Fund

TOWN OF LAKE PARK, FLORIDA
Required Supplemental Information
September 30, 2008

Retired Police Officers' Pension Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
10/1/2003	\$ 2,095,114	\$ 2,177,473	\$ 82,359	96.22%	N/A	N/A
10/1/2004	1,924,445	2,156,800	232,355	89.23%	N/A	N/A
10/1/2005	1,971,286	2,030,035	58,749	97.11%	N/A	N/A
10/1/2006	1,919,359	2,061,642	142,283	93.10%	N/A	N/A

Schedule of Employer and State Contributions

Fiscal Year Ended September 30	Annual Required Contribution	Actual Contribution	State Contribution	Percentage Contributed
2004	\$ 9,622	\$ 9,622	\$	100.0%
2005	26,482	26,482	\$	100.0%
2006	7,959	7,959	\$	100.0%
2007	17,768	17,768	\$	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, 2006. 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.

Note 2: An actuarial valuation report had not been performed and completed as of October 1, 2007. This report would have contained the contribution requirements for the plan year ended September 30, 2008. Therefore, the Town did not make a contribution.

TOWN OF LAKE PARK, FLORIDA
Notes to the Trend Data
September 30, 2008

	Retired Police Officers' Pension Fund
Contribution rates as of 9/30/06:	
Town	N/A
Plan Members	N/A
Actuarially Determined Contribution	7,959
Contributions Made	7,959
Valuation date	10/1/2005
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	8%
Projected salary increase *	N/A
*Includes inflation at	N/A
Post Retirement cost of living adjustments	N/A

(*) Annual pension costs from Town members.

GENERAL FUND

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the year ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 5,334,743	\$ 5,334,743	\$ 5,206,442	\$ (128,301)
Franchise taxes				
Electricity	600,000	600,000	609,578	9,578
Gas	5,000	5,000	3,038	(1,962)
Solid Waste	24,000	24,000	17,599	(6,401)
Dunkin' Donuts	2,500	2,500		(2,500)
Utility taxes				
Electricity	575,000	575,000	563,614	(11,386)
Water	125,000	125,000	115,326	(9,674)
Gas	2,500	2,500	2,629	129
Total taxes	<u>6,668,743</u>	<u>6,668,743</u>	<u>6,518,226</u>	<u>(150,517)</u>
Licenses and permits				
Building permits	300,000	300,000	227,286	(72,714)
Alarm permits	5,000	5,000	5,089	89
Business tax receipts	360,000	360,000	330,006	(29,994)
Occupational license applications	2,500	2,500	14,423	11,923
Cost recovery	26,000	26,000		(26,000)
Special event fees			525	525
Contractors fees	3,000	3,000	2,190	(810)
Total licenses and permits	<u>696,500</u>	<u>696,500</u>	<u>579,519</u>	<u>(116,981)</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	690,653	690,653	632,680	(57,973)
Local communication services taxes	558,485	558,485	505,784	(52,701)
State revenue sharing	231,113	231,113	234,332	3,219
Alcoholic beverage licenses	11,550	11,550	11,195	(355)
Motor fuel tax refund	3,696	3,696	9,204	5,508
County shared revenues				
County occupation licenses	25,000	25,000	25,828	828
Grant revenues				
State hurricane relief		98,625	98,609	(16)
State aid to libraries	12,000	12,000	15,208	3,208
Total intergovernmental revenues	<u>\$ 1,532,497</u>	<u>\$ 1,631,122</u>	<u>\$ 1,532,840</u>	<u>\$ (98,282)</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 80,000	\$ 115,975	\$ 115,954	\$ (21)
CRA Fund	24,925	24,925	24,903	(22)
Marina Fund	78,000	78,000	78,000	
Plan review fees	15,000	15,000	16,933	1,933
Parks and recreation	42,700	88,040	54,684	(33,356)
Other charges for services	4,750	4,750	5,043	293
Total charges for services	<u>245,375</u>	<u>326,690</u>	<u>295,517</u>	<u>(31,173)</u>
Fines and forfeitures				
Court fines	26,250	26,250	25,452	(798)
Code violations	40,000	40,000	102,449	62,449
Code violations - administrative cost	26,250	26,250	19,551	(6,699)
Parking violations	7,500	7,500	3,740	(3,760)
Alarm violations	6,000	6,000	12,755	6,755
Occupational license penalties	6,825	6,825	9,021	2,196
Library fines	2,940	2,940	1,675	(1,265)
Total fines and forfeitures	<u>115,765</u>	<u>115,765</u>	<u>174,643</u>	<u>58,878</u>
Miscellaneous revenue				
Interest earnings	240,000	240,000	148,705	(91,295)
Interest earnings - tax collector	11,000	11,000	33,500	22,500
Rent	35,000	35,000	36,605	1,605
Sale of surplus property	20,000	20,000		(20,000)
Sale of scrap material			630	630
Transfer from Street & Roads	100,000	100,000	99,996	(4)
Transfer from Marina	47,000	47,000	46,992	(8)
Transfer from CRA Fund		15,000		(15,000)
Transfer from Sanitation Fund	275,000	275,000	275,004	4
Miscellaneous revenues	10,535	22,210	7,621	(14,589)
Total miscellaneous revenues	<u>738,535</u>	<u>765,210</u>	<u>649,053</u>	<u>(116,157)</u>
Balance brought forward	500,000	500,000		(500,000)
Loan proceeds		3,767,400	3,717,488	(49,912)
Total revenues	<u>\$ 10,497,415</u>	<u>\$ 14,471,430</u>	<u>\$ 13,467,286</u>	<u>\$ (1,004,144)</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, 2008

(Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government				
Legislative				
Personal services	\$ 51,471	\$ 51,866	\$ 51,864	\$ 2
Operating expenditures	31,400	52,690	52,671	19
Capital outlay		1,245	1,244	1
Total Legislative	<u>82,871</u>	<u>105,801</u>	<u>105,779</u>	<u>22</u>
Town manager				
Personal services	270,550	320,430	320,412	18
Operating expenditures	10,650	51,020	50,996	24
Total Town manager	<u>281,200</u>	<u>371,450</u>	<u>371,408</u>	<u>42</u>
Personnel				
Personal services	116,131	110,686	108,642	2,044
Operating expenditures	41,610	68,337	67,575	762
Total Personnel	<u>157,741</u>	<u>179,023</u>	<u>176,217</u>	<u>2,806</u>
Town Clerk				
Personal services	120,418	122,728	122,515	213
Operating expenditures	47,324	51,669	46,457	5,212
Capital outlay		2,325	2,324	1
Debt Service	3,095	3,100	3,095	5
Total Town Clerk	<u>170,837</u>	<u>179,822</u>	<u>174,391</u>	<u>5,431</u>
Finance				
Personal services	350,556	356,671	339,789	16,882
Operating expenditures	83,850	108,610	103,446	5,164
Total Finance	<u>434,406</u>	<u>465,281</u>	<u>443,235</u>	<u>22,046</u>
Legal				
Operating expenditures	245,000	193,380	183,487	9,893
Cost recovery	26,000	26,000		26,000
Total Legal	<u>271,000</u>	<u>219,380</u>	<u>183,487</u>	<u>35,893</u>
Information technology				
Personal services	86,010	94,230	94,189	41
Operating expenditures	39,550	42,780	42,657	123
Capital outlay	6,000	14,452	14,419	33
Contingency	7,000			
Total Information technology	<u>138,560</u>	<u>151,462</u>	<u>151,265</u>	<u>197</u>
Non-departmental				
Operating expenditures	100,000	103,355	103,353	2
Debt service		47,330	29,826	17,504
Grants and aids	5,000			
Total Non-departmental	<u>105,000</u>	<u>150,685</u>	<u>133,179</u>	<u>17,506</u>
Total General government	<u>1,641,615</u>	<u>1,822,904</u>	<u>1,738,961</u>	<u>83,943</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Expenditures (Continued)				
Public Safety				
Law enforcement				
Operating expenditures	\$ 2,625,739	\$ 2,582,429	\$ 2,553,595	\$ 28,834
Disaster				
Operating expenditures		15,895	15,374	521
Capital outlay		50,210	50,107	103
Total Disaster		66,105	65,481	624
Fire department				
Operating expenditures	2,214,222	2,214,222	2,038,488	175,734
Community development				
Personal services	431,076	391,561	390,699	862
Operating expenditures	179,100	217,275	217,083	192
Capital outlay		17,700	17,698	2
Total Community development	610,176	626,536	625,480	1,056
Total Public safety	5,450,137	5,489,292	5,283,044	206,248
Physical environment				
Public works- Admin				
Personal services	227,731	216,111	131,616	84,495
Operating expenditures	32,800	75,195	73,483	1,712
Total Public works- admin	260,531	291,306	205,099	86,207
Public works- Ground Maint.				
Personal services	348,294	341,869	341,708	161
Operating expenditures	91,500	93,090	91,299	1,791
Capital outlay		13,905	13,901	4
Debt service	26,636	28,501	28,497	4
Total Public works- ground	466,430	477,365	475,405	1,960
Vehicle maintenance				
Personal services	119,790	122,625	122,602	23
Operating expenditures	25,750	43,605	43,593	12
Capital outlay	3,500	23,785	23,782	3
Total Vehicle maintenance	149,040	190,015	189,977	38
Total Physical environment	876,001	958,686	870,481	88,205
Transportation				
Facility maintenance				
Personal services	152,122	135,337	135,309	28
Operating expenditures	175,549	200,909	200,874	35
Capital outlay		51,589	20,195	31,394
Debt service	4,214	4,214	4,214	
Total Transportation	331,885	392,049	360,592	31,457

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund
For the year ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Culture and recreation				
Library				
Personal services	\$ 302,022	\$ 288,542	\$ 239,762	\$ 48,780
Operating expenditures	83,302	96,372	101,220	(4,848)
Capital outlay	25,000	25,000	613	24,387
Miscellaneous supplies - donations		410	409	1
Total Library	<u>410,324</u>	<u>410,324</u>	<u>342,004</u>	<u>68,320</u>
Recreation				
Personal services	216,824	144,769	144,094	675
Operating expenditures	92,450	122,655	108,715	13,940
Capital outlay	34,000	199,810	136,351	63,459
Debt service	12,950	12,950	311	12,639
Total Recreation	<u>356,224</u>	<u>480,184</u>	<u>389,471</u>	<u>90,713</u>
Total Culture and recreation	<u>766,548</u>	<u>890,508</u>	<u>731,475</u>	<u>159,033</u>
Total expenditures	<u>9,066,186</u>	<u>9,553,439</u>	<u>8,984,553</u>	<u>568,886</u>
Transfers out				
CRA fund	1,112,194	3,655,494	3,155,494	500,000
Police actuary		26,605	26,602	3
Other	319,035	1,235,892	1,205,267	30,625
Total Transfers out	<u>1,431,229</u>	<u>4,917,991</u>	<u>4,387,363</u>	<u>530,628</u>
Total expenditures and transfers	<u>10,497,415</u>	<u>14,471,430</u>	<u>13,371,916</u>	<u>1,099,514</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 95,370</u>	<u>\$ 95,370</u>

See notes to the budgetary comparison schedules.

CRA FUND

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Community Redevelopment Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,415,564	\$ 1,415,564	\$ 303,424	\$ (1,112,140)
Grant revenue			2,525	2,525
Investment income	25,000	25,000	1,290	(23,710)
Miscellaneous revenue	316,100	316,100		(316,100)
Transfer from General Fund		2,420,000	3,155,494	735,494
Total revenues	<u>1,756,664</u>	<u>4,176,664</u>	<u>3,462,733</u>	<u>(713,931)</u>
Expenditures				
General government	456,182	480,687	483,041	(2,354)
Capital outlay	125,000	3,695,975	2,709,430	986,545
Unappropriated	1,175,482	2		2
Total expenditures	<u>1,756,664</u>	<u>4,176,664</u>	<u>3,192,471</u>	<u>984,193</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 270,262</u>	<u>\$ 270,262</u>

See notes to the budgetary comparison schedules.

**TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2008**

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, except that for budgetary purposes, revenue includes proceeds from debt issuances, transfers from other funds, and proceeds from the sale of capital assets, and expenditures include encumbrances and transfers to other funds within each governmental function. The Town Commission approved budget amendments for the General Fund totaling \$3,974,015 during the year, which increased the original General Fund appropriations from \$10,497,415 to a revised total of \$14,471,430. For the Community Redevelopment Fund, approved budget amendments totaled \$2,420,000 during the year, which increased the original appropriations from \$1,756,664 to a revised total of \$4,176,664.

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. The budget and related millage rates are legally enacted through passage of an ordinance. Effective for fiscal year ending September 30, 2009, 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 Town or a department must be approved by the Town Commission; however, changes within a department which do not affect the total departmental expenditures may be approved by the Town Manager. Accordingly, the legal level of control is at the department level.

**TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2008**

NOTE A - BUDGETARY ACCOUNTING (Continued)

7. All unencumbered balances lapse at the end of each fiscal year.

The reported budgetary data represents the final appropriated budget after amendments adopted by the 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, Roads Special Revenue Fund, and the Insurance Internal Service Fund on the same modified-accrual basis used to reflect actual revenues and expenditures, except that for budgetary purposes, current year encumbrances are treated as expenditures and transfers in and transfers out are treated as revenues and expenditures, respectively. 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 at pages 77 to 79.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary control in the General Fund. Encumbrances outstanding at year end, if any, are reported as reservations of fund balance for subsequent year expenditures. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year end.

