



TOWN OF LAKE PARK FLORIDA



Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
SEPTEMBER 30, 2009**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF LAKE PARK, FLORIDA

Fiscal Year Ended September 30, 2009

**Prepared by
Finance Department**

**Anne M. Costello
Finance Director**

THE TOWN OF LAKE PARK, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

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FINANCIAL STATEMENTS

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INTRODUCTORY SECTION



TOWN OF LAKE PARK

FINANCE DEPARTMENT

March 31, 2010

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, 2009, 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, 2009.

This report consists of management's representation concerning the finances of the Town of Lake Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Lake Park has established a comprehensive internal control framework that is designed both to protect the Town assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Lake Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Lake Park' 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, 2009 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, 2009, 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 9,300 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.

For Fiscal Year 2009 and since the incorporation of the Town, elections have been 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.

During the previous year, the Department of Justice of the United States filed a civil action against the Town alleging that the current at-large method of electing the Commissioners for the Town, enhanced by the use of staggered terms and designated posts, resulted in black citizens of the Town having less opportunity than white citizens to participate in the political process and elect candidates of choice in violation of Section 2 of the Voting Rights Act of 1965. Subsequent to the end of Fiscal Year 2009, as a result of the Department of Justice Consent Decree with the Town which requires that the Town change the manner in which candidates for Commission seats are elected by imposing a method known as "Limited Voting", an ordinance was adopted to amend the Charter to reflect this change.

Beginning in March of 2010, four commissioners will be elected in town-wide contests under concurrent terms, voters will be limited to casting a vote for only one candidate and the four candidates receiving the highest number of votes will be elected to the commission.

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 2009, the Town's economic growth continued to slow down due to the national recession and collapse of the housing and real estate market. Property values increased dramatically throughout Palm Beach County and the Town of Lake Park between the years of 2002 through 2006, but slowed significantly in 2007. The taxable value of property within the Town decreased 5.5% in 2008, mainly due to the passage of Amendment One (Property Tax Reform) and an additional 14.9% in 2009 due to the economic downturn. The Town does not anticipate any significant changes in the pace of planned new growth since most of the vacant parcels within the municipal limits have already been developed. The Town does not anticipate any increase in the taxable values of properties within its boundaries for the foreseeable future due to the softening of the real estate market and the overall economic downturn that has impacted both home values and sales.

The decrease in taxable values within the Town totaled more than \$101 million, which translated to a loss of \$820,350 in tax revenue. Additional revenue reductions from State shared revenues and other revenues sources, such as building permits and interest on investments, resulted in an additional loss of \$400,000, for a combined total loss of revenue in the amount of \$1,034,410. No increase in the millage was

proposed or adopted for Fiscal Year 2010. Public safety costs represent 50% of the General Fund expenditures and consume in excess of 100% of our tax revenue, and public safety is paramount. Operational cuts across all departments, excluding public safety, were implemented to counter the loss of revenue. New revenues were projected to be collected from the installation of parking meters at various sites throughout in the waterfront areas of the Town.

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

The Community Redevelopment Agency (CRA) purchased two additional residential properties along Foresteria Drive adjacent to the property purchased at 725 Foresteria the previous year. That area is projected to be used for additional downtown parking. A commercial property, located at 800 Park Avenue, was acquired for the purpose of establishing an art studio and gallery. A major refurbishing of downtown alleyways was 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. To complement this program, a business development loan program has been established to encourage development of the downtown business district located within the CRA boundaries.

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 14%. The Town has been feeling the pinch of the economy. One Park Place, a commercial/residential project on Park Avenue, has completed the first building and received a certificate of occupancy in 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.

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 sidewalks and repair of the storm drainage system in the Town has continued.

The Commission and staff are continuing to move ahead with ambitious plans to revitalize the Town, it's downtown area 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, 2008. 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.

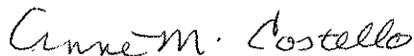
A Certificate of Achievement is valid for a period of one year only. The Town of Lake Park has received a Certificate of Achievement for the past four years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are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



Anne M. Costello
Director of Finance

TOWN OF LAKE PARK

List of Principal Officials

September 30, 2009

Mayor

Desca DuBois

Vice Mayor

Jeffery Carey

Town Commission

Kendall R. Rumsey

Ed Daly

Patricia Osterman

Town Manager

Maria V. Davis

Finance Director

Anne M. Costello

Public Works Director

Community Development Director

Library Director

Recreation Director

Town Clerk

Harbor Marina Director

Human Resources Director

Information Technology Director

Michael Arnold

Patrick Sullivan

Michael Kennelly

Gregory Dowling

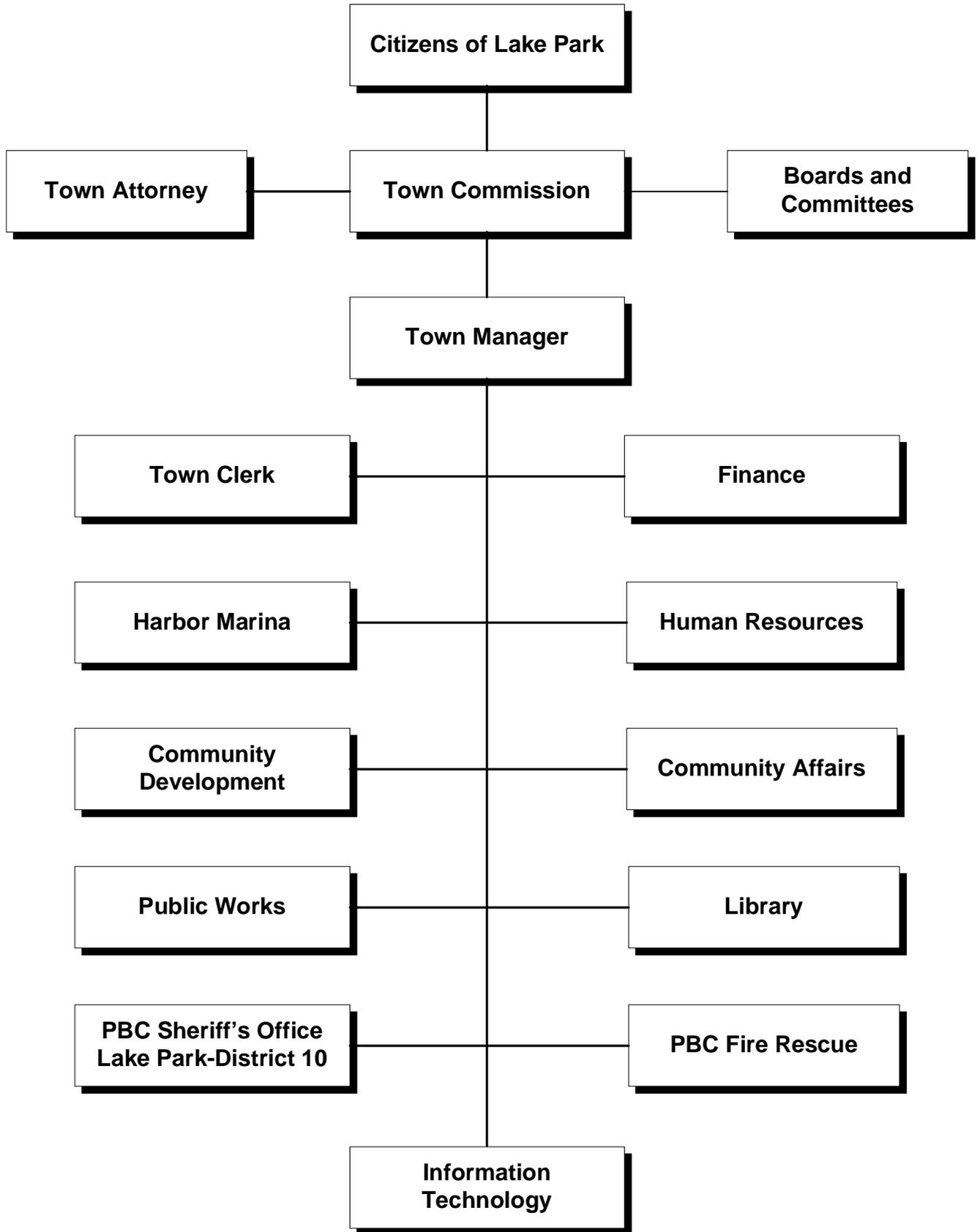
Vivian Mendez Lemley

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, 2008

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.



A stylized, handwritten signature in black ink, appearing to be "JHR".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emery".

Executive Director

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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JANET R. BARICEVICH, CPA

KATHLEEN A. MINER, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CPA
J. MICHAEL STEVENS, CPA
DANIEL A. KIRCHMAN, CPA
ALEXIA G. VARGA, CPA
BRIAN J. BRESCIA, CFP®, CPA
KARA D. PETERSON, CPA

INDEPENDENT AUDITORS' REPORT

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POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
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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, 2009, 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, 2009, 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 March 30, 2010, 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 65 through 75 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 & Miner, P.A.

March 30, 2010
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, 2009. 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, 2009 by \$8,748,901. Of this amount, unrestricted net assets of \$2,292,477 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$17,835, of which an increase of \$516,818 was associated with governmental activities and a decrease of \$498,983 was related to business-type activities. The decrease in net assets of the business-type activities of the Town is directly related to the on-going pursuit of the deficiencies and potential litigation related to the construction of the Marina.
- As of the close of the 2009 Fiscal Year, the Town of Lake Park's General Fund reported ending fund balance of \$3,413,950 an increase of \$1,226,320 from the prior year. Of the total, \$2,237,931 is restricted or reserved, specifically designated and not available for spending and \$1,176,019 is unreserved, undesignated and available for future uses by the Town Commission.
- At the end of the 2009 Fiscal Year, the unreserved fund balance for the General Fund represented 12% of total General Fund expenditures or approximately 45 days of available funding.
- Total long term obligations for the Town increased \$495,014. General Obligation Bond debt and loans payable decreased in the amount of \$712,293, due to scheduled principal payments, along with a decrease in Capital Lease obligations in the amount of \$34,332, which was offset by the issuance of new debt in the amount of \$1,209,449. Compensated absences payable increased \$32,190 due to the implementation of new leave policies approved by the Town Commission in Fiscal Year 2008 implemented in Fiscal Year 2009.

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, Stormwater Fund and Marina Fund are reported in this category.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

- Governmental funds - Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The basic governmental fund financial statements can be found on pages 16-19 of this report.
- Enterprise funds - The Town has three enterprise funds, Sanitation, Stormwater and Marina, which charge customers for the services they provide. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net 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 25-64 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 65-66 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 67-75 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 76-80 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 \$5,479,192. Business-type activity assets exceeded liabilities by \$3,269,709. The Town-wide total net assets were \$8,748,901 at the close of the fiscal year ended September 30, 2009. 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 \$6,360,334 or 73% of total net assets at September 30, 2009. Capital assets total \$20,871,062 at September 30, 2009, or 80% of all assets, which total \$26,137,355. 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 (\$2,292,477) 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	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and other assets	\$ 5,897,157	\$ 7,473,479	\$ (630,864)	\$ 1,113,466	\$ 5,266,293	\$ 8,586,945
Capital assets	10,497,860	8,917,406	10,373,202	9,085,212	20,871,062	18,002,618
Total assets	<u>16,395,017</u>	<u>16,390,885</u>	<u>9,742,338</u>	<u>10,198,678</u>	<u>26,137,355</u>	<u>26,589,563</u>
Liabilities:						
Long-term liabilities	10,229,282	9,734,268	6,212,802	6,237,773	16,442,084	15,972,041
Other liabilities	686,543	1,694,243	259,827	192,213	946,370	1,886,456
Total liabilities	<u>10,915,825</u>	<u>11,428,511</u>	<u>6,472,629</u>	<u>6,429,986</u>	<u>17,388,454</u>	<u>17,858,497</u>
Net assets:						
Invested in capital assets, net of related debt	2,062,366	1,781,760	4,297,968	4,066,900	6,360,334	5,848,660
Restricted	96,090	119,780	-	-	96,090	119,780
Unrestricted	3,320,736	3,060,834	(1,028,259)	(298,208)	2,292,477	2,762,626
Total net assets	<u>\$ 5,479,192</u>	<u>\$ 4,962,374</u>	<u>\$ 3,269,709</u>	<u>\$ 3,768,692</u>	<u>\$ 8,748,901</u>	<u>\$ 8,731,066</u>

Governmental Activities: Governmental activities increased the Town's net assets by \$561,818 while net assets for business activities decreased by \$498,983 for 2009 resulting in a net increase of \$17,835 or .2%. The following is a summary of the changes in net assets for the years ended September 30, 2009 and 2008:

Changes in Net Assets

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 877,665	\$ 893,595	\$ 2,874,363	\$ 2,703,827	\$ 3,752,028	\$ 3,597,422
Operating grants and contributions	11,639	32,047	-	-	11,639	32,047
Capital grants and contributions	187,795	325,270	206,031	-	393,826	325,270
General revenues:						
Taxes	8,897,525	8,220,895	-	-	8,897,525	8,220,895
Intergovernmental	893,510	974,834	-	-	893,510	974,834
Investment earnings	54,121	174,117	7,100	29,038	61,221	203,155
Miscellaneous revenues	102,096	38,971	-	-	102,096	38,971
Gain on sale of equipment	-	26	-	-	-	26
Total revenues	<u>\$ 11,024,351</u>	<u>\$ 10,659,755</u>	<u>\$ 3,087,494</u>	<u>\$ 2,732,865</u>	<u>\$ 14,111,845</u>	<u>\$ 13,392,620</u>

Tax revenue collections increased \$676,630 primarily due to an increase in the property tax rate for Fiscal Year 2009 necessary to maintain essential services. Taxable values within the Town decreased more than \$40 million dollars from the effects of Amendment One, property tax reform. Offsetting this tax rate increase was a decline in revenue from building permits and State Shared revenues such as sales tax and entitlement proceeds. Investment earnings as a whole have decreased due to declining market conditions worldwide.