NOTE B - BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedule - General Fund, from pages 66-70, and Community Redevelopment Fund, from page 71, are prepared under the basis of accounting used in preparing the appropriated budget. As indicated in Note A, for budgetary purposes, proceeds from the sale of capital assets are treated as revenues, and current year encumbrances are treated as expenditures. As a result, revenues and expenditures reported in the budget and actual statement differ from the revenues and expenditures reported on the GAAP basis. These differences are reconciled as follows:

**TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2008**

NOTE B - BUDGET AND ACTUAL COMPARISONS (Continued)

	<u>Revenues</u>	<u>Expenditures</u>
General Fund		
Current year encumbrances outstanding at year end	\$	\$ 41,790
Prior year encumbrances paid in the current year		(58,338)
Net encumbered amount		(16,548)
Transfers	421,992	3,155,494
Proceeds from the sale of capital assets	630	
Loan proceeds	3,717,488	
Net differences – GAAP and budgetary basis	4,140,110	3,138,946
GAAP basis	9,327,176	10,232,970
Budgetary basis	<u>\$ 13,467,286</u>	<u>\$13,371,916</u>
Community Redevelopment Fund		
Current year encumbrances outstanding at year end	\$	\$ 1,068,194
Prior year encumbrances paid in the current year		(14,954)
Net encumbered amount		1,053,240
Transfers	3,155,494	
Proceeds from the sale of capital assets		
Net differences – GAAP and budgetary basis	3,155,494	1,053,240
GAAP basis	307,239	2,139,231
Budgetary basis	<u>\$ 3,462,733</u>	<u>\$ 3,192,471</u>

NOTE C – 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, 2008

	Debt Service Fund	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
		Streets & Roads Fund	Capital Projects Bond Fund	Special Projects Fund	
Assets					
Pooled cash and cash equivalents	\$ 117,856	\$	\$ 211,467	\$	\$ 329,323
Investments	1,924		9,720		11,644
Accounts receivable		6,926		960	7,886
Due from other governments		20,877		114,616	135,493
Total assets	\$ 119,780	\$ 27,803	\$ 221,187	\$ 115,576	\$ 484,346
Liabilities and fund balances					
Liabilities					
Accounts payable	\$	\$ 4,618	\$	\$ 3,652	\$ 8,270
Accrued items		4,660			4,660
Deferred revenue				120,550	120,550
Due to other funds		93,481	155,040	30,814	279,335
Total liabilities		102,759	155,040	155,016	412,815
Fund balances (deficit)					
Reserved for/reported in:					
Encumbrances		3,519		22,777	26,296
Debt service / Debt Service Fund	119,780				119,780
Unreserved					
Undesignated (deficit)					
Special revenue funds		(78,475)			(78,475)
Capital projects fund			66,147	(62,217)	3,930
Total fund balances	119,780	(74,956)	66,147	(39,440)	71,531
Total liabilities and fund balances	\$ 119,780	\$ 27,803	\$ 221,187	\$ 115,576	\$ 484,346

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	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	\$ 646,820	\$	\$	\$	\$ 646,820
Intergovernmental		425,600		417,166	842,766
Miscellaneous	1,220	14,743	6,165	950	23,078
Total revenues	<u>648,040</u>	<u>440,343</u>	<u>6,165</u>	<u>418,116</u>	<u>1,512,664</u>
Expenditures					
Current					
Transportation		289,197			289,197
Culture and recreation				18,200	18,200
Capital outlay		75,340		544,211	619,551
Debt service					
Principal	477,269	4,278			481,547
Interest charges	290,838	633			291,471
Total expenditures	<u>768,107</u>	<u>369,448</u>		<u>562,411</u>	<u>1,699,966</u>
Excess of revenues over (under) expenditures	<u>(120,067)</u>	<u>70,895</u>	<u>6,165</u>	<u>(144,295)</u>	<u>(187,302)</u>
Other financing sources (uses)					
Transfers in				290,527	290,527
Transfers out		(99,996)	(290,527)		(390,523)
Total other financing sources (uses)		<u>(99,996)</u>	<u>(290,527)</u>	<u>290,527</u>	<u>(99,996)</u>
Net changes in fund balances	<u>(120,067)</u>	<u>(29,101)</u>	<u>(284,362)</u>	<u>146,232</u>	<u>(287,298)</u>
Fund balances - beginning (deficit)	<u>239,847</u>	<u>(45,855)</u>	<u>350,509</u>	<u>(185,672)</u>	<u>358,829</u>
Fund balances - ending (deficit)	<u>\$ 119,780</u>	<u>\$ (74,956)</u>	<u>\$ 66,147</u>	<u>\$ (39,440)</u>	<u>\$ 71,531</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Debt Service Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes	\$ 644,361	\$ 644,361	\$ 646,820	\$ 2,459
Investment earnings	15,300	15,300	1,220	(14,080)
Fund balance appropriation	108,446	108,446		(108,446)
Total revenues	<u>768,107</u>	<u>768,107</u>	<u>648,040</u>	<u>(120,067)</u>
 Expenditures				
Debt service	<u>768,107</u>	<u>768,107</u>	<u>768,107</u>	
 Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (120,067)</u>	<u>\$ (120,067)</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 394,673	\$ 470,048	\$ 440,343	\$ (29,705)
Total revenues	<u>394,673</u>	<u>470,048</u>	<u>440,343</u>	<u>(29,705)</u>
Expenditures				
Transportation	319,673	370,048	368,748	1,300
Transfer to General Fund	75,000	100,000	99,996	4
Total expenditures	<u>394,673</u>	<u>470,048</u>	<u>468,744</u>	<u>1,304</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (28,401)</u>	<u>\$ (28,401)</u>

PROPRIETARY FUNDS

Internal Service Fund
Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Contributed revenue	\$	\$ 452,700	\$ 452,656	\$ (44)
Expenditures				
Personal services		167,575	167,566	9
Operating services		267,205	266,624	581
Other		17,920		17,920
Total expenditures		<u>452,700</u>	<u>434,190</u>	<u>18,510</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 18,466</u>	<u>\$ 18,466</u>

FIDUCIARY FUNDS

Pension Trust Funds

Retired Police Officers' Pension Trust Fund

Municipal Firemen's Pension Trust Fund

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Fiduciary Net Assets
September 30, 2008

	Retured Police Officers' Pension Fund	Municipal Firemen's Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 46,460	\$ 1,086	\$ 47,546
Investments			
Closed end equity funds	1,069,037		1,069,037
Closed end taxable bond funds	467,749		467,749
Receivables			
Contributions		1,204,200	1,204,200
Prepaid retirement benefits	10,622		10,622
Total assets	<u>1,593,868</u>	<u>1,205,286</u>	<u>2,799,154</u>
LIABILITIES			
Accounts payable		6,262	6,262
Termination refunds payable		1,197,938	1,197,938
Total liabilities		<u>1,204,200</u>	<u>1,204,200</u>
Net Assets			
Held in trust for pension benefits	<u>\$ 1,593,868</u>	<u>\$ 1,086</u>	<u>\$ 1,594,954</u>

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Changes in Fiduciary Net Assets
Employee Retirement Funds
For the Year Ended September 30, 2008

	Retired Police Officers' Pension Fund	Municipal Firemen's Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$	\$ 562,454	\$ 562,454
Investment income:			
Net decrease in fair value of investments	(315,402)		(315,402)
Interest and dividends	61,057		61,057
Net investment income	<u>(254,345)</u>		<u>(254,345)</u>
Total additions	<u>(254,345)</u>	<u>562,454</u>	<u>308,109</u>
Deductions:			
Retirement benefits	166,881		166,881
Refunds of contributions		556,192	556,192
Administrative expenses	12,533	18,432	30,965
Total deductions	<u>179,414</u>	<u>574,624</u>	<u>754,038</u>
Change in net assets	(433,759)	(12,170)	(445,929)
Net assets held in trust for pension benefits, beginning of year	<u>2,027,627</u>	<u>13,256</u>	<u>2,040,883</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 1,593,868</u>	<u>\$ 1,086</u>	<u>\$ 1,594,954</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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. These schedules include:</i>	
Net Assets by Component	82
Changes in Net Assets	83-84
Fund Balances, Governmental Funds	85-86
Changes in Fund Balances, Governmental Funds	87-88
Revenue Capacity	
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Governmental Funds Tax Revenues by Source	89
General Government Revenue by Source	90-91
Assessed Value of Taxable Property	92
Direct and Overlapping Property Tax Rates	93-94
Principal Property Taxpayers	95
Property Tax Levies and Collections	96
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Ratios of Outstanding Debt by Type	97-98
Direct and Overlapping Governmental Activities Debt	99
Pledged-Revenue Coverage	100
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Demographic and Economic Statistics	101
Principal Employers	102
Operating Information	
<i>These schedules contain service and infrastructure data to help understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	
Full-Time Equivalent Town Government Employees by Function	103
Operating Indicators by Function/Program	104
Capital Asset Statistics by Function/Program	105

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 Assets by Component
Last Five Fiscal Years
(Accrual Basis of Accounting) Unaudited

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ (2,042,578)	\$	\$ (1,219,252)	\$ 179,115	\$ 1,781,760
Restricted	88,879	114,301	149,558	239,847	119,780
Unrestricted	<u>2,268,630</u>	<u>1,640,854</u>	<u>3,711,384</u>	<u>3,838,721</u>	<u>3,060,834</u>
Total governmental activities net assets	<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					
Invested in capital assets, net of related debt	\$ 1,957,744	\$ 3,666,688	\$ 4,240,204	\$ 4,461,916	\$ 4,066,900
Restricted		292,141	61,648		
Unrestricted	<u>2,094,262</u>	<u>904,990</u>	<u>996,718</u>	<u>146,230</u>	<u>(298,208)</u>
Total business-type activities net assets	<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					
Invested in capital assets, net of related debt	\$ (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	<u>4,362,892</u>	<u>2,545,844</u>	<u>4,708,102</u>	<u>3,984,951</u>	<u>2,762,626</u>
Total primary government net assets	<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>

Information prior to fiscal year 2004 is not available.

TOWN OF LAKE PARK, FLORIDA
Changes in Net Assets
Last Five 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
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
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					
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:					
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
Operating contributions and grants					
Marina	210,807	22,098			
Sanitation		354,529	259,527		
Capital contributions and grants					
Marina		240,193		825	
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>

Information prior to fiscal year 2004 is not available.

TOWN OF LAKE PARK, FLORIDA
Changes in Net Assets
Last Five 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 assets					
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
Sales tax	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 equipment		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 assets					
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>

Information prior to fiscal year 2004 is not available.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General fund				
Reserved	\$ 128,114	\$ 95,607	\$ 9,381	\$ 5,778
Unreserved				
Designated for subsequent years budget	232,446	232,446		
Undesignated	<u>837,592</u>	<u>252,655</u>	<u>162,832</u>	<u>844,854</u>
Total general fund	<u>\$ 1,198,152</u>	<u>\$ 580,708</u>	<u>\$ 172,213</u>	<u>\$ 850,632</u>
 All other governmental funds				
Reserved	\$	\$	\$	\$
Unreserved				
Designated for capital projects	5,090,905	2,955,751	2,014,209	995,018
Designated for subsequent year's budget				
Undesignated, reported in:				
Debt service fund	(199,652)	(199,652)	29,108	
Special revenue funds	54,175	17,823		(191,130)
Capital projects fund	<u>(244,666)</u>	<u></u>	<u>(187,647)</u>	<u>61,951</u>
Total all other governmental funds	<u>\$ 4,700,762</u>	<u>\$ 2,773,922</u>	<u>\$ 1,855,670</u>	<u>\$ 865,839</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 8,617	\$ 44,961	\$ 177,971	\$ 135,074	\$ 946,499	\$ 1,379,773
<u>1,590,425</u>	<u>1,879,919</u>	<u>2,672,593</u>	<u>3,138,613</u>	151,963 <u>1,010,346</u>	121,572 <u>686,285</u>
<u>\$ 1,599,042</u>	<u>\$ 1,924,880</u>	<u>\$ 2,850,564</u>	<u>\$ 3,273,687</u>	<u>\$ 2,108,808</u>	<u>\$ 2,187,630</u>
\$ 37,698	\$ 88,879	\$ 114,301	\$ 149,558	\$ 1,590,692	\$ 2,754,260
(755) <u>(45,208)</u>	<u>(94,042)</u>	<u>135,371</u>	<u>244,852</u>	849,579 <u>164,837</u>	883,122 <u>3,930</u>
<u>\$ (8,265)</u>	<u>\$ (5,163)</u>	<u>\$ 249,672</u>	<u>\$ 394,410</u>	<u>\$ 2,605,108</u>	<u>\$ 3,641,312</u>

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenues				
Taxes	\$ 3,715,803	\$ 4,147,131	\$ 4,362,132	\$ 4,182,729
Licenses and permits	434,425	339,578	365,051	508,963
Intergovernmental	1,359,453	2,308,263	1,933,638	2,769,313
Charges for services	78,889	388,342	394,239	472,350
Fines and forfeitures	161,613	233,237	150,464	62,424
Miscellaneous	331,328	372,532	257,149	202,261
Total revenues	<u>6,081,511</u>	<u>7,789,083</u>	<u>7,462,673</u>	<u>8,198,040</u>
Expenditures				
General government	901,006	965,743	1,163,835	1,152,324
Public safety	3,090,035	3,899,379	3,519,712	3,545,800
Physical environment	244,035	257,822	275,769	272,708
Transportation	262,567	339,520	363,213	417,061
Culture and recreation	696,025	725,023	779,045	622,652
Capital outlay	4,169,381	3,737,832	1,895,528	1,724,583
Debt service				
Principal	251,000	372,211	416,196	464,038
Interest	372,902	449,365	436,122	422,133
Other debt service charges				
Total expenditures	<u>9,986,951</u>	<u>10,746,895</u>	<u>8,849,420</u>	<u>8,621,299</u>
Excess of revenues over (under) expenditures	(3,905,440)	(2,957,812)	(1,386,747)	(423,259)
Other financing sources (uses)				
Transfers in	371,375	372,343	130,099	278,566
Transfers out	(131,551)	(122,343)	(70,099)	(214,290)
Proceeds from sale of assets				
Bonds issued	5,000,000			
Loan proceeds				
Capital lease obligations		163,528		47,571
Total other financing sources (uses)	<u>5,239,824</u>	<u>413,528</u>	<u>60,000</u>	<u>111,847</u>
Net change in fund balances	<u>\$ 1,334,384</u>	<u>\$ (2,544,284)</u>	<u>\$ (1,326,747)</u>	<u>\$ (311,412)</u>
Debt service as a percentage of non-capital expenditures	<u>12.01%</u>	<u>13.28%</u>	<u>13.97%</u>	<u>14.74%</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	4,536,447	\$ 4,803,203	\$ 5,556,457	\$ 6,369,786	\$ 7,286,723	\$ 7,165,046
	479,752	412,858	786,175	567,044	695,726	579,519
	2,180,062	1,823,113	2,415,388	2,356,210	2,323,977	2,681,555
	163,004	176,671	161,681	239,705	254,759	295,517
	68,319	68,979	100,642	185,234	220,724	174,643
	635,643	116,780	162,248	600,715	421,268	250,799
	<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>	<u>11,147,079</u>
	1,343,427	1,291,440	1,451,403	1,594,394	1,701,253	3,267,652
	2,915,117	3,069,983	3,814,984	4,302,722	4,992,454	5,206,596
	342,981	355,001	357,690	835,987	551,320	368,740
	499,871	512,437	550,861	809,325	573,007	626,366
	646,691	699,347	806,050	940,868	1,330,674	1,039,190
	1,799,244	282,527	116,093	1,008,895	1,126,772	2,699,269
	397,570	417,354	448,808	472,830	510,523	538,385
	390,570	372,129	356,611	339,199	320,294	308,481
						17,488
	<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>	<u>14,072,167</u>
	(272,244)	401,386	1,280,091	14,474	96,880	(2,925,088)
	160,550			46,107	867,005	3,868,013
	(81,164)	(140,549)		(46,107)	(792,005)	(3,546,017)
		226,870	243,905	256,897	5,742	630
						3,717,488
		<u>61,606</u>	<u>84,453</u>	<u>103,185</u>		
	<u>79,386</u>	<u>147,927</u>	<u>328,358</u>	<u>360,082</u>	<u>80,742</u>	<u>4,040,114</u>
\$	<u>(192,858)</u>	<u>\$ 549,313</u>	<u>\$ 1,608,449</u>	<u>\$ 374,556</u>	<u>\$ 177,622</u>	<u>\$ 1,115,026</u>
	<u>13.71%</u>	<u>13.32%</u>	<u>11.54%</u>	<u>9.57%</u>	<u>9.08%</u>	<u>8.06%</u>

TOWN OF LAKE PARK, FLORIDA
Governmental Funds Tax Revenues by Source
Last Five 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	260,282	8,360,336
2008	6,156,686	630,215	681,568	505,783	246,643	8,220,895

Information prior to fiscal year 2004 is not available.