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Expenses:						
General government	\$ 2,656,309	\$ 2,538,501	\$	\$	\$ 2,656,309	\$ 2,538,501
Public safety	5,421,845	5,211,776	-	-	5,421,845	5,211,776
Physical environment	319,993	361,170	-	-	319,993	361,170
Transportation	659,113	683,463	-	-	659,113	683,463
Culture and recreation	1,242,156	1,161,870	-	-	1,242,156	1,161,870
Interest on						
long-term debt	420,671	320,280	-	-	420,671	320,280
Marina	-	-	1,734,561	1,898,460	1,734,561	1,898,460
Sanitation	-	-	1,430,694	1,351,863	1,430,694	1,351,863
Stormwater	-	-	208,668	-	208,668	-
Total expenses	<u>10,720,087</u>	<u>10,277,060</u>	<u>3,373,923</u>	<u>3,250,323</u>	<u>14,094,010</u>	<u>13,527,383</u>
Transfers In/(Out)	<u>212,554</u>	<u>321,996</u>	<u>(212,554)</u>	<u>(321,996)</u>	<u>-</u>	<u>-</u>
Increase in net assets	516,818	704,691	(498,983)	(839,454)	17,835	(134,763)
Net assets - beginning of year, as restated	<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>
Net assets - end of year	<u>\$ 5,479,192</u>	<u>\$ 4,962,374</u>	<u>\$ 3,269,709</u>	<u>\$ 3,768,692</u>	<u>\$ 8,748,901</u>	<u>\$ 8,731,066</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 CRA contracted for two additional officers within the Agency's boundaries, which is evidenced by the increase in Public Safety expenditures in the amount of \$210,069 however, the Town's contractual obligations with the Palm Beach County Sheriff's Office only increased \$60,000 (2.3%) and remained basically the same for Palm Beach County Fire-Rescue services. Expenditures for Physical Environment (public works) reflected a decrease of approximately \$41,000. In the prior fiscal year professional services, in the amount of \$30,000, were incurred for the implementation of the Stormwater Utility. The increase in culture and recreation expenditures is attributable to higher depreciation expense allocation resulting from the improvements in Lakeshore Park and to the seawall. Overall, governmental activities increased the Town's net assets \$516,818.

Business-type Activities: Business-type activities decreased the Town's net assets by \$498,983 for 2009. Revenues have increased \$354,629 primarily due to the implementation of the Stormwater Utility in Fiscal Year 2009. A corresponding increase in expenditures can also be attributed to this implementation.

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, 2009, the Town's primary operating fund, the General Fund, reported ending fund balance of \$3,413,950 an increase of \$1,226,320 from the prior year. Of this amount, \$1,176,019 (35%) is considered unreserved fund balance however; \$28,814 is designated for specific purposes; (1) Community Improvement Beautification (CIB) Fund and (2) library donations designated for improvements. The balance, \$1,176,019 is undesignated and available for spending at the Town's discretion however it is recommended that these funds be maintained at this level in the event of an emergency such as a hurricane. The remainder of fund balance (\$2,209,117) 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 (\$130,959), (2) for inventories and prepaid expenses (\$278,598), (3) for capital projects (\$224,560), (4) to cover the cash deficit in the pooled cash of the Marina Fund (\$1,575,000).

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 12 percent (approximately 45 days) of total general fund expenditures, while total fund balance represents 35 percent of that same amount. A sound financial management policy would dictate that the unreserved, undesignated fund balance be maintained between 10-25% of total expenditures. To that end, the budget for Fiscal Year 2010 has been constructed to provide an increase in the fund balance at the end of the year, absent significant revenue shortfalls or at least be able to maintain the current level of fund balance in the event of revenue shortfalls.

General Fund Budgetary Highlights

The annual General Fund budget is adopted after two public hearings and approval of the Town Commission. Any amendments that would exceed the original budget at the fund level or would require funds to be transferred from contingency would require a formal budget amendment requiring the adoption of a resolution by the Town Commission. The original General Fund appropriation was increased \$1,428,150 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. In addition, the Town financed several projects with a bank loan such as the parking meter implementation and property and equipment acquisitions. 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, 2009 amounts to \$20,871,062 (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, 2009 and 2008 are summarized as follows:

Capital Assets (Net of depreciation)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 2,688,733	\$ 1,778,229	\$ 81,157	\$ 81,157	\$ 2,769,890	\$ 1,859,386
Construction in progress	31,170	60,352	309,826	104,397	340,996	164,749
Buildings	3,422,038	3,491,797	-	-	3,422,038	3,491,797
Equipment and vehicles	496,665	493,420	1,376,354	630,131	1,873,019	1,123,551
Streets, roads, and sidewalks	3,859,254	3,093,608	8,605,865	8,269,527	12,465,119	11,363,135
Total assets	<u>\$ 10,497,860</u>	<u>\$ 8,917,406</u>	<u>\$ 10,373,202</u>	<u>\$ 9,085,212</u>	<u>\$ 20,871,062</u>	<u>\$ 18,002,618</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 completed. This included construction of the northern portion of the seawall which was funded with a grant through the Florida Inland Navigation District.
- Park Avenue Alleyway improvements were completed.
- Town Hall improvements.
- A Vac-con truck was purchased for the Stormwater utility.
- A trailer was purchased and installed at the Ballfield complex to house Recreation offices.
- Fencing around the Ballfield complex was installed with assistance from the Community Development Block Grant Program.
- Properties were purchased at 711 and 761 Foresteria Drive for future parking.
- A property was purchased at 800 Park Avenue for an art gallery and studios.
- Property purchased at 725 Foresteria Drive underwent demolition of existing structures.
- Boat ramp improvements were completed with funding from the Florida Boating Improvement Program.
- Dredging of the Marina basin was completed.
- Construction of the south breakwater and improvements to the north breakwater 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 \$16,442,084 in outstanding long-term debt consisting of loans payable of \$16,062,626, capital lease obligations of \$35,762 and compensated absences of \$196,180. During the current fiscal year, the Town's long-term debt obligations increased by \$470,043. This is the result of the net of a decrease in the amount of \$1,323,486, due to scheduled annual repayments and compensated leave taken, and an increase of \$1,782,843 due to the issuance of new debt and the implementation of the new leave policy approved by the Commission. New debt was incurred for the purchase of properties within the CRA district, installation of a fuel tank at Public Works, the purchase of a Stormwater vehicle, a roof replacement and the installation of parking meters along the waterfront. The Town's outstanding debt is summarized as follows:

	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Loans Payable	\$ 10,050,675	\$ 9,553,519	6,011,951	5,980,412	\$ 16,062,626	\$ 15,533,931
Capital lease obligations	28,702	63,034	7,060	91,793	35,762	154,827
Claims and settlements	-	-	-	-	-	-
Compensated absences	149,905	117,715	46,275	28,738	196,180	146,453
Unamortized premium	-	-	147,516	136,830	147,516	136,830
Total	<u>\$ 10,229,282</u>	<u>\$ 9,734,268</u>	<u>\$ 6,212,802</u>	<u>\$ 6,237,773</u>	<u>\$ 16,442,084</u>	<u>\$ 15,972,041</u>

Additional information on the Town's debt can be found in Note #7 on pages 45-54 of this report.

Economic factors and Next Year's Budgets and Rates

The Town, along with all other surrounding communities, saw a decrease in the taxable value of properties due to the economic decline experienced nationwide. Values dropped 15% within the Town which equated to a loss of \$820,000 of tax dollars. This loss, combined with declining State shared revenues and other revenue decreases, left the Town with a total loss of revenue in the amount of \$1,035,000, 10% of the total General Fund. Property taxes represent approximately 43% 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 2009-2010 the Town Commission adopted a General Fund budget of \$9,724,755 compared with the final amended budget for fiscal year 2008-2009 in the amount of \$12,061,115. The operating millage rate remained the same as the prior fiscal year, 8.5163 mills. Due to the declining values, the debt millage rate needed to be increased to 1.40 mills to meet debt service requirements of the General Obligation bonds of 1997 and 1998.

The greatest impact on the General Fund expenditures is Public Safety which represents 50% of the total and uses 100% of the property tax revenue plus an additional \$683,340 of other revenues of the Town. In an effort to off-set some of the impact on the General Fund revenue, the Town Commission installed a parking meter system along the waterfront areas of the Town to generate additional monies to fund services other of the Town. Operational cuts across the board were implemented and employees had to take furlough days to offset the loss of revenue.

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 has been completed. The alleyways south of Park Ave. from 7th to 10th Streets and north of Park Avenue from 10th Street to Northern Drive were refurbished for an estimated amount of \$1.2 million. Additionally the CRA has acquired properties adjacent to the downtown corridor projected to be used for municipal parking. Another property acquired at 800 Park Avenue is being renovated to house an art gallery and studios to showcase area artists and bring focus to the Arts District downtown.

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, 2009

	Governmental Activities	Business-type Activities	Total
Assets			
Pooled cash and cash equivalents	\$ 2,853,455	\$ 466,246	\$ 3,319,701
Restricted cash and cash equivalents	505,054		505,054
Investments	42,562	23,695	66,257
Accounts receivable, net	447,140	109,202	556,342
Due from other governments	117,867	210,535	328,402
Internal balances	1,563,048	(1,563,048)	
Inventory	14,652	30,763	45,415
Prepaid items	353,379	450	353,829
Unamortized bond costs		91,293	91,293
Capital assets			
Capital assets not being depreciated	2,719,903	390,983	3,110,886
Capital assets being depreciated, net of accumulated depreciation	7,777,957	9,982,219	17,760,176
Total assets	16,395,017	9,742,338	26,137,355
Liabilities			
Accounts payable	231,648	63,191	294,839
Accrued expenses	62,593	15,185	77,778
Accrued interest payable	71,959	92,862	164,821
Unearned revenue	319,043	56,140	375,183
Deposits	1,300	32,449	33,749
Noncurrent liabilities:			
Due within one year	730,050	230,525	960,575
Due in more than one year	9,499,232	5,982,277	15,481,509
Total liabilities	10,915,825	6,472,629	17,388,454
Net Assets			
Invested in capital assets, net of related debt	2,062,366	4,297,968	6,360,334
Restricted for:			
Debt service	96,090		96,090
Unrestricted	3,320,736	(1,028,259)	2,292,477
Total net assets	\$ 5,479,192	\$ 3,269,709	\$ 8,748,901

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Activities
For the Year Ended September 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Activities</u>
Government:		
Governmental activities		
General government	\$ 2,656,309	\$ 43,756
Public safety	5,421,845	775,124
Physical environment	319,993	
Transportation	659,113	
Culture and recreation	1,242,156	58,785
Interest on long-term debt	420,671	
Total governmental activities	<u>10,720,087</u>	<u>877,665</u>
Business-type activities		
Marina	1,734,561	1,017,094
Sanitation	1,430,694	1,401,682
Stormwater	208,668	455,587
Total business-type activities	<u>3,373,923</u>	<u>2,874,363</u>
 Total	 <u>\$ 14,094,010</u>	 <u>\$ 3,752,028</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
\$	\$	\$ (2,612,553)	\$	\$ (2,612,553)
	4,295	(4,642,426)		(4,642,426)
	22,903	(319,993)		(319,993)
11,639	160,597	(636,210)		(636,210)
		(1,011,135)		(1,011,135)
		(420,671)		(420,671)
<u>11,639</u>	<u>187,795</u>	<u>(9,642,988)</u>		<u>(9,642,988)</u>
	110,276		(607,191)	(607,191)
	95,755		(29,012)	(29,012)
	<u>206,031</u>		<u>342,674</u>	<u>342,674</u>
			<u>(293,529)</u>	<u>(293,529)</u>
<u>\$ 11,639</u>	<u>\$ 393,826</u>	<u>(9,642,988)</u>	<u>(293,529)</u>	<u>(9,936,517)</u>
General Revenues:				
Taxes:				
Property taxes		6,827,668		6,827,668
Franchise fees		603,269		603,269
Utility service taxes		690,743		690,743
Local option gas taxes		236,037		236,037
Communication services taxes		539,808		539,808
Unrestricted intergovernmental shared revenues		893,510		893,510
Miscellaneous revenues		102,096		102,096
Investment earnings		54,121	7,100	61,221
Transfers		212,554	(212,554)	
Total general revenues and transfers		<u>10,159,806</u>	<u>(205,454)</u>	<u>9,954,352</u>
Change in net assets		516,818	(498,983)	17,835
Net assets, beginning of year		<u>4,962,374</u>	<u>3,768,692</u>	<u>8,731,066</u>
Net assets, end of year		<u>\$ 5,479,192</u>	<u>\$ 3,269,709</u>	<u>\$ 8,748,901</u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2009