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

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- governmental</u>	<u>Charges for Services</u>
1999	\$ 3,340,126	\$ 434,425	\$ 1,135,751	\$ 77,015
2000	3,379,024	339,578	1,211,537	388,342
2001	3,594,025	365,051	1,172,447	394,239
2002	3,418,867	508,963	1,843,363	472,350
2003	3,580,692	479,752	1,360,445	163,004
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

Fiscal Year	Fines and Forfeitures	Miscellaneous	Other Financing Sources	Total	Annual Percentage Increase (Decrease)
1999	\$ 161,613	\$ 157,102	\$ 250,000	\$ 5,556,032	4.1 %
2000	233,237	129,026	463,528	6,144,272	7.1 %
2001	150,464	125,894	60,000	5,862,120	(4.6) %
2002	62,424	188,848	324,980	6,819,795	16.3 %
2003	68,319	377,760	160,550	6,190,522	(9.2) %
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 %

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					
1999	\$ 117,288,814	\$ 71,553,403	\$ 30,352,466	\$ 669,941	\$ 219,864,624	8.3914	\$ 219,864,624
2000	138,971,356	117,061,877	28,694,715	692,324	285,420,272	11.1614	285,420,272
2001	145,630,576	123,636,530	30,157,262	730,032	300,154,400	10.9914	300,154,400
2002	160,685,977	129,724,663	33,497,336	732,819	324,640,795	10.9914	324,640,795
2003	175,705,535	139,504,494	36,001,397	859,592	352,071,018	10.8500	352,071,018
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

(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) Palm Beach County		
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	Total County Millage
1999	8.3914	1.4484	9.8398	4.6000	0.2582	4.8582
2000	8.3914	2.7700	11.1614	4.6000	0.3456	4.9456
2001	8.3914	2.7700	11.1614	4.6000	0.3362	4.9362
2002	8.3914	2.6000	10.9914	4.5500	0.3851	4.9351
2003	8.3500	3.0358	11.3858	4.5000	0.3084	4.8084
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

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
9.179	0.503	9.682	2.2343	26.6143
8.587	0.456	9.043	2.1856	27.3356
8.487	0.431	8.918	2.2630	27.2786
8.547	0.401	8.948	2.4558	27.3303
8.427	0.352	8.779	2.4883	27.4615
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	25.1285
7.712	0.160	7.872	2.3254	23.9749
7.356		7.356	2.1308	22.0531

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

	2008			Percentage of Total Taxes Levied
	Taxable Assessed Valuation	Taxes	Rank	
Lake Park Owner LLC	28,000,000	238,456	1	3.38%
Wal Mart Stores East LP	22,608,492	192,533	2	2.91%
SC Lake Park Associates LLLP	15,000,000	127,745	3	3.21%
Lake Park Square Joint Venture	13,000,012	110,712	4	3.22%
Mullinax Ford of PBC, LLC	12,065,113	102,750	5	3.46%
Twin Cities Investors Inc	10,704,131	91,154	6	2.86%
Trust Lake Park LTD	10,700,000	91,124	7	2.83%
Northlake Square East LLC	10,000,999	85,172	8	3.47%
Earl Stewart LLC	8,908,945	75,871	9	3.25%
Lake Park Portfolio LLC	8,534,818	72,682	10	3.14%
WHCB Real Estate				
Nicholas B. Smith				
New Plan Realty Trust				
Phillip D. Lewis				
Communitis Finance Co.				
Stuart Enterprise Inc.				
3100 Blvd. Inc.				
John A. Holley, Jr.				
Northlake Picadilly Associates				
Totals	<u>\$ 139,522,510</u>	<u>\$ 1,188,199</u>		<u>31.73%</u>

Source: Palm Beach County Property Appraiser.

	1999			Percentage of Total Taxes Levied
	Taxable Assessed Valuation	Taxes	Rank	
Lake Park Owner LLC				
Wal Mart Stores East LP				
SC Lake Park Associates LLLP				
Lake Park Square Joint Venture				
Mullinax Ford of PBC, LLC				
Twin Cities Investors Inc	2,570,601	2,157	7	3.07%
Trust Lake Park LTD				
Northlake Square East LLC				
Earl Stewart LLC				
Lake Park Portfolio LLC				
WHCB Real Estate	10,600,000	44,250	1	13.91%
Nicholas B. Smith	7,375,094	19,362	2	9.20%
New Plan Realty Trust	6,623,500	19,273	3	9.18%
Phillip D. Lewis	6,523,073	17,398	4	8.72%
Communitis Finance Co.	6,473,921	13,735	5	7.75%
Stuart Enterprise Inc.	3,216,718	4,271	6	4.32%
3100 Blvd. Inc.	2,570,601	2,087	8	3.02%
John A. Holley, Jr.	2,504,902	1,926	9	2.90%
Northlake Picadilly Associates	2,000,000	1,619	10	2.66%
Totals	<u>\$ 50,458,410</u>	<u>\$ 126,078</u>		<u>64.73%</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
1999	\$ 2,287,535	\$ 2,177,972	95.2 %	\$ 25,215
2000	3,102,751	2,968,734	95.7 %	13,782
2,001	3,235,477	3,073,411	95.0 %	32,712
2002	3,369,838	3,196,069	94.8 %	16,426
2003	3,625,081	3,517,408	97.0 %	19,212
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

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
1999	\$ 2,203,187	96.3 %	\$ 127,875	5.6 %
2000	2,982,516	96.1 %	120,235	3.9 %
2001	3,106,123	96.0 %	110,002	3.4 %
2002	3,212,495	95.3 %	158,510	4.7 %
2003	3,536,620	97.6 %	158,510	4.4 %
2004	3,711,359	96.3 %	144,146	3.7 %
2005	4,251,570	96.5 %	181,547	4.1 %
2006	4,898,976	96.4 %	365,286	7.2 %
2007	6,007,871	96.8 %	383,426	6.2 %
2008	5,878,290	93.1 %	394,309	6.2 %

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

Source: Palm Beach County Property Appraiser

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

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Lease Obligations</u>	<u>Loans Payable</u>	<u>Total Governmental Activities</u>	<u>Percentage of Taxable Value of Property</u>	<u>Per Capita(2)</u>
1999	\$ 9,428,125	\$ 77,034	\$	\$ 9,505,159	3.42%	\$ 1,387.01
2000	9,099,105	197,682		9,296,787	3.35%	1,066.02
2001	8,754,434	129,803		8,884,237	2.67%	1,019.07
2002	8,393,364	58,285		8,451,649	2.78%	969.78
2003	8,015,113	22,609		8,037,722	1.90%	918.70
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	0.88%	706.40
2008	5,836,031	63,034	3,717,488	9,616,553	1.40%	1032.48

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

(1) The Town does not have a legal debt margin

(2) Personal income information is not available for the population of the Town.

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 (2)
\$	\$ 269,827	\$ 74,198	\$ 344,025	\$ 9,849,184	6,853	3.98%	\$ 1,437.21
	734,279	39,957	774,236	10,071,023	8,721	2.88%	1,154.80
	1,435,830		1,435,830	10,320,067	8,718	2.82%	1,183.77
	896,569		896,569	9,348,218	8,715	2.52%	1,072.66
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

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2008
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	\$ 5,836,031	100%	\$ 5,836,031
Obligations under capital lease	63,034	100%	63,034
Other debt			
Palm Beach County	290,410,000	0.684%	1,986,404
Palm Beach County School Board	35,805,000	0.684%	<u>244,906</u>
Total direct and overlapping debt			8,130,375
Estimated town population			<u>9,314</u>
Total per capita			\$ 872.92

(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	
1999	\$ N/A	\$ N/A	\$ N/A	\$ N/A	N/A	
2000	N/A	N/A	N/A	N/A	N/A	
2001	N/A	N/A	N/A	N/A	N/A	
2002	N/A	N/A	N/A	N/A	N/A	
2003	N/A	N/A	N/A	N/A	N/A	
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)	

(1) Expense is exclusive of depreciation.

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

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

<u>Fiscal Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income</u>	<u>Average Household Income⁽²⁾</u>	<u>Median Age⁽²⁾</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment⁽²⁾</u>	<u>Unemployment Rate⁽²⁾</u>
1999	6,853	N/A	\$ 36,057		N/A	633	5.8%
2000	8,721	N/A	40,044		N/A	633	4.1%
2001	8,718	N/A	41,907		N/A	515	5.5%
2002	8,715	N/A	42,430		N/A	515	5.5%
2003	8,749	N/A	43,626		N/A	516	6.3%
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	N/A	40,864	35	N/A	420	4.0%
2008	9,314	N/A	44,397	35	N/A	392	6.4%

Data Sources:

- (1) The population for 1997 through 2000 and 2003 through 2006 was obtained from the University of Florida, Bureau of Economic Business Administration. The population for 2001 and 2002 was obtained from the 2000 U.S. Census Bureau count.
- (2) Business Development Board of Palm Beach County. Data is the for the Town of Lake Park.

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

	2008			1999		
	<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	21,718	1	N/A	17,000	1	N/A
Palm Beach County	11,319	2	N/A	9,000	2	N/A
Tenet Healthcare Corp.	4,500	3	N/A	N/A	N/A	N/A
Florida Power & Light (Headquarters)	3,632	4	N/A	2,300	10	N/A
Hospital Corporation of America	3,395	5	N/A	N/A	N/A	N/A
Wackenhut	3,000	6	N/A	N/A	N/A	N/A
Florida Atlantic University	2,838	7	N/A	3,100	8	N/A
Veterans Health Administration	2,207	8	N/A	N/A	N/A	N/A
Office Depot (Headquarters)	2,100	9	N/A	1,500	N/A	N/A
Boca Raton Community Hospital	2,100	10	N/A	2,000	N/A	N/A
Totals	<u>56,809</u>		<u>N/A</u>	<u>N/A</u>		<u>N/A</u>

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

(2) N/A: Not available.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government										
Town Manager	4	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	1	2	2	2	2	2	1
Town Clerk	3	3	2	2	2	2	2	2	2	2
Finance	5	5	5	5	5	5	5	5	5	5
Information technology	-	-	-	-	-	-	-	1	1	1
Public Safety										
Police	37	37	37	-	-	-	-	-	-	-
Fire	12	12	12	12	-	-	-	-	-	-
Community development	7	7	5	4	4	4	5	5	7	8
Physical Environment										
Public works	9	7	7	6	6	5	7	8	9	11
Vehicle maintenance	3	3	3	2	2	2	2	2	2	2
Transportation										
Transportation	-	-	-	-	3	3	3	3	3	2
Culture and Recreation										
Library	3	5	5	5	5	5	3	3	6	6
Park maintenance	6	6	6	6	6	6	6	6	8	8
Recreation	3	2	2	2	2	2	2	2	2	3
Marina										
	5	5	5	5	-	1	5	5	5	5
Sanitation										
	<u>7</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>10</u>	<u>8</u>
Total	<u><u>105</u></u>	<u><u>105</u></u>	<u><u>102</u></u>	<u><u>62</u></u>	<u><u>48</u></u>	<u><u>48</u></u>	<u><u>53</u></u>	<u><u>55</u></u>	<u><u>65</u></u>	<u><u>65</u></u>

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

Function	2005	2006	2006	2007	2008
Public Safety					
Community development					
Code violations	960	1,571	1,534	1,612	1,722
Building permits issued	861	1,784	1,140	841	841
Value of permits (in thousands)	16,796	37,679	20,121	24,835	189,451
Transportation					
Street resurfacing (miles)			3	-	1
Pot holes repaired			70	215	160
Culture and Recreation					
Library					
Circulation	28,788	24,972	23,021	26,789	23,296
Programs offered	190	467	430	434	468
Park maintenance					
Acres of parks	69	69	69	69	69
Recreation					
Recreation programs offered	8	10	12	18	15
Recreation program attendance	289	304	394	431	419
Youth athletic participants	15	185	210	263	241
Marina					
Available slips	-	103	103	103	103
Sanitation					
Residential customers	377	369	357	3,698	3,698
Commercial customers	300	300	300	367	275
Refuse collected (tons)	11,610	12,685	11,381	9,222	9,260
Recyclables collected (tons)	248	283	282	573	655

Sources: Town departments

Note: Data is not available for fiscal years prior to 2000.

N/A: Not available.

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

Function/Program	2004	2005	2006	2007	2008
Public Safety (contracted to Palm Beach County)					
Police Station - County	1	1	1	1	1
Fire Station - County	1	1	1	1	1
Transportation					
Roads & Streets					
Street Lights	300	331	331	331	340
Lane Miles	64	64	64	64	64
Culture and Recreation					
Marina					
Wet Slips	-	103	103	103	103
Library					
Books	28,048	29,582	30,413	28,257	33,233
Leisure Services					
Ballfields - lighted	2	2	2	2	2
Basketball courts	1	1	1	2	2
Soccer fields	1	1	1	1	1
Tennis courts	2	2	2	6	6
Parks	5	5	5	5	6
Sanitation					
Garbage Trucks	8	8	8	10	14
Water/Sewer					
(Provided by Seacoast Utility)					

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

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

We have audited 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, 2008, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated April 8, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Lake Park, Florida's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Lake Park, Florida's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Lake Park, Florida's ability to initiate,

authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Lake Park, Florida's financial statements that is more than inconsequential will not be prevented or detected by the Town of Lake Park, Florida's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting:

2001-1: Written Policies and Procedures

Although we noted significant improvements in internal controls from the prior year, there has been no formal documentation or codification of the current policies and procedures. 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. 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.

2008-1: Financial Closing and Reporting

We noted deficiencies in internal controls over financial closing and reporting that resulted in reporting errors and required adjustments during the audit. We recommend that policies and procedures be revised to ensure that account balances are reconciled in a timely manner; that schedules used to reconcile accounts agree to the trial balance; and that internal controls over the financial closing reporting process are sufficient to identify, correct, and record year-end adjustments on a timely basis.

2008-2: Grant Administration

Deficiencies in internal controls over grant administration at September 30, 2008 exposed the Town to the risk of disallowed costs and delays in funding. Although overall grant expenditures were within the project budget, grant expenditures for individual line items were greater than the approved budget amount in the grant agreement. We recommend that written procedures be put in place for the evaluation of all grant proposals before submission and a standard set of written policies and procedures should be developed for monitoring grant compliance requirements. These procedures should include developing checklists of grant compliance requirements, budgets, deadlines, and the person responsible for the grant. We recommend that management reconcile grant activity, including budget to actual

comparisons, on a quarterly basis and submit requests for reimbursement on a timely basis to improve cash flow to the Town.

2008-3: Adjusting journal entries

We noted deficiencies in internal controls over adjusting journal entries which, if uncorrected, expose the Town to the risk of errors or omissions in financial reporting or fraudulent transactions. The Town does not have a policy that requires that entries be approved by the supervisor of the person proposing the entry, nor that requires that adequate supporting documentation be attached the entry to allow for this review. We recommend that each journal entry should have adequate supporting information to identify the nature and purpose of the entry and that all entries be approved by someone other than the person proposing the entry. For entries proposed by the Finance Director, the Town could establish a dollar limit over which any adjustments that are made are reviewed and authorized by the Town Manager.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Lake Park, Florida's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

However, we believe that items 2008-1 and 2008-2 of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Lake Park, Florida's financial statements are free of 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*.

We noted certain matters that we have reported to management of the Town of Lake Park, Florida in the attached management letter dated April 8, 2009.

The Town of Lake Park, Florida's response to the findings identified in our audit is described in the attached letter dated April 8, 2009. We did not audit Town of Lake Park, Florida's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Town Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimes, P.A.

April 8, 2009
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER

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

We have audited the basic financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2008, and have issued our report thereon dated April 8, 2009.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated April 8, 2009, should be considered in assessing the results of our audit.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which require that we address certain compliance and other matters in the management letter, if not already addressed in the auditor's report on internal control over financial reporting and on compliance and other matters.

The Town of Lake Park, Florida's responses to the findings identified in our audit are described in the attached letter dated April 8, 2009. We did not audit Town of Lake Park, Florida's response and, accordingly, we express no opinion on it.