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Assets				
Pooled cash and cash equivalents	\$ 1,608,170	\$ 1,133,995	\$ 108,027	\$ 2,850,192
Restricted cash and cash equivalents	224,560	280,494		505,054
Investments	29,845	3,431	9,286	42,562
Accounts receivable, net	251,667		195,473	447,140
Due from other governments	96,410	665	20,792	117,867
Due from other funds	1,117,690	1,184,049	19,264	2,321,003
Advances to other funds	1,575,000	102,730		1,677,730
Inventory	14,652			14,652
Prepaid items	263,946	21,977		285,923
Total assets	<u>\$ 5,181,940</u>	<u>\$ 2,727,341</u>	<u>\$ 352,842</u>	<u>\$ 8,262,123</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 160,965	\$ 66,497	\$ 4,186	\$ 231,648
Accrued items	57,215	3,324	2,054	62,593
Deferred revenue	261,731	100	57,212	319,043
Due to other funds	1,184,049	934,049	168,641	2,286,739
Advance from other funds	102,730			102,730
Deposits	1,300			1,300
Total liabilities	<u>1,767,990</u>	<u>1,003,970</u>	<u>232,093</u>	<u>3,004,053</u>
Fund balances				
Reserved for/reported in:				
Inventories and prepaids	278,598	21,977		300,575
Encumbrances	130,959	148,737		279,696
Advances to other funds	1,575,000	102,730		1,677,730
Debt service/debt service fund			96,090	96,090
Capital projects	224,560	268,759		493,319
Unreserved				
Designated for community improvement	6,924			6,924
Designated for library improvements	21,890			21,890
Undesignated, reported in				
General fund	1,176,019			1,176,019
Special revenue funds		1,181,168	(24,975)	1,156,193
Capital projects funds			49,634	49,634
Total fund balances	<u>3,413,950</u>	<u>1,723,371</u>	<u>120,749</u>	<u>5,258,070</u>
Total liabilities and fund balances	<u>\$ 5,181,940</u>	<u>\$ 2,727,341</u>	<u>\$ 352,842</u>	<u>\$ 8,262,123</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, 2009

Total Fund Balances - Governmental Funds		\$ 5,258,070
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 16,118,255	
Less accumulated depreciation	<u>(5,620,395)</u>	10,497,860

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	(71,959)	
Compensated absences	(149,905)	
Loans payable	(4,721,352)	
General obligation bonds	(5,329,323)	
Capital leases	<u>(28,702)</u>	(10,301,241)

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.

24,503

Net assets of governmental activities

\$ 5,479,192

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, 2009

	<u>Major Governmental Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>CRA Fund</u>		
Revenues				
Taxes	\$ 7,080,150	\$	\$ 745,061	\$ 7,825,211
Licenses and permits	529,487			529,487
Intergovernmental	1,377,775	306,439	514,049	2,198,263
Charges for services	293,756			293,756
Fines and forfeitures	213,105			213,105
Miscellaneous	170,731	6,901	6,749	184,381
Total revenues	<u>9,665,004</u>	<u>313,340</u>	<u>1,265,859</u>	<u>11,244,203</u>
Expenditures				
Current				
General government	1,656,551	701,077	3,768	2,361,396
Public safety	5,413,894			5,413,894
Physical environment	287,322			287,322
Transportation	335,640		217,752	553,392
Culture and recreation	1,081,416		5,991	1,087,407
Capital outlay	255,677	1,931,430	182,815	2,369,922
Debt service				
Principal	235,455		511,170	746,625
Interest charges	135,822		261,848	397,670
Other debt service charges	4,201	14,249	1,000	19,450
Total expenditures	<u>9,405,978</u>	<u>2,646,756</u>	<u>1,184,344</u>	<u>13,237,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>259,026</u>	<u>(2,333,416)</u>	<u>81,515</u>	<u>(1,992,875)</u>
Other financing sources (uses)				
Transfers in	576,504	773,506	42,703	1,392,713
Transfer out	(818,659)	(286,500)	(75,000)	(1,180,159)
Loan proceeds	1,209,449			1,209,449
Total other financing sources (uses)	<u>967,294</u>	<u>487,006</u>	<u>(32,297)</u>	<u>1,422,003</u>
Net change in fund balances	1,226,320	(1,846,410)	49,218	(570,872)
Fund balances				
Beginning of year	2,187,630	3,569,781	71,531	5,828,942
End of year	<u>\$ 3,413,950</u>	<u>\$ 1,723,371</u>	<u>\$ 120,749</u>	<u>\$ 5,258,070</u>

See notes to the financial statements.

TOWN OF LAKE PARK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2009

Net change in fund balances - total governmental funds	\$	(570,872)
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	\$ 2,369,922	
Less: current year depreciation	<u>(740,830)</u>	1,629,092
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.		
		(48,638)
Governmental Funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.		
Urban Forestry Grant		(9,100)
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	506,708	
Loans payable	205,585	
Capital lease obligations	34,332	
Long term debt issuances:		
Loans payable	<u>(1,209,449)</u>	(462,824)
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		
Change in compensated absences	(32,190)	
Change in accrued interest	<u>(3,551)</u>	(35,741)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
Net income allocable to governmental activities		<u>14,901</u>
Change in net assets of governmental activities	\$	<u><u>516,818</u></u>

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2009

	<u>Major Enterprise Funds</u>		<u>Nonmajor Enterprise Fund</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Marina Fund</u>	<u>Sanitation Fund</u>			
Assets					
Current assets					
Pooled cash and cash equivalents	\$	\$ 412,706	\$ 53,540	\$ 466,246	\$ 3,263
Investments		23,695		23,695	
Accounts receivable, net	21,280	87,922		109,202	
Due from other governments	108,140	3,783	98,612	210,535	
Prepaid expenses	450			450	67,456
Inventory	30,763			30,763	
Total current assets	<u>160,633</u>	<u>528,106</u>	<u>152,152</u>	<u>840,891</u>	<u>70,719</u>
Noncurrent assets					
Unamortized bond issue costs	91,293			91,293	
Capital assets not being depreciated	132,717	64,157	194,109	390,983	
Capital assets net of accumulated depreciation	8,587,380	1,142,332	252,507	9,982,219	
Total noncurrent assets	<u>8,811,390</u>	<u>1,206,489</u>	<u>446,616</u>	<u>10,464,495</u>	
Total assets	<u>8,972,023</u>	<u>1,734,595</u>	<u>598,768</u>	<u>11,305,386</u>	<u>70,719</u>
Liabilities					
Current liabilities					
Accounts payable	42,273	19,316	1,602	63,191	
Accrued payroll and payroll taxes	3,564	10,268	1,353	15,185	
Deferred revenue	56,140			56,140	
Due to other funds	19,264			19,264	15,000
Advance from other funds	1,575,000			1,575,000	
Deposits payable - slip rentals	32,449			32,449	
Accrued interest payable	90,854		2,008	92,862	
Compensated absences payable, current portion	2,527	9,524	379	12,430	
Capital lease obligations payable, current portion		4,657		4,657	
Bonds payable, current maturities	121,538	91,900		213,438	
Total current liabilities	<u>1,943,609</u>	<u>135,665</u>	<u>5,342</u>	<u>2,084,616</u>	<u>15,000</u>
Long-term liabilities					
Compensated absences payable, less current portion	10,109	22,222	1,514	33,845	
Capital lease obligations payable, less current portion		2,403		2,403	
Bonds payable, net of unamortized premium and current maturities	5,167,839	512,639	265,551	5,946,029	
Total long-term liabilities	<u>5,177,948</u>	<u>537,264</u>	<u>267,065</u>	<u>5,982,277</u>	
Total liabilities	<u>7,121,557</u>	<u>672,929</u>	<u>272,407</u>	<u>8,066,893</u>	<u>15,000</u>
Net assets					
Invested in capital assets, net of related debt	3,522,013	594,890	181,065	4,297,968	
Unrestricted	(1,671,547)	466,776	145,296	(1,059,475)	55,719
Total net assets	<u>\$ 1,850,466</u>	<u>\$ 1,061,666</u>	<u>\$ 326,361</u>	<u>3,238,493</u>	<u>\$ 55,719</u>
Adjustment to reflect consolidation of internal service fund activities				31,216	
Net assets of business-type activities				<u>\$ 3,269,709</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, 2009

	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities
	Marina Fund	Sanitation Fund			Internal Service Fund
Operating revenue					
Charges for services	\$ 1,014,948	\$ 1,394,445	\$ 455,587	\$ 2,864,980	\$ 391,954
Miscellaneous	2,146	7,237		9,383	5,117
Total operating revenues	1,017,094	1,401,682	455,587	2,874,363	397,071
Operating expenses					
Personal services	259,479	546,511	42,797	848,787	
Operating expenses	770,433	474,203	125,228	1,369,864	359,818
Depreciation	454,922	393,858	35,703	884,483	
Total operating expenses	1,484,834	1,414,572	203,728	3,103,134	359,818
Operating income (loss)	(467,740)	(12,890)	251,859	(228,771)	37,253
Nonoperating revenues (expenses)					
Amortization	(4,073)		(4,050)	(8,123)	
Interest revenue	1,354	4,021	1,725	7,100	
Interest expense	(256,830)	(26,180)	(2,008)	(285,018)	
Total nonoperating revenues (expenses)	(259,549)	(22,159)	(4,333)	(286,041)	
Income (loss) before capital contributions	(727,289)	(35,049)	247,526	(514,812)	
Capital contributions	110,276		95,755	206,031	
Transfers in (out)	19,370	(215,004)	(16,920)	(212,554)	
Change in net assets	(597,643)	(250,053)	326,361	(521,335)	37,253
Net assets - beginning of year	2,448,109	1,311,719		3,759,828	18,466
Net assets - ending	\$ 1,850,466	\$ 1,061,666	\$ 326,361	\$ 3,238,493	\$ 55,719
Change in net assets				\$ (521,335)	
Adjustment to reflect consolidation of internal service fund activities				22,352	
Change in net assets of business-type activities				\$ (498,983)	

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental
	Marina Fund	Sanitation Fund			Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 1,065,255	\$ 1,405,397	\$ 452,730	\$ 2,923,382	
Cash paid to suppliers	(729,374)	(469,982)	(123,626)	(1,322,982)	(348,782)
Cash paid to employees	(257,457)	(546,616)	(39,551)	(843,624)	
Payments from other funds	570,346	(544,072)		26,274	352,045
Net cash provided (used) by operating activities	648,770	(155,273)	289,553	783,050	3,263
Cash flows from noncapital financing activities:					
Operating transfers in (out)	19,370	(215,004)	(16,920)	(212,554)	
Net cash provided (used) by noncapital financing activities	19,370	(215,004)	(16,920)	(212,554)	
Cash flows from capital and related financing activities:					
Acquisition and construction of property and equipment	(793,265)	(896,889)	(482,319)	(2,172,473)	
Loan proceeds			265,551	265,551	
Capital contributions	2,136			2,136	
Loan costs			(4,050)	(4,050)	
Interest paid on debt	(258,018)	(26,180)		(284,198)	
Principal repayments on capital lease obligation		(84,733)		(84,733)	
Principal repayments on revenue bonds	(135,197)	(98,815)		(234,012)	
Net cash provided (used) by capital and related financing activities	(1,184,344)	(1,106,617)	(220,818)	(2,511,779)	
Cash flows from investing activities:					
Sale of investments		19,421		19,421	
Interest on investments	1,354	4,021	1,725	7,100	
Net cash provided (used) by investing activities	1,354	23,442	1,725	26,521	
Net increase (decrease) in cash and cash equivalents	(514,850)	(1,453,452)	53,540	(1,914,762)	3,263
Cash and cash equivalents at beginning of year	514,850	1,866,158		2,381,008	
Cash and cash equivalents at end of year	\$	\$ 412,706	\$ 53,540	\$ 466,246	\$ 3,263
Cash flows from operating activities:					
Operating income (loss)	\$ (467,740)	\$ (12,890)	\$ 251,859	\$ (228,771)	\$ 37,253
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	454,922	393,858	35,703	884,483	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(4,972)	3,660		(1,312)	
(Increase) decrease in accounts due from other governments		55	(2,857)	(2,802)	
(Increase) decrease in inventory	19,515			19,515	
(Increase) decrease in prepaid expenses	1,332			1,332	11,036
Increase (decrease) in accounts payable	20,212	4,221	1,602	26,035	
Increase (decrease) in accrued liabilities	(4,817)	(8,910)	1,353	(12,374)	
Increase (decrease) in deposits	(3,007)			(3,007)	
Increase (decrease) in deferred revenue	56,140			56,140	
Increase (decrease) in compensated absences	6,839	8,805	1,893	17,537	
Increase (decrease) in due to other funds	570,346	(544,072)		26,274	(45,026)
Total adjustments	1,116,510	(142,383)	37,694	1,011,821	(33,990)
Net cash provided (used) by operating activities	\$ 648,770	\$ (155,273)	\$ 289,553	\$ 783,050	\$ 3,263
Noncash investing, capital and financing activities					
Amortization of bond issue costs	\$ 6,613	\$	\$	\$ 6,613	\$
Amortization of premium on bonds	\$ 10,686	\$	\$	\$ 10,686	\$

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
Statement of Fiduciary Net Assets
Pension Trust Funds
September 30, 2009

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 85,733
Investments:	
Closed end equity funds	892,045
Closed end taxable bond funds	354,203
Prepaid retirement benefits	10,622
Total assets	1,342,603
 Net assets	
Held in trust for pension benefits	\$ 1,342,603

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, 2009

	Pension Trust Funds
Additions	
Contributions	
Employer	\$
Investment income	
Net decrease in fair value of investments	(109,079)
Interest and dividends	34,911
Net investment income	(74,168)
Total additions	(74,168)
Deductions	
Retirement benefits	166,881
Administrative expenses	11,302
Total deductions	178,183
Change in net assets	(252,351)
Net assets held in trust for pension benefits	
Net assets - beginning of year	1,594,954
Net assets - end of year	\$ 1,342,603

See notes to the financial statements.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2009

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. As a general rule, the effect of interfund activities has been removed from these statements. An exception to this rule is that interfund services provided and used are not eliminated. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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.

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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Stormwater Utility Fund

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

Internal Service Fund

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

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. 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.