PRIOR YEAR COMMENTS

The Rules of the Auditor General require that we address in the management letter, if not already addressed in the auditor's report on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed.

As noted in the auditor's report on internal control over financial reporting and on compliance and other matters, Item 2001-1, *Written Policies and Procedures*, is a prior year comment that continues to apply. Other prior year comments that continue to apply are listed below:

2001: Arbitrage Rebate Calculation

The Town has not performed an arbitrage rebate calculation for its outstanding bond issues. We recommend that the Town determine if a calculation is required and, if so, contract for this service to accurately determine if there is an arbitrage rebate liability for its bond.

2007-2: Providing for an allowance for doubtful accounts

Although management has established new billing procedures, we noted that the procedures are not uniformly applied to all customer accounts and adequate provisions for uncollectable accounts were not recorded. We recommend that management apply the same collection procedures to all accounts. We also recommend that management reconcile accounts receivable monthly to identify and collect past due balances. For those accounts deemed to be uncollectible, we recommend that management establish an allowance for doubtful accounts.

2007-3: Reconciliation of employee liability accounts

At September 30, 2008, the Town was not performing reconciliations of the employee flexible spending account. Although the Town liability is not significant, the employee-funded flexible spending account ("flex plan") is funded by employee contributions through payroll deductions. In the flex plan, employees may apply future contributions against current medical expenses but, in accordance with IRS regulations and plan documents, any unused employee contributions to the Flex plan are forfeited if not used during the plan year.

Although the Town liability is not significant, the account should be reconciled monthly and should agree with supporting detail. This reconciliation also needs to be performed timely to comply with IRS regulations concerning forfeited contributions and to appropriately record transactions to reflect gains or losses to the Town from forfeited contributions or excess liabilities incurred by the Town.

2007-5: Capital Assets

We commend management on the significant improvements noted in internal controls over financial reporting of capital assets. However, although the Town has procedures in place to record the expense for capital acquisitions in capital outlay and to capitalize expenditures for assets with an acquisition cost in excess of \$750 and an estimated life over one year, we noted a number of exceptions to these procedures:

- a. Additions to capital assets were recorded in other expense accounts and were not properly capitalized or depreciated.
- b. Capital expenditures for an enterprise fund were recorded in the General Fund and the asset was not capitalized.
- c. The value of assets traded-in and transferred from an enterprise fund to a governmental fund was not recorded.
- d. Significant expenditures were incurred for sidewalk repairs that were not capitalized.

Management instituted procedures for reviewing the classification of expenses prior to posting and is training department managers to classify expenditures. In addition to the procedures already in place, we recommend a year-end review of expense accounts with

significant variances and those that are susceptible to posting errors (such as professional fees, supplies, and repairs and maintenance) to better identify any posting errors. The Town should consider increasing the capitalization threshold and setting it based on the class of asset to increase efficiency and the cost-effectiveness of capitalization.

2007-6: Accounting for contractual and legal obligations to pay

At September 30, 2008, the General Fund owed the Community Redevelopment Agency (CRA) Fund \$1,453,477 for unpaid incremental tax revenue dating back to fiscal year 2000. The Town paid the current year incremental tax revenue and penalties and interest, as well as \$500,000 of the past due balance. The penalties and interest for the outstanding balance will continue to accrue until all obligations are met. We recommend that the Town continue to make provisions to repay the amount owed in a timely manner to diminish the additional expense of penalties and interest.

CURRENT YEAR COMMENTS

The following items are current year comments noted in the auditor's report on internal control over financial reporting and on compliance and other matters:

2008-1: Financial closing and reporting

2008-2: Grant administration

2008-3: Adjusting journal entries

The following is an additional current year comment:

2008-4: Segregation of responsibilities

At September 30, 2008, the Finance Department had inadequate segregation of responsibilities over financial transactions. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. We recommend that the Town Manager remain involved in the financial affairs of the Town to provide oversight and review functions. Although management has taken steps to better segregate responsibilities and instituted procedures to mitigate the risk of significant fraud or loss from misappropriation of assets, additional controls are required. We recommend that management review staffing responsibilities and identify areas in which responsibilities may be better segregated between existing staff.

Excess of Expenditures Over Appropriations

There were no departments that had expenditures in excess of appropriations.

Oversight Unit and Component Units

The Town of Lake Park, Florida, is a municipal corporation incorporated in 1923 pursuant to by the Laws of Florida, Chapter 61-2375. Based upon the application of criteria defined in publications cited in Chapter 10.553, Rules of the Auditor General, the Town has determined that there are no component units related to the Town.

Consideration of Financial Emergency Criteria

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires 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, 2008.

Financial Condition Assessment Procedures

Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, 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 provide by management. The results of our procedures did not disclose any matters that are required to be reported.

Annual Financial Report

Section 10.554(1)(i)7.b., Rules of the Auditor General requires that we determine whether the annual financial report for the Town of Lake Park, Florida for the fiscal year ended September 30, 2008, 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, 2008. In connection with our audit, we noted that the two reports were in substantial agreement.

Investment of Public Funds

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the Town's compliance with 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, 2008.

Violations of Contracts and Grant Provisions or Abuse

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit for the fiscal year ended September 30, 2008, we did not have any such findings.

Matters Inconsequential to the Financial Statements

Section 10.554(1)(i)5., Rules of the Auditor General, requires based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures; (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit for the fiscal year ended September 30, 2008, we did not have any such findings.

This report is intended for the information of management, members of the Town Commission, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Nowlen, Holt & Mimes, P.A.

April 8, 2009
West Palm Beach, Florida



TOWN OF LAKE PARK

FINANCE DEPARTMENT

April 9, 2009

The Honorable 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, 2008.

I have received a copy of the Report on Internal Control and the Management Letter and offer the following responses:

REPORT ON INTERNAL CONTROL

Internal Control over Financial Reporting

2001-1: Written Policies and Procedures

Written procedures for many functions of the department had been drafted by the previous staff of the Finance Department. Due to the extensive nature of this undertaking and the limited staff within the Finance Department, the Town will engage an outside consultant to assist with the development of a formal policies and procedures manual. This will be a significant undertaking and will probably not be completed in its entirety by fiscal year-end.

2008-1: Financial closing and Reporting

Year-end procedures include the reconciliation of all balance sheet accounts and supporting documentation is provided to support ending balances. Due to the turnover of staff throughout the Finance Department and the Town in general there were a couple of items that were missed and subsequently corrected. Procedures will be put in place and checklists will be developed to assure that these items will not be overlooked in the future. A complete review of audit schedules will be conducted to ensure that they agree to the trial balances.

2008-2: Grant Administration

The year-end reconciliation of grant expenditures for the FIND grant for the renovation of Lake Shore Park revealed that the approved budget categories within the grant had been exceeded by the actual expenditures within the various categories and a revision was necessary prior to submittal for reimbursement. This was discovered prior to the examination of the grant records

by the auditors and the revision was requested and approved in the new fiscal year. This occurred because the original grant application, submitted two years ago, was prepared by staff that is no longer working for the Town and the current administration identified different priorities that needed to be addressed in order to satisfactorily complete the project.

Finance will work with the Grant Writer and the other Town departments to establish written policies and procedures for monitoring grant compliance requirements. These procedures will include the development of checklists of grant compliance requirements, budgets, deadlines and persons responsible for the grants. Grant activity will be reconciled at least quarterly and reimbursement requests will be submitted on a timely basis.

2008-3: Adjusting Journal Entries

All journal entries are now required to have supporting documentation attached or referenced to a file, depending on volume, to allow for adequate review. Transactions are approved by a supervisor prior to posting. For entries proposed by the Finance Director, the Town will establish a dollar limit over which any adjustments that are made are reviewed and authorized by the Town Manager.

MANAGEMENT LETTER

PRIOR YEAR COMMENTS

2001: Arbitrage rebate calculation

In order to determine if there is an arbitrage liability for the bond, the Town will contract with an arbitrage rebate professional. This is a highly specialized field and the Finance Director does not have the expertise to make this determination.

2007-2: Providing for an allowance for doubtful accounts

At the Marina, the Dockmaster software program has been fully implemented and all of the billings are processed through this software. New customers are required to pay in advance for annual contracts and at the beginning of the month for monthly contracts via credit card. The payments are processed automatically when the bills are produced. Only long-term existing customers are allowed to be billed and pay with a check or cash. Receivables are closely monitored and delinquent accounts are promptly notified. If remedy is not made within a reasonable timeframe, customers are then required to go on Auto Pay with a credit card.

Subsequent to year-end, one long-term customer has gone into arrears on their account. Their boats have been removed from the marina and arrangements are being made to enter into a payment plan for the arrears. An allowance has been established at September 30, 2008, by audit adjustment, for a portion of this arrearage.

In the Sanitation Fund an allowance for doubtful accounts is established at a level equal to the over ninety day accounts receivable balance.

2007-3: Reconciliation of employee liability accounts

Prior to my tenure at the Town, employee-related liabilities were deducted from paychecks in a manner in which reconciliation was impossible. With the start of Fiscal Year 2008, benefit deductions were changed so that the premiums due are deducted in the month preceding coverage and billing. The effective date of coverage for new employees was also changed in order to facilitate this process. Accounts are reconciled on a monthly basis.

The Finance Department will develop procedures to properly account for the activity related to the flexible spending accounts.

2007-5: Capital Assets

Significant progress has been made in the area of capital assets. The review process within the Finance Department is three pronged and usually identifies any misclassifications. The department will implement a year end review of expense accounts in an effort to identify any discrepancies. Additionally, the capitalization thresholds will be reviewed and recommendations will be made, based on current GAAP guidelines, to increase these thresholds where appropriate.

2007-6: Accounting for contractual and legal obligations to pay

Adjustments have been made to record the amounts due from the General Fund to the Community Redevelopment Agency (CRA) and fund balance has been restricted for this obligation. Current year obligations have been paid timely according to statutory requirements. The Town has begun to pay the delinquents amounts due the CRA and will continue to do so annually.

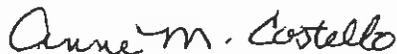
CURRENT YEAR COMMENTS

2008-4: Segregation of responsibilities

With a staff of four it is impossible to completely segregate all responsibilities over financial transactions. Controls are in place to mitigate the risk of significant fraud or loss from misappropriation of assets. Subsequent to year end additional controls have been implemented in an effort to reduce improve internal controls, such as the check control logs for each checking account and additional reviews of edit reports prior to posting transactions. There is significant oversight of all functions within the department that should eliminate the possibility of fraud.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Anne M. Costello
Finance Director

Consent Agenda

TAB 1

**Town of Lake Park Town Commission
Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No. **1**

- | | |
|--|---|
| <input type="checkbox"/> PUBLIC HEARING | <input type="checkbox"/> RESOLUTION |
| <input type="checkbox"/> Ordinance on Second Reading | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> DISCUSSION |
| <input type="checkbox"/> ORDINANCE ON FIRST READING | <input type="checkbox"/> BID/RFP AWARD |
| <input type="checkbox"/> GENERAL APPROVAL OF ITEM | <input checked="" type="checkbox"/> CONSENT AGENDA |
| <input type="checkbox"/> Other: | |

SUBJECT: Notification of Expenditure for Urgent Professional Engineering Services to Develop an Application Package to Become LAP (Local Area Program) Certified in Order for the Town to Independently Execute Projects utilizing Federal and Stimulus Funds

RECOMMENDED MOTION/ACTION: Approve

Approved by Town Manager *W. Davis* Date: 5/14/09

Name/Title

Date of Actual Submittal

Originating Department: Town Manager	Costs: \$11,720 Funding Source: Contingency Acct. # 104-31000	Attachments: Proposal, Purchase Order, Memorandum
Department Review: <input type="checkbox"/> Town Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case _____: Please initial one.

Summary Explanation/Background: The Federal Government mandates very strict guidelines to be followed whenever Federal dollars are utilized to execute an infrastructure

project. The guidelines are so stringent that they generally increase the cost of projects by approximately 30%. In order for the Town to execute projects with routine Federal funding or Stimulus dollars, the Town must be LAP certified. If a jurisdiction receives Federal funding and is not LAP certified, it must enter into an inter-local agreement with a LAP certified county or city for that jurisdiction to perform construction management services for a fee.

The LAP certification application process is very laborious, tedious and time consuming. The Town Manager tried to accomplish the application process with in-house staff well over a year ago. When the Manager learned of the Federal Stimulus dollars becoming available, she hired the Town's consulting engineers, Calvin, Giordano and Associates, Inc. (CGA) to expedite the application process accordingly.

CGA's proposal to complete the work in the amount of \$11,720 exceeds the Manager's authority, therefore this expenditure is being reported to the Commission as an "after the fact" expenditure which was made in the best interest of the Town. Non-Departmental Contingency funds were utilized to accomplish this work.

Purpose: Assist the Town of Lake Park to apply for and receive Local Agency Program (LAP) certification in accordance with the requirements of the Federal Highway Administration (FHWA) as administered by the Florida Department of Transportation (FDOT).

LAP Certification allows a local agency to utilize Federal-Aid funds provided by the FHWA through the FDOT for eligible transportation related projects. These projects, which will be identified and selected through separate project specific applications, may include planning, project development, design and construction. It should be noted that LAP certification is also required for funding under the Emergency Relief funding which may be made available after a natural disaster, such as a hurricane.

LAP Certification may be made in seven functional areas, specifically:

- Planning
- Environmental Documentation
- Design
- Consultant Selection
- Bid and Award Project
- Construction Administration
- Right of Way

Each of these functional areas has its own set of policies and procedures at the federal level as well as the state level. The agency's ability to provide adequate expertise and support staff in each of the functional areas will be used to determine their eligibility for certification within that functional area. Calvin, Giordano & Associates (CGA) will work with the District to achieve certification in as many of these functional areas as possible for the town. This will provide the most flexibility in the future. This flexibility is important to avoid time consuming re-application to amend the agency's type of certification at some future point in time.

Certification: CGA will utilize our experience on past LAP certifications for other local agencies and our relationship with the FDOT's district 4 personnel to assist the Town with their application for LAP Certification. The following specific items are included in this scope:

- Attend Initial meeting with the town to determine the extent to which the town wishes to be certified. At a minimum Consultant Selection and Bid/Award Project are the two functional areas recommended.
- Assist the town with its submittal of their application for LAP certification. Review the submission for completeness and compliance with federal and state regulations pertaining to LAP. CGA will perform this review as a mirror of the FDOT process review and prior to the submission to FDOT to reduce the comments and requests for additional information to a minimum.
- Provide all comments for the town's consideration and back check any changes for conformance with LAP requirements.

- **Meet with the FDOT District LAP Administrator to review and expedite approval of the application. This review process is normally three to six months by FDOT estimate.**

Attend the LAP interview between the District's LAP Administrator and the town's representatives, to assist in demonstrating the town's ability to meet the required provisions of a LAP project.

Although detailed information will normally not be required for certification, as this will be addressed under a project specific Project Selection application, a general knowledge of all functional areas and demonstration of the ability to address them will be considered during the LAP certification process.