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, 2009

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 "Florida PRIME" 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, 2009

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, 2009

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, 2009

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, 2009 for the fiscal year beginning October 1, 2009. 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, 2009. 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, 2009

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, 2009

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, 2009

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 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. 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 2009, 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, 2009

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, 2009, was 9.6663 (\$9.6663 for each \$1,000 of assessed valuation), which includes 1.15 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, 2009, 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, 2009

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

C. Contractual and Legal Obligations to Pay

In prior years, the Town failed to make the required annual incremental tax contributions to the Community Redevelopment Agency (CRA) since its inception, causing penalties and interest for non-payment to accrue beginning in fiscal year ending September 30, 2000. (See Note 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, 2009, the carrying amount of deposits (including fiduciary funds) was \$1,350,741 and the bank balances were \$1,462,323. 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, Capital Projects, and Sanitation.

Restricted cash

As September 30, 2009, the Town reported restricted cash for unexpended loan proceeds restricted for capital projects.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

As of September 30, 2009, the Town held the following investments:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State Board of Administration:			
Florida PRIME	AAA(m)	\$ 2,512,795	33 days
Fund B	N/R	66,257	6.69 years
Money market funds	N/R	46,277	N/A
Closed end bond funds	N/R	354,203	N/A
Closed end equity funds	N/R	892,045	N/A
Total investments		<u>\$ 3,871,577</u>	

All the investments other than the State Board of Administration are held in the fiduciary funds. The credit ratings are S&P'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, 2009 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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, 2009

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.

On August 3, 2009, the SBA announced “Florida PRIME” as the highly enhanced version of the SBA’s prior Local Government Investment Pool. Pool A is now referred to as Florida PRIME, and Pool B is referred to as Fund B. From December 2007 through September 2009, the SBA transferred a total of \$1.46 billion in liquid assets from Fund B to participants in Florida PRIME. This amount represents approximately 73% of their original adjusted Fund B balances.

On September 30, 2009, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Florida PRIME. Florida PRIME is considered a SEC 2a7-like fund, thus, the account balance should also be considered its fair value. Fund B is not rated by any nationally recognized rating agency.

Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2009 was .54915069. 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 Florida PRIME at September 30, 2009 was 33 days. A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The weighted average life (WAL) of Fund B at September 30, 2009 was 6.69 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Fund B as of September 30, 2009.

As of September 30, 2009, the Town of Lake Park had \$2,512,795 invested in Florida PRIME. The cost basis of Fund B as of September 30, 2009 was \$120,654 and the fair value and adjusted book value was \$66,257. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.
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	\$ 1,350,741
Petty cash	675
Investments	3,871,577
Total deposits and investments	\$ 5,222,993
Presented in the statement of net assets	
Governmental activities	
Cash and cash equivalents	\$ 2,853,455
Restricted cash and cash equivalents	505,054
Investments	42,562
Business-type activities	
Cash and cash equivalents	466,246
Investments	23,695
Total statements of net assets	3,891,012
Presented in the statement of fiduciary net assets	
Pension trust funds	
Cash and cash equivalents	85,733
Investments	1,246,248
Total fiduciary funds	1,331,981
Total deposits and investments	\$ 5,222,993

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 4 – RECEIVABLES

Receivables at September 30, 2009, were as follows:

	General Fund	Nonmajor Governmental Funds	Marina Fund	Sanitation Fund	Total
Accounts receivable	\$ 57,172	\$ 195,473	\$ 54,876	\$ 91,551	\$ 399,072
Accrued receivables	194,495			1,278	195,773
Total receivables	251,667	195,473	54,876	92,829	594,845
Less allowance for uncollectible accounts			(33,596)	(4,907)	(38,503)
Accounts receivable, net	<u>\$ 251,667</u>	<u>\$ 195,473</u>	<u>\$ 21,280</u>	<u>\$ 87,922</u>	<u>\$ 556,342</u>

NOTE 5 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2009, was as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,778,229	\$ 910,504	\$	\$ 2,688,733
Construction in progress	60,352	31,170	(60,352)	31,170
Capital assets being depreciated:				
Buildings	7,100,119	110,282		7,210,401
Improvements	3,313,274	1,199,118	(57,349)	4,455,043
Machinery and equipment	1,553,708	179,200		1,732,908
Total at historical cost:	13,805,682	2,430,274	(117,701)	16,118,255
Less accumulated depreciation for:				
Buildings	(3,608,322)	(180,041)		(3,788,363)
Improvements	(219,666)	(384,834)	8,711	(595,789)
Machinery and equipment	(1,060,288)	(175,955)		(1,236,243)
Total accumulated depreciation	(4,888,276)	(740,830)	8,711	(5,620,395)
Governmental activities capital assets, net	<u>\$ 8,917,406</u>	<u>\$ 1,689,444</u>	<u>\$ (108,990)</u>	<u>\$ 10,497,860</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 443,931
Public safety	3,867
Physical environment	31,687
Transportation	108,581
Culture and recreation	152,764
Total depreciation expense governmental activities	\$ 740,830

The capital asset activity of business-type activities for the year ended September 30, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 81,157	\$	\$	\$ 81,157
Construction in progress	104,397	841,866	(636,437)	309,826
Capital assets being depreciated:				
Improvements	9,366,188	792,375		10,158,563
Machinery and equipment	1,760,966	1,174,669		2,935,635
Total at historical cost:	<u>11,312,708</u>	<u>2,808,910</u>	<u>(636,437)</u>	<u>13,485,181</u>
Less accumulated depreciation for:				
Improvements	(1,096,661)	(456,037)		(1,552,698)
Machinery and equipment	(1,130,835)	(428,446)		(1,559,281)
Total accumulated depreciation	<u>(2,227,496)</u>	<u>(884,483)</u>		<u>(3,111,979)</u>
Business-type activities capital assets, net	<u>\$ 9,085,212</u>	<u>\$ 1,924,427</u>	<u>\$ (636,437)</u>	<u>\$10,373,202</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 6 – CONTRACT COMMITMENTS

Contracts awarded but not yet completed were as follows:

Construction Commitments:	
Drainage improvements	\$ 85,873
Other Town improvements	17,882
Subtotal, construction commitments	<u>103,755</u>
Consulting contracts	12,552
Total contract commitments	<u>\$ 116,307</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2009, was as follows:

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Amount due within one year
<u>Governmental activities:</u>					
Bonds and loans payable	\$ 9,553,519	\$ 1,209,449	\$ 712,293	\$10,050,675	\$ 681,137
Capital lease obligations	63,034		34,332	28,702	18,932
Compensated absences payable	117,715	247,703	215,513	149,905	29,981
Total	<u>\$ 9,734,268</u>	<u>\$ 1,457,152</u>	<u>\$ 962,138</u>	<u>\$10,229,282</u>	<u>\$ 730,050</u>
<u>Business-type activities:</u>					
Loans payable	\$ 5,980,412	\$ 265,551	\$ 234,012	\$ 6,011,951	\$ 213,438
Capital lease obligations	91,793		84,733	7,060	4,657
Compensated absences payable	28,738	60,140	42,603	46,275	12,430
Total	<u>\$ 6,100,943</u>	<u>\$ 325,691</u>	<u>\$ 361,348</u>	6,065,286	<u>\$ 230,525</u>
Unamortized premium				147,516	
				<u>\$ 6,212,802</u>	