Meetings

- **This project scope includes 1 meeting with the town.**
- **This project scope includes 2 meetings with FDOT. These meetings are each anticipated to be 3 hours long, with 2 CGA attendees.**
- **Due to the difficulties of predicting the number or duration of meetings, no meetings other than those specifically identified in this proposal are included in the Schedule of Fees for this proposal. Preparation for and meeting attendance, as necessary, will be provided on a time and materials basis and will be billed at the standard hourly rates.**

Staff Hour Estimate

Function	Unit	# Units	Hours/unit	Hours
Summarize Functional area Requirements	Areas	7	4	28
Initial meeting with Town	people	2	5	10
Review and comment town's application	review	1	16	16
Back check Changes	review	1	4	4
Meet with FDOT	people	2	4	8
Administration and Quality Assurance	people	1	10	10
Total Hours				76
J. Chamberlain	task hours	33	\$120.00	\$3,960.00
R. Pippitt	task hours	33	\$160.00	\$5,280.00
J. Downes	task hours	10	\$210.00	\$2,100.00
Total cost				\$11,340.00

**TOWN OF LAKE PARK
MEMORANDUM**

TO: Anne

FROM: Maria V. Davis, Town Manager

SUBJECT: LAP Certification/CGA

DATE: May 2, 2009

M COPY

The Town is not LAP certified. It must be certified in order to be eligible to execute projects utilizing federal funds. I think County and one or two cities in the County are certified. We and many other cities had to scramble to become LAP certified in order to position ourselves for stimulus and other federal funds.

I had Gini start the process well over a year ago. It is very time consuming and tedious and she never finished it. When the stimulus dollars became available we had to scramble. I pulled the assignment and gave it to CGA.

Long winded story to tell you why there is no P.O. for this. I will take the authorization/notification of the expense to the Commission at the May 20th meeting. The funds will have to come out of non-departmental contingency, but I honestly don't know where you would transfer funds to. The certification is required for PW, CRA and for Marina type infrastructure projects. I think this is a legitimate non-dept'l. expense.

Anyway, please cut a PO and pay this. The total PO should be for \$11,720.

104-31000

Since the certification is for obtaining grant funds and all departments will benefit, I think that it is appropriate to charge the Town Mgr. Prof. Services Acct. The other funds (CRA, Marina) will be paying their share of this through the administrative fees that they pay to the General Fund. I will cover the overrun from contingency.

Anne

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
LOCAL AGENCY CERTIFICATION QUALIFICATION AGREEMENT

525-010-33
PRODUCTION SUPPORT
05/01
Page 1 of 2

AGENCY Town of Lake Park

The noted agency hereby agrees to comply with the following requirements when developing all projects on the Federal Aid Highway Systems:

1. The *Local Agency Program Manual* and all policies and guidelines promulgated by the State of Florida Department of Transportation (FDOT) which accomplish the policies and objectives set forth in Title 23, U.S. Code, Highways and the Regulations issued pursuant thereto.
2. The overall approval authorities and conditions will be as follows:

- a. The designs will be reviewed and approved by the following State of Florida registered Professional Engineer.

Town Engineer

Position Title Only

- b. The hearing's findings (if required) will be reviewed and approved by the following official or officials.

Town Attorney

Position Title or Titles Only

- c. The contract plans, specifications and estimate of cost will be reviewed and approved by the following State of Florida registered Professional Engineer.

Town Engineer

Position Title or Titles Only

- d. Agreements will be signed by the following responsible local official:

(1) Railroad Mayor / Town Manager

Position Title Only

(2) Utility Mayor / Town Manager

Position Title Only

(3) Consultant Mayor / Town Manager

Position Title Only

(4) Technical Services Mayor / Town Manager

Position Title Only

- e. The award of contract will be signed by the following responsible official.

Town Manager or Mayor

Position Title or Titles Only

- f. If there are DBE requirements on a project, the following will be the DBE liaison officer:

Appointed CGA Staff Member

Position Title

- g. All projects will be designed and constructed in conformance with the requirements of the *Local Agency Program Manual*.
 - h. The Contract Administration will be supervised by the following State of Florida registered Professional Engineer.
Town Engineer
Position Title Only
 - i. Construction Administration and Material Sampling and Testing will be accomplished in accordance with the requirements of the *Local Agency Program Manual*.
- 3. The agency agrees that they have the means to provide adequate expertise and will have support staff available to perform the functions being subdelegated. The support staff may include consultant or state services.
 - 4. The agency agrees to submit the names of the approving authorities noted in Section 2 above with each project prospectus.
 - 5. All projects under Local Agency Certification shall be available for review by the FHWA and the State at any time, and all project documents shall be retained and available for inspection during the plan development and construction stages and for a three-year period following acceptance of the project by FHWA.
 - 6. The FDOT District Local Agency Program Administrator's approval of the Local Agency Certification may be rescinded at any time upon request by the local agency or if in the FDOT District Local Agency Program Administrator's opinion it is necessary to do so. The rescission may be applied to all or part of the programs or projects approved in the Local Agency Certification.



Mayor or Chairman (Town Manager)



Date

**STATE OF FLORIDA DEPARTMENT
OF TRANSPORTATION**

The Local Agency is certified in the following functional areas:

<input type="checkbox"/> Design	<input type="checkbox"/> Consultant Selection	<input type="checkbox"/> Bid and Award Project	<input type="checkbox"/> Right of Way	<input type="checkbox"/> Planning	<input type="checkbox"/> Environmental Documentation	<input type="checkbox"/> Construction Administration
---------------------------------	---	--	---------------------------------------	-----------------------------------	--	--

Approved By: _____
District Secretary or Designee

Date

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
FEDERAL REQUIREMENTS LAP CHECKLIST FOR ADMINISTRATIVE OPERATIONS

Local Agency: Town of Lake Park County: Palm Beach Municipality: Lake Park

Requirement	Reference	NHS/ SHS	Non- NHS/ SHS	Non- NHS/ Non- SHS	Non- Federal- Aid Highway/ Non-SHS	Local Agency Responsibility	District Monitoring Responsibilities	Reference	Local Agency Initial	(FDOT) District Initial
1a. Advertising for Bids	23 CFR 635.112(d) (e)(f)(g)(h), 49 CFR 18.36	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	The Local Agency shall advertise authorized projects a minimum of 3 weeks and make available approved plans and specifications to bidders during the advertising period. Approval shall be obtained by the Local Agency prior to issuing any addenda which contains a major change to the approved plans or specifications during the advertising period. The Local Agency shall develop a process specifically for Design Build projects that includes the solicitation for proposals including the submission, modification, revision and withdrawal of proposals.	Review Local Agency procedures, guidelines, policies, etc.	Section 2-248.C		
2a. Bid Opening and Tabulation	23 CFR 635.113(a)	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	The Local Agency shall publicly open and announce either item by item or by total amount all bids received in accordance with the terms of the advertisement. Any bid received and not read aloud, shall have the name of the bidder and the reason for not reading the bid aloud publicly announced at the letting. The Local Agency shall forward Tabulations of bids certified by a responsible official to FDOT. The tabulation shall show: (1) Bid item details for at least the low three acceptable bids and (2) The total amounts of all other acceptable bids. The Local Agency shall develop a process specifically for Design Build projects that includes the handling of proposals and information.	Review Local Agency procedures, guidelines, policies, etc.	Section 2-248.G		

Requirement	Reference	NHS/ SHS	Non- NHS/ SHS	Non- NHS/ Non- SHS	Non- Federal- Aid Highway/ Non-SHS	Local Agency Responsibility	District Monitoring Responsibilities	Reference	Local Agency Initial	(FDOT) District Initial
3a. Bid Analysis and Award of Contract	23 CFR 635.114	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<p>The Local Agency shall examine the unit bid prices of the apparent low bid for reasonable conformance with the engineer's estimate. A written process should be in place for documenting the analysis of bids, determining unbalanced and non-responsive bids, identification of non-responsive bidders and the Local Agency's award/reject recommendation.</p> <p>The Local Agency shall award contracts solely on the basis of the lowest responsive bid submitted by a bidder meeting the criteria of responsibility with the prior approval of FDOT.</p> <p>The Local Agency shall develop a process specifically for Design Build projects that includes the review and evaluation of proposals and the method of announcing the successful proposal.</p>	Review Local Agency procedures, guidelines, policies, etc.	Section 2-249		
4a. Contract time	23 CFR 635.121	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	Provide procedures to be used. May use section 1.2.7 of FDOT CPAM as guide.	Review Local Agency procedures, guidelines, policies, etc.	Section 2-251.A		
5a. Engineer's Estimate	23 CFR 630B	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	If the project is on the NHS the Local Agency must follow FDOT's method of estimating.	Review documents to make sure a valid estimate was done for NHS projects.	N/A		
6a. Project Supervision and Staffing	23 CFR 635.105	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	Outline procedures to ensure compliance with plans and specifications. Must have a full time employee in responsible charge of the project (name and title)	Review Local Agency procedures, guidelines, policies, etc.	Section 2-254		

Requirement	Reference	NHS/ SHS	Non- NHS/ SHS	Non- NHS/ SHS	Non- Federal- Aid Highway/ Non-SHS	Local Agency Responsibility	District Monitoring Responsibilities	Reference	Local Agency Initial	(FDOT) District Initial
7a. Warranty clauses	23 CFR 635.413	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	Provide FDOT with procedures to be used and include FDOT approved procedures in bid documents.	Review Local Agency procedures, guidelines, policies, etc.	Section 2-251		

TAB 2

Town of Lake Park Town Commission Agenda Request Form

Meeting Date: May 20, 2009

Agenda Item No. 2

- | | |
|--|--|
| <input type="checkbox"/> PUBLIC HEARING | <input checked="" type="checkbox"/> RESOLUTION |
| <input type="checkbox"/> Ordinance on Second Reading | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> DISCUSSION |
| <input type="checkbox"/> ORDINANCE ON FIRST READING | <input type="checkbox"/> BID/RFP AWARD |
| <input type="checkbox"/> GENERAL APPROVAL OF ITEM | <input checked="" type="checkbox"/> CONSENT AGENDA |
| <input type="checkbox"/> Other: | |

SUBJECT: Changes to Fee Schedule

RECOMMENDED MOTION/ACTION: Approval

Approved by Town Manager W. J. Davis Date: 5/14/09

Originating Department: Community Development	Costs: \$ N/A Funding Source: Acct. #	Attachments:
Department Review <input checked="" type="checkbox"/> Town Attorney <u>[Signature]</u> <input type="checkbox"/> Community Affairs _____ <input checked="" type="checkbox"/> Community Development <u>[Signature]</u>	<input checked="" type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone <u>[Signature]</u> OR Not applicable in this case _____ Please initial one.

Summary Explanation/Background: Additions and changes to existing fee schedule. See staff report for explanation of specific changes.

Town of Lake Park Community Development Department



Meeting Date: *December 3, 2008*
Memo Date: *May 11, 2009*

Patrick Sullivan, AICP, CED, Director

AS
5/11/09

To: Town Commission

Re: Fee Schedule Changes

This is an update to the existing fee schedule.

1. Name has been changed to "Fee Schedule" to recognize that the schedule has fees other than development fees.
2. [20] Engineering plan review is done through cost recovery and is done by the town's consultant. A separate fee is not appropriate.
3. [30, 31] These two code administrative fees cover a request for an extension of time or abatement of a fine.
4. [33] We have found out that there is no authority to charge an administrative fee for a business tax application. Therefore, we are eliminating the BT fee and increasing the zoning administrative fee by an equal amount. {19, 20, 21}.
5. [32] We are adding an out of town business registration fee because we can't require a business tax from an out of town company that does not have a physical location in town (E.g. landscape services, plumbers, electricians, other contractors).
6. [33] This is a new administrative fee for a name change. It was not listed before.
7. [34] A PADD waiver requires numerous town expenses to go through the process. It requires a hearing before the Planning and Zoning Board and a hearing before the Town Commission. Both hearings require public notice through newspaper advertising and certified mailings. Staff and attorney time is equivalent to other requests that go before both boards. The fee is equivalent to a site plan or special exception review.

Patrick Sullivan, AICP, CED, Director
Community Development Department
881-3319 fax 881-3323
psullivan@lakeparkflorida.gov

RESOLUTION NO. 20-05-09

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA ADOPTING AN AMENDED SCHEDULE OF FEES FOR LAND DEVELOPMENT, PERMIT, AND OTHER ADMINISTRATIVE APPLICATIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Lake Park ("Town") is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

WHEREAS, the Town Commission has previously adopted Resolution No. 53-08-07, pursuant to which the Town Commission established a Schedule of Fees that the Town charges for the review and processing of applications for land use and development orders, permits and other administrative applications; and

WHEREAS, Town staff has recommended that the amended Schedule of Fees as set forth in **Exhibit "A"** attached hereto, and incorporated herein by reference, be adopted to increase and add certain fees.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AS FOLLOWS:

Section 1. The whereas clauses are hereby incorporated as true and correct findings of fact of the Town Commission.

Section 2. The Town Commission hereby adopts the amended Schedule of Fees as contained in **Exhibit "A"** attached hereto and incorporated herein by reference.

Section 3. All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed to the extent of the conflict.

Section 4. This Resolution shall take effect immediately upon passage.

EXHIBIT "A"

<u>SECTION I</u>		
<u>DEVELOPMENT REVIEW PERMIT FEE SCHEDULE</u>		
No.	TYPE OF FEE	FEE
1	Abandonment of rights of way	\$1500.00
2	Abandonment of easements	\$1500.00
3	Appeal of Administrative Decisions	\$600.00
4	Comprehensive Plan amendment	\$1250.00
5	Comprehensive future land use map change	\$1250.00
6	Development of Regional Impact	\$3000.00
	c. Annual report review	\$500.00
7	Development Approval extension	\$1000.00
8	Developer Agreements	\$1500.00
9	Planned Unit Development	
	a. Master Plan approval	\$1750.00
	b. Modification to an approved Master Plan	\$750.00
10	Site Plan, nonresidential	
	a. 0 – 14999 square feet	\$1000.00
	c. Greater than 14999 square feet	\$1500.00
11	Site Plan residential	
	a. Base fee	\$750.00
	b. Additional fee, greater of 10.00 per dwelling unit or lot	\$10.00 per unit
12	Special Exception, nonresidential	
	a. 0—14999 square feet	\$750.00
	c. Greater than 14999 square feet	\$1250.00

13	Special Exception, residential	
	a. 0—14999 square feet	\$750.00
	c. Greater than 14999 square feet	\$1250.00
14	Variance, nonresidential	\$750.00
15	Variance, residential principal structure	\$550.00
16	Vegetation removal and land clearing permit	\$500.00
17	Zoning code text amendment	\$1250.00
18	Zoning map amendment	\$1250.00
19	Zoning determination letter	\$50.00 \$85.00
20	Engineering plan review	\$125.00
20	Zoning Confirmation Certificate	\$50.00 \$85.00
21	Home Occupation <u>Zoning Confirmation Certificate</u>	\$50.00 \$85.00
22	Special Event Permit (non-profit)	\$25.00
23	Special Event Permit (commercial entity)	\$75.00
24	Minor Replat	\$500.00
25	Tree Removal	\$50
26	Telecommunications Tower Pre-application Permit	\$250
27	Telecommunications Tower/Co-Location Application	\$1,000 \$1,500
28	Certificate of Appropriateness (Historic Preservation)	\$100
29	Site Plan or Development Approval Amendment	\$250
<u>30</u>	<u>Abatement Request Application - Code</u>	<u>\$50</u>
<u>31</u>	<u>Time Extension Application - Code</u>	<u>\$50</u>
33	Business Tax Application Fee	\$20

<u>32</u>	<u>Out of Town Business Registration Application</u>	<u>\$25</u>
<u>33</u>	<u>Name Change Administrative Fee</u>	<u>\$25</u>
<u>34</u>	<u>PADD Waiver</u>	<u>\$750</u>

Recovery of additional costs. In addition to the afore-stated development review (application) fees, the Town may, in addition to the applicable land development order application fee, recover the costs referenced below, including, but not limited to, the following:

- (1) Consultant fees incurred by the Town, whenever the Town deems it necessary to retain an outside consultant to assist Town staff in the review and processing of applications for development orders, such as the review and analysis of property appraisals, traffic impact analysis, vegetation and environmental assessments, archeological or historic assessments, market studies, engineering studies or reports, telecommunications facility siting, and any other documents, studies, data, reports and other materials.
- (2) Attorney's fees incurred by the Town Attorney or other legal counsel retained by the Town in connection with the review and processing of an application for a development order, and the preparation and/or review of legal documents.
- (3) Costs incurred by the Town in connection with advertising, publication, and mailing of legal notices for public hearings, workshops, or other public meetings; recording fees for the cost of recording instruments in the public records of Palm Beach County.
- (4) In the event that at the time an application is received by the Town, additional costs are reasonably anticipated by the Town to be incurred by the Town, the Town may require the applicant as a condition precedent to processing the application, to deposit an amount estimated by the Town's Community Development Director, to be a sufficient cost deposit. Any monies provided to the Town as a cost deposit, shall be placed into an escrow account created by the Town. After the Town Commission takes final action on the application, the Town shall refund any unused cost deposit funds to the applicant.
- (5) The minimum cost deposit shall be \$800.00 or a greater amount if deemed necessary by the Town's Community Development Director to cover all anticipated expenses, whichever is greater.

TAB 3

**Town of Lake Park Town Commission
Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No. **3**

- | | |
|--|--|
| <input type="checkbox"/> PUBLIC HEARING | <input type="checkbox"/> RESOLUTION |
| <input type="checkbox"/> Ordinance on Second Reading | <input type="checkbox"/> DISCUSSION |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> BID/RFP AWARD |
| <input type="checkbox"/> ORDINANCE ON FIRST READING | <input checked="" type="checkbox"/> GENERAL APPROVAL OF ITEM |
| <input type="checkbox"/> GENERAL APPROVAL OF ITEM | <input type="checkbox"/> Other: Presentation |

SUBJECT: Renewal of audit services for Fiscal Year 2009.

RECOMMENDED MOTION/ACTION: Renew audit services for Fiscal Year 2009. Authorize Finance Director to sign engagement letter.

Approved by Town Manager *[Signature]* Date: *5/15/09*
Ann M. Costello *5/15/09*
 Name/Title Finance Director Date of Actual Submittal

Originating Department: Finance	Costs: \$ 59,000 Funding Source: Acct. # 001-51-513-150-33000	Attachments: Engagement letter
Department Review: <input type="checkbox"/> Town Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input checked="" type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ or Not applicable in this case _____: Please initial one.

Summary Explanation/Background: The firm of Nowlen, Holt & Miner P.A. was engaged for a period of one year with an option to renew for years 2008 and 2009. The Town would like to exercise the second and final renewal option for their audit services for Fiscal Year 2009. The base fee for audit services is \$59,000. Funds will be provided in the proposed budget for this purpose. After this final year, the Town will again go through the auditor selection process as required by Section 218.391(4) (b), Florida Statutes.



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
215 FIFTH STREET, SUITE 200
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
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J. MICHAEL STEVENS, CPA
DANIEL A. KIRCHMAN, CPA
ALEXIA G. VARGA, CPA
BRIAN J. BRESCIA, PFS, CPA

April 14, 2009

Honorable Mayor and City Commissioners
Town of Lake Park, Florida

Ladies and Gentlemen:

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

We are pleased to confirm our understanding of the services we are to provide the Town of Lake Park, Florida for the year ended September 30, 2009. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the Town of Lake Park, Florida as of and for the year ended September 30, 2009. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Town of Lake Park, Florida's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Town of Lake Park Florida's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Funding Progress – Retired Police Officer's Retirement Fund
- 3) Budgetary Comparison Schedules – General Fund and CRA Fund

Supplementary information other than RSI also accompanies the Town of Lake Park, Florida's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

- 1) Combining and individual fund financial statements
- 2) Budgetary Comparison Schedules – Non-major governmental funds

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

- 1) Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Lake Park, Florida and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the Town of Lake Park, Florida is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of 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 and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement

and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Lake Park, Florida's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Town of Lake Park, Florida; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Nowlen, Holt, & Miner, P.A. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a Grantor Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Nowlen, Holt, & Miner, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the aforementioned parties. If we are aware

that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 1, 2009 and to issue our reports no later than March 15, 2010. Edward T. Holt is the engagement partner and is responsible for supervising the engagement and signing the report. Assuming that a single audit is not required, our fee for these services will be \$59,000 as detailed in our 2007 proposal attached (Attachment A). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2006 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Town of Lake Park, Florida and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Nowlen, Holt & Miner, P.A.

RESPONSE:

This letter correctly sets forth the understanding of the Town of Lake Park, Florida.

By: _____

Title: _____

Date: _____

ATTACHMENT A

SCHEDULE OF FEES

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE
TOWN OF LAKE PARK

NAME OF PROPOSING FIRM Nowlen, Holt & Miner, P.A.

FINANCIAL STATEMENT AUDIT

	<u>Hours</u>	<u>Quoted Hourly Rate</u>	<u>Total</u>
Partners	35	200	7,000
Managers	60	160	9,600
Supervisors	75	150	11,250
Senior	125	125	15,625
Other (Para-professionals)	7	75	525
Subtotal	<u>302</u>		<u>44,000</u>

POLICE PENSION

	<u>Hours</u>	<u>Quoted Hourly Rate</u>	<u>Total</u>
Partners	5	200	1,000
Managers	5	160	800
Supervisors	10	150	1,500
Senior	10	125	1,250
Other (Para-professionals)	6	75	450
Subtotal	<u>36</u>		<u>5,000</u>

SINGLE AUDIT (if applicable)

	<u>Hours</u>	<u>Quoted Hourly Rate</u>	<u>Total</u>
Partners	5	200	1,000
Managers	5	160	800
Supervisors	10	150	1,500
Senior	6	125	750
Other (Para-professionals)	6	75	450
Subtotal	<u>32</u>		<u>4,500 (1)</u>

COMBINED TOTAL PROPOSED FEE

Total all-inclusive maximum price	2007	53,500 (3)
	2008	59,000 (2) (3)
	2009	63,500 (3)

Authorized Representative Signature:

Edward T. Holt

Typed Name and Title:

Edward T. Holt, Managing Principal

Date:

October 19, 2007

SEE NOTES ON THE FOLLOWING PAGE

NOTES TO THE SCHEDULE OF FEES

- (1) This price is based upon the single audit having one major program.
If there is more than one major program, the additional fee would not be more than \$4,500 per major program.
- (2) The increase in price in the 2008 fiscal year is due to new auditing standards
- (3) This price is based upon the Town having a single audit
If the Town does not incur a single audit, the fee will not include the \$4,500 single audit fee

NOTE: Price Proposal assumes that no significant audit adjustments will be necessary and no material weakness or reportable non-compliance will be noted in the Audit.

TAB 4

**Town of Lake Park Town Commission
 Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No. **4**

- | | |
|--|--|
| <input type="checkbox"/> PUBLIC HEARING | <input checked="" type="checkbox"/> RESOLUTION |
| <input type="checkbox"/> Ordinance on Second Reading | |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> DISCUSSION |
| <input type="checkbox"/> ORDINANCE ON FIRST READING | <input type="checkbox"/> BID/RFP AWARD |
| <input type="checkbox"/> GENERAL APPROVAL OF ITEM | <input type="checkbox"/> CONSENT AGENDA |
| <input type="checkbox"/> Other: | |

SUBJECT: Resolution to enter into an interlocal agreement with Palm Beach County to provide for the construction, installation, maintenance, and use of Palm Tran Bus shelters in the Town of Lake Park.

RECOMMENDED MOTION/ACTION: Approval

Approved by Town Manager

W. Davis

Date:

5/14/09

Originating Department: Community Development	Costs: \$ N/A Funding Source: Acct. #	Attachments: Interlocal Agreement Staff report Resolution
Department Review: <input checked="" type="checkbox"/> Town Attorney <i>[Signature]</i> <input type="checkbox"/> Community Affairs <i>[Signature]</i> <input checked="" type="checkbox"/> Community Development <i>[Signature]</i>	<input type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case _____ <i>[Signature]</i> Please initial one.

Summary Explanation/Background: The County has determined that bus stop shelters are necessary amenities that encourage bus ridership. It is the County's desire that municipalities join with it in providing shelters along existing Palm Tran routes. There is no charge to the municipality as all construction and maintenance are paid for by advertising revenues from ads placed in the shelters. The municipality will receive a portion of the advertising revenue on a monthly basis. The initial shelters are planned for the Congress Avenue corridor. Additional shelters in other areas of Town will have to be approved by the Town Commission before the County can install them. The Town has complete control of the shelter locations. The shelters are well lit from dusk to dawn and have seating that discourages lying down. Please see remainder of the packet for more information.

**Town of Lake Park
Community Development Department**



Meeting Date: *May 20, 2009*
Memo Date: *May 1, 2009*

Patrick Sullivan, AICP, Director

PS
5/1/09

To: Town Commission

Re: Bus shelters

This is a request to enter into a interlocal agreement with Palm Beach County to install bus shelters along existing Palm Tran routes. The shelters provide protection from the elements and a place to sit and wait for the bus. This initial request would include placement of up to 8 shelters (4 on each side of the road) along the Congress Avenue corridor from Wal-Mart to Target. Future placements would have to be approved by the Town Commission.

Commissioner Marcus has been requesting her communities to provide for bus shelters as an encouragement to ride the bus. An amenity such as a shelter is expected to encourage more ridership which in turn will help keep the level of public transit that North County now has.

The shelters are completely paid for by third party contractor "Next Media". They build and maintain them so that the Town has no responsibility in their upkeep; they even pick up the garbage. The Town even gets a small portion of the revenue on a monthly basis.

The shelters are designed to be vagrant-proof. The inside is lit from dawn to dusk and the seats are designed so that lying down on them is not an option. Clear Plexiglas protective panels, shelter design and placement provide for full interior visibility (a sample shelter design is provided with this packet).

As it stands now there is no protection from the elements available at the bus stops along Congress Avenue. These shelters will provide a needed amenity for our community.

RESOLUTION NO.: 21-05-09

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE TOWN AND PALM BEACH COUNTY FOR THE CONSTRUCTION, INSTALLATION, MAINTENANCE, AND USE OF PALM TRAN BUS SHELTERS IN THE TOWN OF LAKE PARK, AUTHORIZING THE MAYOR TO EXECUTE SAID INTERLOCAL AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Lake Park ("Town") is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

WHEREAS, it is the intent of Section 163.01, Florida Statutes, which is commonly known as the "Florida Interlocal Cooperation Act of 1969", to encourage cooperation between local government units in the provision of services and facilities for the needs of local communities; and

WHEREAS, Part I of Chapter 163, Florida Statutes, permits public agencies, as defined therein, to enter into Interlocal Agreements with each other to jointly exercise any power, privilege, or authority which such agencies share in common and which each might exercise separately; and

WHEREAS, Palm Beach County ("County") operates a public transit system (known as "Palm Tran") with routes which are situated within the Town's geographical boundaries, and which include public transit bus shelters which are in need of improvement, in addition to the construction of additional bus shelters which are proposed to be installed within public rights-of-way and easements adjacent to Palm Tran bus stops; and

WHEREAS, the purpose of this Interlocal Agreement is to enable the Town and the County to replace some of the Palm Tran's existing bus shelters, and to construct new bus shelters in additional locations with appropriate advertising to be placed thereon at Palm Tran bus stops located within the Town; and

WHEREAS, the Town Commission has determined that approving the Interlocal Agreement which is attached hereto and incorporated herein as **Exhibit "A"** is in the best interest of the health,

safety and general welfare of the Town and its citizens; and

WHEREAS, the Town Commission authorizes and directs the Mayor to execute the Interlocal Agreement in order to facilitate the planned installation of these new bus passenger shelters along existing Palm Tran routes within the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK:

Section 1. Incorporation of Recitals.

The whereas clauses are incorporated as true and correct findings of the Town Commission.

Section 2. Approval of Interlocal Agreement and Authorization to Execute.

The Mayor of the Town of Lake Park is hereby authorized and directed to execute the Interlocal Agreement with the County, which is attached hereto and incorporated herein as **Exhibit "A"** and which provides for the for the construction, installation, maintenance and use of Palm Tran Bus Shelters within the Town.

Section 3. Effective Date.

This Resolution shall take effect immediately upon its adoption.

**INTERLOCAL AGREEMENT
FOR THE
CONSTRUCTION, INSTALLATION, MAINTENANCE AND USE
OF PALM TRAN BUS SHELTERS
BETWEEN
PALM BEACH COUNTY
AND
THE TOWN OF LAKE PARK**

THIS INTERLOCAL AGREEMENT is made and entered into this ____ day of _____, 2009, by and between Palm Beach County, Florida, a political subdivision of the State of Florida, by and through its Board of County Commissioners (referred to hereinafter as "County") and the Town of Lake Park, a Florida municipal corporation, by and through its Town Commission (referred to hereinafter as "Town").

WHEREAS, the County operates a public transit system (referred to hereinafter as "Palm Tran") with routes situated within the Town's geographical boundaries; and

WHEREAS, the County and Town agree that bus passenger amenities, including bus passenger shelters, located within the Town's boundaries should be improved and additional bus passenger shelters installed within public rights-of-way and easements adjacent to Palm Tran bus stops; and

WHEREAS, the County and Town desire to replace existing bus shelters and to construct additional new bus shelters with advertising placed thereon (also referred to herein as "advertising shelters"), at appropriate Palm Tran bus stops located within Town; and

WHEREAS, the County has a third party contract with CBS Outdoors, Inc., the assignee of NextMedia Outdoor, Inc. (also referred to herein as "CBS") for the construction, installation, maintenance, cleaning and placement of advertisements upon bus shelters located within the unincorporated areas of the County and within certain municipalities that have granted to County the right to construct shelters and place advertisements thereon; and

WHEREAS, under the terms of CBS's Contract with County, consisting of a Contract between County and NextMedia Outdoors, Inc. dated December 4, 2001, a Supplemental Agreement thereto dated April 1, 2003, a Second Amendment dated August 19, 2003, and a Consent to Assignment and Assumption of Agreement with CBS Outdoors, Inc. including a Third Amendment dated October 25, 2008 (which third party contract and all supplements and amendments thereto may also collectively be referred to herein as "CBS's Contract with County"), CBS is to let advertising space upon advertising shelters and remit to County, on a monthly basis, a sum of money for each advertising shelter constructed and installed, a portion of which County is willing to

pass through to Town as provided in this Agreement; and

WHEREAS, to encourage the placement of bus shelters at bus stops within the incorporated areas of Palm Beach County and for the purpose of achieving consistency in its bus shelter program, the County is willing to administer a "bus shelter program" overseeing and consisting of the construction, installation, maintenance, cleaning, and placement of advertisements upon advertising shelters located within the Town's jurisdiction; and

WHEREAS, the Town wants the County to implement County's bus shelter program within the Town and desires to grant to County the exclusive right to construct, install, maintain, clean and place advertisements upon advertising shelters located at certain Palm Tran bus stops situated within Town's municipal boundaries and to receive from County certain revenue payments resulting from the placement of advertisements upon advertising bus shelters located within Town; and

WHEREAS, Town acknowledges that County has and may contract with third parties for the purpose of implementing County's "bus shelter program," (also referred to herein as "Program") and that County may authorize CBS or any assignee, successor or other third party contractor approved by County, to exercise any of the rights granted to County in this Agreement; and

WHEREAS, Town acknowledges that any advertising shelters constructed in Town will not be fully amortized on the date CBS's Contract with County expires; and

WHEREAS, Town has reviewed CBS's Contract with County and has familiarized itself with its terms and conditions; and

WHEREAS, a copy of the Contract between County and NextMedia Outdoors, Inc. dated December 4, 2001, which was assigned to CBS is attached hereto as Exhibit A; and

WHEREAS, Town has been advised that the County may restructure and modify the Program's scope so as to encompass advertisements placed upon other structures or vehicles (including but not limited to benches and buses) and modify other aspects of the Program, and initiate a solicitation process to obtain a new or successor third party contractor(s); and

WHEREAS, Town has represented to County that the Town will not seek to withdraw from participation in the County's Program as a result of a change in the County's third party contractor or modifications made to the County's Program and that Town will take all reasonable actions needed to enable it to continue to participate in the Program, as the Program may be modified from time to time by County; and

WHEREAS, Section 163.01, Florida Statutes, authorizes local governments to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities that will harmonize geographic, economic, population and other factors influencing the needs and development of local communities.

NOW, THEREFORE, in consideration of the foregoing and the other mutual promises and covenants contained herein, the parties agree as follows:

Section 1. Incorporation of Facts: The facts set forth above in the preamble to this Agreement are true and correct and incorporated herein by reference.

Section 2. Representative and Contract Monitor: The County's representative and contract monitor during the term of this Agreement shall be the Executive Director of Palm Tran whose telephone number is (561) 841-4200. The Town's representative and contract monitor during the term of this Agreement shall be the Town Manager whose telephone number is () _____.

Section 3. Effective Date, Term and Renewal: This Agreement shall take effect upon the date executed by the County, having previously been executed by Town, and shall remain in full force and effect until terminated as provided herein.

Section 4. Placement of Bus Shelters:

A. Coordination: The County, through its third party bus shelter program contractor (currently CBS), shall coordinate the placement and installation of advertising shelters at appropriate bus stop locations within Town's geographical boundaries at sites approved by Town's and County's contract representatives or their designees as identified in Exhibit B; provided, that, sufficient right of way exists at each site for the installation and placement of a shelter, the shelter can be constructed in accordance with applicable safety standards, site conditions are appropriate for a shelter location, the site conditions are acceptable to the County, and the location is acceptable to County's third party contractor. The parties may modify or supplement the list of sites set forth in Exhibit B upon the written authorization of the parties' respective contract representatives or their designees.

B. Location: All bus shelters shall be located within the public rights-of-way or upon other real property which is subject to an easement, substantially in the form attached hereto as Exhibit C, in favor of County for the public transit purposes described in this Agreement. A copy of the standard form used by County for the grant of a Public Transit Bus Shelter Boarding and Alighting Area Easement is attached hereto as Exhibit C. Each bus shelter constructed within the Town's limits will be illuminated and installed on existing sidewalk or its own concrete foundation in accordance with the applicable building codes of the Town and the County. Each location should also include the addition of such appropriate sidewalk area as is

necessary to insure a clear and un-obstructed path from the existing sidewalk to the shelter and from the shelter to the bus loading area. County shall advise its third party bus program shelter contractor ("also referred to herein as "third party contractor" or "Contractor") that shelters should be located so as to not cause any site obstructions with intersections or driveways. In the event the Town or County deems it is necessary to remove or relocate a bus shelter after it has been constructed, the cost of removal and/or movement to another site shall be in accordance with paragraphs C and D below and as otherwise provided in this Agreement.

C. Relocation or Removal of Shelters: The County will be responsible for the costs of removing and/or relocating an advertising shelter that is removed or relocated solely as a result of a modification to or discontinuance of a Palm Tran bus route. Removal costs will include the restoration of the right-of-way's landscaping and the installation of grass and landscaping. Should a shelter need to be removed and/or relocated as a result of an action by the Town (e.g., roadway or right-of-way improvements, alterations or abandonments, traffic calming measures, street closure, termination or non-renewal of this agreement or other action taken by the Town), all costs of the removal and/or relocation, including but not limited to grass and landscaping, shall be the responsibility of the Town, including but not limited to, all costs which are or would be the responsibility of the County under its third party contract with CBS or any successor contractor. Should a shelter need to be removed and/or relocated as a result of a new development, the Town shall be responsible for all of the removal and/or relocation costs or it may insure that the costs are paid by the developer. Town may also obtain an easement from the developer, for the benefit of County, and have the developer pay the cost of removal and/or relocation to the new easement site. In either case, the Town shall reimburse or insure that the County is reimbursed for all of the County's costs. The removal and relocation costs of an advertising shelter may also be offset against and deducted from the revenues to be paid to Town, as deemed appropriate by County, from the revenue stream derived from the advertising shelters located within the Town. These costs and the method used to determine them shall be those established in County's contract with its third party contractor. Said costs are currently described in CBS's Contract with County which is attached hereto as Exhibit A, and may be adjusted, on an annual basis, as described therein. In the event the advertising revenues are not sufficient to pay all the costs described in this Agreement, the Town will remit payment for any shortage directly to the County within thirty (30) days of its receipt of an invoice for payment. Title to any non-advertising shelter owned by the Town which the County removes and does not relocate to another site in the Town shall become the property of County unless the Town requests, at the time of removal, that title be transferred to or retained by the Town and Town immediately takes physical possession of the shelter.

D. Non-Advertising Shelters: The parties acknowledge that the primary purpose of this Agreement is to establish a bus shelter program which utilizes bus shelters upon which advertisements are placed to offset the costs of construction,

installation, maintenance, cleaning and repair. The Town further acknowledges that the decision to allow non-advertising bus shelters within the Town under the County's bus shelter program described in this Agreement is vested solely in the County. Accordingly, the County may limit the number of non-advertising shelters which can be constructed and installed under this Agreement. In the event the Town shall request that non-advertising shelters be installed within the Town, such shelters must be constructed, installed, maintained, cleaned and repaired by County's third party contractor, if so required by County, and the Town shall be responsible for all costs associated with the non-advertising bus shelters, including but not limited to all construction, installation, repair, removal, relocation, maintenance and cleaning costs. These costs and the method used to determine them shall be those established in County's then current contract with its third party contractor. Said costs are currently described in CBS's Contract with County's which is attached hereto as Exhibit A, and may be adjusted, on an annual basis, as described therein. The estimated preliminary cost of the construction and installation of a non-advertising shelter shall be remitted to County with the Town's request for the installation of a non-advertising shelter. All other costs (e.g., maintenance, cleaning, repair, removal, relocation, construction, installation costs in excess of the preliminary estimate paid to County, and any unpaid costs of construction and installation of a non-advertising shelter may, in the sole discretion of County, be offset against and deducted from the revenues to be paid to Town from the revenue stream derived from the advertising shelters located within the Town. In the event the advertising revenues are not sufficient to pay all the costs described in this Agreement, the Town will remit payment for any shortage directly to the County within thirty (30) days of its receipt of an invoice for payment.

Section 5. License Agreement:

A. Right to Use: The Town does hereby grant to County an exclusive and irrevocable right, privilege, license and permit to use the sites identified and listed in Exhibit B, as the list may be modified from time to time by the parties' contract representatives, for the construction, installation, maintenance, repair, removal, relocation, improvement, access and use of a public transit bus shelter boarding and alighting area. Such use may also include, but is not limited to a transit passenger shelter, with seating area, trash receptacles, bike racks, advertising, informational signage, lighting, landscaping and pavers. The shelter sites shall be located within the public rights-of-way which are dedicated to, owned or controlled by the Town or the public, (including such rights-of-way dedicated to, owned or controlled by the Florida Department of Transportation (FDOT) upon which the Town has been authorized, by law or agreement, to install shelters). The sites may also be located within easements granted to County by Town or by a third party. The easements granted to County shall be substantially in the form attached hereto as Exhibit C or the use of the easement area must be otherwise approved by the County's contract representative or his designee. All bus shelters shall be placed within the public rights-of-way unless a specific easement, permit or license has been granted to County by the Town or a third party, or the easement area is approved for use as provided herein. Any proposed

shelter site located outside of a public right-of-way shall require the approval of the County's contract representative.

B. Interference with Use: Town shall take no action which interferes or may interfere with County's use of a bus shelter site or would permit a third party to interfere with County's use of a bus shelter site, as contemplated under this Agreement, CBS's Contract with County, any successor contractor, or County's bus shelter program. Town shall be responsible for all costs arising out of the removal and/or relocation of any bus shelter including but not limited to, land acquisition, landscaping and utility relocation costs, if any. Town shall be responsible for all costs which are or would be the responsibility of the County under its third party contract, currently with CBS, as a result of the Town's revocation of any right, privilege, permit or license granted hereunder or Town's termination of this Agreement.

Section 6. Advertising: Any advertisements placed upon advertising bus shelters installed within Town's boundaries will comply with the advertising space requirements and standards established in County's contract with its then current third party contractor. The advertising standards for the current third party bus program shelter contractor are set forth in the CBS's Contract with County attached hereto as Exhibit A. The Town agrees that it will not allow any advertisements, notices, messages or signage to be placed or installed upon any non-advertising shelter, including the trash receptacle, except for a sign clearly indicating the party responsible for the maintenance and cleaning of the shelter and a telephone number to which complaints may be reported. County may also post or install in all advertising or non-advertising shelters signs, decals, messages, informational displays or notices regarding public transportation services. Town agrees that the rights granted hereunder are exclusive to County and preclude bus bench(es), shelters, receptacles or any other type or form of street furniture from being constructed, located or installed within one hundred feet (100') of a bus shelter, by any other person or entity. Town further agrees that such restriction is reasonable, appropriate and needed to facilitate the maintenance of the site, to insure safe access to and visibility of the site, to eliminate confusion, visual obstructions and distractions, and to otherwise foster the safety, convenience and comfort of the users of County's public transit system and the health, safety and welfare of the citizens of Town and County.

Section 7. Maintenance: Under the terms of the County's current third party contract, CBS is responsible for all maintenance, repair and cleaning of all bus shelters, including routine pressure washing. CBS is currently required to provide garbage pick-up at least once a week with more frequent pick-ups for heavily used sites.

Section 8. Pass Through to the Town: The County shall pass through to the Town or County may require its third party contractor to pass through to the Town the net advertising revenues (*i.e.*, received monthly shelter revenues reduced by any advertising and non-advertising shelter expenses for which the Town is responsible and

for which payment has not been received) received from County's third party contractor for the construction and installation of bus shelters with advertising which are placed within the Town's boundaries. The monthly shelter revenue to be generated from each advertising shelter is currently specified in CBS's Contract with County, attached as Exhibit A. The County shall endeavor to provide or pass through the funds due to the Town, on a monthly basis, within thirty (30) days of County's receipt of the funds from its Contractor. The Town shall be responsible for the same non-advertising shelter expenses that the County is responsible for under its then current third party contract and the costs of relocation and removal of advertising and non-advertising shelters as further described in Section 4 of this Agreement. Town shall fully cooperate with County in any audit that County or its Clerk & Comptroller may perform so as to insure that funds are distributed and paid in accordance with the provisions of this Agreement.

Section 9. Title: The Town acknowledges that it does not have title to nor any interest in the advertising and non-advertising shelters constructed and installed under this Agreement, unless the parties' contract representative determine that a non-advertising shelter paid for by Town is to be owned by the Town. Title to the advertising shelters will be vested in County's current third party contractor, CBS, for the duration of CBS's Contract with County, subject to the County's rights and interest in the shelters in accordance with Article 8 of CBS's Contract with County. Town hereby grants to County title to all non-advertising shelters constructed within the Town, unless the parties' representatives agree that title is vested in the Town. Town acknowledges that the terms and conditions of this Agreement provide sufficient consideration for such conveyance of title. County may sublease any or all non-advertising shelters to CBS (or any successor third party contractor) as deemed appropriate by County.

Section 10. Reporting: County shall provide a monthly report to the Town identifying the number of advertising shelters located within the Town during the previous month for which payments are being passed through to the Town. The report shall also identify any offsets or deductions and the purposes for which they were made.

Section 11. Access and Audits: The County will maintain adequate records of all bus shelters constructed by its bus shelter contractor(s) and all funds received for at least three (3) years or such lesser period of time required by County's records custodian for maintenance of public records. The Town will have access to County's non-confidential and non-exempt books, records, and documents pertaining to this Agreement for the purpose of inspection or audit during normal business hours.

Section 12. Suspension of Revenue Payments: Upon the expiration or the termination of the County's contract with its third party contractor (currently CBS), the advertising revenue payments to the Town shall be suspended and no payments shall be due to Town during the months when the payments are suspended. Advertising revenue payments shall not be reinstated until such time as the County has obtained a

new third party bus shelter program contractor, who has begun making payments to County. In the event Town shall terminate this Agreement or shall withdraw from or refuse to participate in County's bus shelter program, then Town shall be responsible for all costs associated with the maintenance and/or removal of the shelters and shall reimburse County for all sums paid by County to maintain and/or remove the shelters located within Town's geographical boundaries from the date of said termination, withdrawal or refusal. This obligation shall be in addition to any obligation of the Town under any other provision of this Agreement.

Section 13. Breach and Opportunity to Cure: The parties expressly covenant and agree that in the event either party is in default of a material obligation under this Agreement, the party not in default shall provide to the defaulting party ninety (90) days written notice of the default, during which time the defaulting party may cure the breach, except if the default is limited solely to the failure to remit any payments due the non-defaulting party, the non-defaulting party may terminate after forty-five (45) days notice during which time the defaulting party may cure. In the event the defaulting party fails to cure the breach, the non-defaulting party may terminate this Agreement.

Section 14. Termination: The County may terminate this Agreement, with or without cause, upon ninety (90) days notice to the Town. The Town may terminate this Agreement after having given ninety (90) days notice of its intent to terminate, to the County, if the County's contract with its third party bus shelter program contractor has expired or terminated and:

1. The County has failed to obtain a new contractor within a reasonable period of time; provided, however, that this period of time shall be extended, if the County is unable to select a replacement contractor as a result of a protest, stay or any other administrative or legal action commenced against the County which affects the County's selection of a vendor or award of a contract for a bus shelter program, or
2. The terms and conditions of the new contractor's responsibilities are substantially different from the terms and conditions of CBS's Contract with County (excluding differences arising out of the restructuring, broadening or narrowing of the scope of the Program as contemplated in the Preamble to this Agreement).

Notwithstanding anything contained in this section or any other section of this Agreement, the Town shall be responsible for all costs, including but not limited to, the "cost of construction less depreciation" also referred to as the "unamortized cost," as that term is defined in Article 8 of CBS's Contract with County (See Section 8.3 for definition of term upon expiration of contract, Section 8.4 for definition of term upon termination for default, and Section 8.5 for definition of term upon termination for convenience), which costs are, would or may be found to be, in law or equity, the

responsibility of the County under its third party contract, currently with CBS, and which arise out of or relate to the exercise of the Town's rights under this Agreement, the Town's breach of this Agreement, or the County's breach of its contract with its third party contractor, currently CBS, if such breach by County arises out of or relates to any act or action taken by Town or required of County by Town. Nothing contained in this Agreement shall be construed as or shall act as a waiver, a release, or a transfer of Town's obligations to County as they relate to non-advertising shelters. Town shall be solely responsible for all costs associated with the non-advertising bus shelters, including but not limited to, all construction, installation, land acquisition, utility relocation, repair, removal, relocation, maintenance and cleaning costs, regardless of whether County is in breach of any provision of this Agreement. Nothing contained in this Agreement shall expand County's obligations under its third party contract, currently with CBS, make the County liable for any incident, act or omission which County has not expressly accepted liability for under its contract with CBS, or make the Town, its residents or any other person or entity, a third party beneficiary under the County's third party contract, currently with CBS.

Section 15. Liability: The parties to this Agreement shall not be deemed to have assumed any liability for the negligent or wrongful acts, or omissions of the other party, or their respective officers, employees, servants or agents. Nothing contained herein shall be construed as a waiver, by either party, of the liability limits established in 768.28, Florida Statutes. This provision shall not be construed so as to limit or prevent the Town from being liable or responsible for all costs which are or would be the responsibility of County under its third party contract, currently with CBS, and which arise out of or relate to the exercise of the Town's rights under Section 14 or any other section of this Agreement.

Section 16. Notice of Complaints or Suits: The Town will promptly notify County of any citizen complaint, claim, suit, or cause of action threatened or commenced against Town or County which arises out of or relates, in any manner, to the performance of this Agreement. Each party agrees to cooperate with the other in any investigation either may conduct, the defense of any claim or suit in which either party or Palm Tran, Inc. is named, and shall do nothing to impair or invalidate any applicable insurance coverage.

Section 17. Non-Assignment: The Town shall not convey, assign, sublet or transfer, in whole or in part, its rights, title to or any interest in this Agreement, or any advertising shelter acquired, constructed, installed or maintained under this Agreement without first obtaining the prior written consent of the County which consent may be withheld for any reason or no reason at all.

Section 18. Annual Appropriation: The parties' respective performance and the fulfillment of their obligations under this Agreement are contingent upon an annual appropriation for the purposes of this Agreement by each party's respective legislative

body. Town represents that it has sufficient revenues available from ad valorem and non ad valorem revenues to fund its responsibilities under this Agreement.

Section 19. Enforcement Costs: Any costs or expenses, including reasonable attorney's fees, associated with the enforcement of the terms and conditions of this Agreement shall be borne by the respective parties.

Section 20. No Agency Relationship: Nothing contained herein shall create an agency relationship between the Town and the County or the Town and Palm Tran, Inc.

Section 21. Application of Federal Law: The Town acknowledges that Federal laws, regulations, policies and related administrative practices may be applicable to the County's bus shelter program and to the purposes of this Agreement. The Town agrees that this Agreement may be modified by County upon notice to the Town and without further act of the parties, to conform to the most recent Federal laws, regulations, policies and related administrative practices made applicable to the County and its third party bus shelter program, as a result of County's status as a grant recipient of Federal funds from the U.S. Federal Transit Administration.

Section 22. Modification of County's Third Party Bus Shelter Program: The Town acknowledges and agrees that County may, from time to time, modify its bus shelter program and/or amend its contract with CBS, that County has amended its contract with CBS, and that County may enter into a contract with another or a successor third party bus shelter program contractor, and that the terms and conditions of such amendment or successor contract will become applicable to, and revise and/or impact the terms and conditions of this Agreement unless specifically prohibited by County under such amendment or successor contract. The Town further acknowledges and agrees that the terms and conditions of such amendment(s) or successor contract(s) shall apply to, affect or determine the terms and provisions of the County's bus shelter program and the advertising revenues to be paid to Town. In addition, the parties agree that this Agreement shall not be construed to nor is it intended to create, transfer or vest in Town any of the County's rights, duties or obligations under the County's contract with CBS or under the County's contract with any other third party bus shelter program contractor except as maybe expressly provided for in this Agreement. In the event County breaches its contract with CBS or any other third party bus shelter program contractor, Town's rights and remedies shall be solely limited to those set forth in this Agreement.

Section 23. Notice: All notices required to be given under this Agreement shall be in writing, and deemed sufficient to each party when sent by United States Mail, postage prepaid, to the following:

As to the County:

As to the Town:

Executive Director
Palm Tran
3201 Electronics Way
West Palm Beach, FL 33407

Lake Park, Town Manager
535 Park Ave.
Lake Park, FL 33403

Either party may change its address upon notice to the other.

Section 24. Modification and Amendment: Except as expressly permitted in Sections 4, 21 and 22, and in any other provision of this Agreement to the contrary, no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and equality of dignity herewith.

Section 25. Remedies: This Agreement shall be construed by and governed by the laws of the State of Florida. Any and all legal action necessary to enforce this Agreement shall be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof

Section 26. No Waiver: No waiver of any provision(s) of this Agreement shall be effective unless it is in writing, signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed a continuing or future waiver.

Section 27. Joint Preparation: The preparation of this Agreement has been a joint effort of the parties, and the resulting document shall not, solely as a matter of judicial constraint, be construed more severely against one of the parties than the other.

Section 28. Equal Opportunity: The County and Town agree that no person shall on the grounds of race, color, sex, national origin, disability, religion, ancestry, marital status, gender, gender identity or expression, or sexual orientation be excluded from the benefits of, or be subjected to any form of discrimination under any activity carried out by the performance of this Agreement.

Section 29. Captions: The captions and section designations herein set forth are for convenience only and shall have no substantive meaning.

Section 30. Survivability: Any term, condition or provision of this Agreement which is of a continuing nature or imposes an obligation which extends beyond the term or expiration of this Agreement, shall survive its expiration or earlier termination including but not limited to those terms, conditions and provisions set forth in Sections

4.C and D., 5, 6, 8, 11, 12, 14, 15, 16, 18, 19 and 25.

Section 31. No Intended Third Party Beneficiaries: This Agreement is not intended to be a third party beneficiary contract and confers no rights on anyone other than the County or Town. Town further acknowledges and agrees that it is not an intended third party beneficiary under CBS's Contract with County.

Section 32. Severability: In the event that any section, paragraph, sentence, clause, or provision hereof is held invalid by a court of competent jurisdiction, such holding shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

Section 33. Entirety of Agreement: This Agreement represents the entire understanding between the parties, and supersedes all other negotiations, representations, or agreements, whether written or oral, relating to this Agreement.

Section 34. Filing: A copy of this Agreement shall be filed with the Clerk of the Circuit Court in and for Palm Beach County, Florida.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the undersigned parties have executed this Interlocal

Agreement on the day and year first written above.

ATTEST:

PALM BEACH COUNTY, FLORIDA, by
its BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock
Clerk and Comptroller

By: _____
Deputy Clerk

By: _____
Chair

TOWN OF LAKE PARK, by its
TOWN COMMISSION

ATTEST:

By: _____
Town Clerk

By: _____
Mayor

Approved as to Form and
Legal Sufficiency

Approved as to Terms and
Conditions

County Attorney

Chuck Cohen, Executive Director
Palm Tran

Accepted & Approved
CBS Outdoors, Inc.

Approved as to Form and
Legal Sufficiency

By: _____

Town Attorney

Print Name and Title

G:\...ABusShelterLakePark2-20-09.pt
2009 Rev. Standard Form

Exhibit A

Contract between Palm Beach County
and
NextMedia Outdoor, Inc.

Copy of the contract between Palm Beach County, Florida
and NextMedia, Inc. dated December 4, 2001. Assigned to
CBS Outdoors, Inc.

Exhibit B

Bus Shelter Sites

The following bus shelters sites may consist of existing sites located within the Town's geographic boundaries and new sites identified by the parties for the installation of Palm Tran bus shelter. The Town grants to County an exclusive and irrevocable right, privilege, license and permit to construct, install, maintain, repair, remove, relocate, improve, access and use the sites identified below for a public transit bus shelter boarding and alighting area, as such use is further described in the parties' Interlocal Agreement.

Existing Sites

On Street

Cross Street/location

Palm Tran
Bus Stop #

New Sites

On Street

Cross Street/location

Palm Tran
Bus Stop #

CONGRESS AVE

Between
Silver Beach Rd &
Northlake Blvd

Exhibit C

Standard Form Currently in Use by County for





NEXTMEDIA Outdoor

NEXTMEDIA Outdoor, Inc. Provides over 300 new design Bus shelters in Palm Beach County. NEXTMEDIA Outdoor is a part of NEXTMEDIA Group, which owns radio stations, bus benches, Outdoor Advertising, and Bus Shelters in numerous markets throughout the Country

KEY Program Elements

- Maintenance
- Location selection process
- Construction
- Advertising Criteria
- Revenue
- Interlocal

Maintenance

- Maintenance is the key to any successful shelter program
- Scheduled cleanings based on the shelter
- Cleaning Crews
- Power washing
- Vandalism and Graffiti
- Accidents
- 24 hour hot line



Location Selection

- Selected by Municipality, Palm Tran, and NEXTMEDIA
- Reviewed by NEXTMEDIA for ample Right-of-Way and ADA access. Layout is produced
- Reviewed by Palm Tran for compliance
- Reviewed by the Municipality
- Building Permits and any other permits needed are applied for

Construction

- All permits are obtained prior to construction
- All contractors are licensed and insured
- All shelter are engineered to meet local building codes and wind loads
- Solar illumination will be installed on most new shelters
- Building inspections

Advertising Criteria

- NEXTMEDIA has a strict code of Advertising standard for Shelters in Palm Beach County
- Comply with all Federal, State and local laws concerning advertising including misleading advertising
- NO advertising for products or services of a materially violent nature
- NO obscene, libelous, or slanderous advertising. (adult entertainment)
- NO tobacco or liquor product
- NO political or political issue advertising





#120 3109 S. Dixie



Revenue

- The County passes the revenue for the shelters through to the Municipality
- Palm Tran Audits the revenue each month
- Revenue is paid on a flat rate per shelter. This is currently \$50 per month and increases every two years

INTERLOCAL

- The County Administrates the program
- There is no cost incurred by the Municipality in going out for an RFP
- Palm Tran is aware of all the locations changes in service planned etc. so that the program runs smoothly
- The Palm Tran is also our eyes and ears to help address any vandalism or other problems

TAB 5

**Town of Lake Park Town Commission
Agenda Request Form**

Meeting Date: May 20, 2009

Agenda Item No. 5

- | | |
|--|--|
| <input type="checkbox"/> PUBLIC HEARING | <input type="checkbox"/> RESOLUTION |
| <input type="checkbox"/> Ordinance on Second Reading | <input checked="" type="checkbox"/> DISCUSSION |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> BID/RFP AWARD |
| <input type="checkbox"/> ORDINANCE ON FIRST READING | <input type="checkbox"/> CONSENT AGENDA |
| <input type="checkbox"/> GENERAL APPROVAL OF ITEM | |
| <input type="checkbox"/> Other: | |

SUBJECT: Town Manager Goals, February 1, 2009 through January 31, 2010

RECOMMENDED MOTION/ACTION:

Approved by Town Manager  Date: 5/15/09

Name/Title

Date of Actual Submittal

Originating Department: Town Manager	Costs: \$ Funding Source: Acct. #	Attachments: Town Manager Goals
Department Review: <input type="checkbox"/> Town Attorney _____ <input type="checkbox"/> Community Affairs _____ <input type="checkbox"/> Community Development _____	<input type="checkbox"/> Finance _____ <input type="checkbox"/> Fire Dept _____ <input type="checkbox"/> Library _____ <input type="checkbox"/> Marina _____ <input type="checkbox"/> PBSO _____	<input type="checkbox"/> Personnel _____ <input type="checkbox"/> Public Works _____ <input type="checkbox"/> Town Clerk _____ <input type="checkbox"/> Town Manager _____
Advertised: Date: _____ Paper: _____ <input type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of meeting date and time. The following box must be filled out to be on agenda.	Yes I have notified everyone _____ OR Not applicable in this case _____: Please initial one.

Summary Explanation/Background: The Town Manager's employment agreement requires the Town Manager to develop goals annually and present them to the Town Commission for discussion/approval.

Attached please find a listing of goals, which will be presented to the Commission via a power point presentation.



TOWN MANAGER GOALS

February 1, 2009 through January 30, 2010

1. Revenue Enhancements:

- Florida League of Cities Review & Analysis of Revenue - Schedule a meeting with Mr. Ken Small from the Florida League of Cities to review the budget and Town operation for revenue enhancement possibilities.
- Install parking meters at Lake Shore Park, Lake Shore Drive, various streets perpendicular to Lake Shore Drive and possibly at the Marina.
- Marina:
 - Initiate Phase II construction of 8 new slips, the relocation and modification of the fuel dock and construction of a breakwater on the east side of the fishing pier.
 - Evaluate slip rental rates vs. the condition of the marina to possibly increase rates.
 - Implement measures to increase parking in accordance with Commission direction and available funds.

2. Implement a Comprehensive Stormwater Maintenance Program:

- Inspect all storm drain catch basins and develop listing of maintenance/replacement requirements.
- Begin cleaning all storm drain lines with new Vac Con.
- Inspect all swales and develop and prioritize swale regrading program.

3. Update the Stormwater Master Plan

- Obtain proposal from Calvin Giordano and Associates.

4. Enhance Communication with Residents:

- Promote increased communication through the Town's electronic newsletter capability.
- Develop a new resident package with pertinent information relating to the town.
- Develop a Town Services Booklet.

5. Focus on Community Redevelopment Agency (CRA) Economic Development:

- Ensure adoption of the updated Master Plan.
- Develop viable incentives to attract appropriate businesses (mom and pop) to the Town.

TOWN MANAGER GOALS

February 1, 2009 – January 31, 2010

5 Focus on Community Redevelopment Agency (CRA) Economic Development: (Continued)

- Initiate the business recruitment process.
 - Meet with various entities involved in economic development, eg: Chambers, County Economic Development Office, Palm Beach County Cultural Council, etc.
 - Advertise for specific types of restaurants.
- Develop an Art Co-op and/or increase the number of artisans on Park Ave.
 - Identify vacant retail space on Park Ave.
 - Modify space to accommodate artisan booths
 - Recruit artists
 - Brand and market the Park Avenue Arts accordingly
- Implementation of the Facade Improvement Program for Park Ave.
 - Encourage Park Ave. property owners to avail themselves to the façade improvement grant program utilizing the University of Miami design criteria.
 - Encourage property and business owners to build decks/structures forward into parking lots to encourage a more pedestrian friendly environment.
- Work Closely with Communications Consultant to Appropriately Promote/Market the Downtown
 - Brand the Downtown to highlight an arts/restaurant district.
 - Develop the Town's first juried art show to showcase the downtown
 - Maintain high police visibility to promote a safe business district.

6. Continue to pursue Stimulus and other Federal Funds to Execute Infrastructure Projects

- Continue to work towards developing projects to be "shovel ready" to positively position the Town to receive Federal dollars when available.
- Maintain open lines of communication with state and federal elected officials.

7. Develop solutions/alternatives to balance the budget with emphasis on minimally impacting Town services and employees.

- Defer capital outlay projects/equipment: eg: Vehicle/equipment replacements, roof replacements, sidewalk repair/replacement, asphalt resurfacing, etc.
- Analyze the tax rolls to identify improper homesteaded properties.

TOWN MANAGER GOALS

February 1, 2009 – January 31, 2010

- 7. Develop solutions/alternatives to balance the budget with emphasis on minimally impacting Town services and employees. (Continued)**
- Analyze the impact of unpaid furlough days for every employee.
 - Analyze the impact of eliminating employee cost of living increases (COLA) and merit increases.
 - Analyze the impact of reducing Library operational hours.
 - Analyze the impact of increasing employee contributions for dependent health insurance.
 - Analyze the impact of reducing/eliminating additional Town events.