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

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, 2009, 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, 2009 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2010	\$ 259,823	\$ 119,627	\$ 379,450
2011	272,870	106,580	379,450
2012	286,572	92,878	379,450
2013	300,963	78,487	379,450
2014	316,076	63,374	379,450
2015	331,947	47,503	379,450
2016	348,616	30,834	379,450
2017	<u>359,121</u>	<u>13,327</u>	<u>372,448</u>
	<u>\$2,475,988</u>	<u>\$ 552,610</u>	<u>\$3,028,598</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, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

General Obligation Bond, Series 1998 (Continued)

The required debt service payments on the Series 1998 bond at September 30, 2009 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2010	\$ 264,313	\$ 124,344	\$ 388,657
2011	276,233	112,424	388,657
2012	288,690	99,967	388,657
2013	301,710	86,947	388,657
2014	315,316	73,341	388,657
2015	329,536	59,121	388,657
2016	344,397	44,260	388,657
2017	359,928	28,729	388,657
2018	<u>373,212</u>	<u>12,499</u>	<u>385,711</u>
	<u>\$2,853,335</u>	<u>\$ 641,632</u>	<u>\$3,494,967</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, 2009 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 \$176,290. Minimum future lease payments under these agreements at September 30, 2009, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
2010	\$ 18,932	\$ 1,033	\$ 19,965
2011	<u>9,770</u>	<u>210</u>	<u>9,980</u>
	<u>\$ 28,702</u>	<u>\$ 1,243</u>	<u>\$ 29,945</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds: The Town’s outstanding business-type activities revenue bonds at September 30, 2009 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, 2009, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue Bonds (Continued)

Revenue Bonds, Series 2003A (Continued)

<u>Year Ending</u> <u>September 30</u>	<u>Interest</u> <u>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>\$4,365,000</u>	<u>\$3,205,913</u>	<u>\$7,570,913</u>

Obligations Under Capital Lease: Obligations under capital lease of the Town’s business-type activities at September 30, 2009, 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, 2009 was \$430,680. 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, 2009, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Amount</u>
2010	\$ 4,657	\$ 254	\$ 4,911
2011	<u>2,403</u>	<u>52</u>	<u>2,455</u>
	<u>\$ 7,060</u>	<u>\$ 306</u>	<u>\$ 7,366</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes: The Town’s outstanding promissory notes payable at September 30, 2009 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	\$ 3,468,866
Business-type activities	<u>1,134,896</u>
	<u>\$ 4,603,762</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

Promissory Note, Series 2008A (Continued)

Annual debt service requirements to maturity are as follows:

Governmental Activities:

Year Ending September 30	Principal	Interest	Total Amount
2010	\$ 150,951	\$ 127,308	\$ 278,259
2011	156,491	121,768	278,259
2012	162,235	116,024	278,259
2013	168,188	110,071	278,259
2014	174,361	103,898	278,259
2015-2019	972,618	418,675	1,391,293
2020-2024	1,057,645	226,610	1,284,255
2025-2028	626,377	58,505	684,882
Total	<u>\$ 3,468,866</u>	<u>\$ 1,282,859</u>	<u>\$ 4,751,725</u>

Business-type activities:

Year Ending September 30	Principal	Interest	Total Amount
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	129,015	24,329	153,344
2015-2019	237,577	72,794	310,371
2020-2024	152,714	43,571	196,285
2025-2028	143,614	13,414	157,028
Total	<u>\$ 1,134,896</u>	<u>\$ 295,508</u>	<u>\$ 1,430,404</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, 2009**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

Promissory Note, Series 2008B (Continued)

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 43,037
Business-type activities	<u>246,504</u>
	<u>\$ 289,542</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>
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	7,865	1,103	8,968
2015-2018	8,398	568	8,966
Total	<u>\$ 43,037</u>	<u>\$ 10,769</u>	<u>\$ 53,806</u>

Business-type activities:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u>
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	8,769	14,689	23,458
2015-2019	53,611	63,679	117,290
2020-2024	74,421	42,869	117,290
2025-2028	79,853	13,978	93,831
Total	<u>\$ 246,504</u>	<u>\$ 199,197</u>	<u>\$ 445,701</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

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

Amounts currently outstanding on the note are as follows:

<u>Purpose</u>	<u>Amount</u>
Governmental activities	\$ 1,209,449
Business-type activities	<u>265,551</u>
	<u>\$ 1,475,000</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>
2010	\$	\$ 40,172	\$ 40,172
2011	65,926	60,118	126,044
2012	78,566	56,427	134,993
2013	82,579	52,309	134,888
2014	86,801	47,982	134,783
2015-2019	365,900	180,643	546,543
2020-2024	430,046	82,582	512,628
2025	99,631	2,546	102,177
Total	<u>\$ 1,209,449</u>	<u>\$ 522,779</u>	<u>\$ 1,732,228</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Promissory Notes (Continued)

Promissory Note, Series 2009 (Continued)

Business-type activities:

Year Ending September 30	Principal	Interest	Total Amount
2010	\$	\$ 8,820	\$ 8,820
2011	46,366	12,385	58,751
2012	50,770	9,903	60,673
2013	53,365	7,243	60,608
2014	56,092	4,446	60,538
2015-2019	58,958	1,506	60,464
Total	<u>\$ 265,551</u>	<u>\$ 44,303</u>	<u>\$ 309,854</u>

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
2010	\$ 918,164	\$ 700,890	\$ 1,619,054
2011	1,059,514	683,152	1,742,666
2012	1,106,464	634,638	1,741,102
2013	1,161,831	583,851	1,745,682
2014	1,214,295	530,174	1,744,469
2015-2019	4,838,819	1,858,664	6,697,483
2020-2024	2,604,826	1,081,332	3,686,158
2025-2029	2,074,475	541,168	2,615,643
2030-2033	1,120,000	143,250	1,263,250
Total	<u>\$16,098,388</u>	<u>\$ 6,757,119</u>	<u>\$ 22,855,507</u>

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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.

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, 2009 were \$145,661 by the Town and \$102,593 by the employees. Plan

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

NOTE 9 – PENSION PLANS (Continued)

Defined Contribution Plan (Continued)

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 (MFPF) 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 MFPF 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.

Basis of Accounting: All pension fund financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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

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

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9 – PENSION PLANS (Continued)

Defined Benefit Plans (Continued)

The Retired Police Officers’ Pension Fund

Effective October 1, 2001, the Palm Beach County Sheriff’s Office (PBSO) was contracted to provide police services for the Town in connection with the transfer of Town police services to the PBSO, the active plan members of the plan were terminated and eligible for a lump sum payout. Effective November 20, 2002, the Town terminated the Municipal Police Officers’ Retirement Trust Fund and distributed lump sum payouts to the vested participants. On October 15, 2003, the Town established the Retired Police Officers’ Pension Fund for the retirees covered by the original plan and transferred substantially all remaining assets of the original plan to the new plan in April 2004. Accordingly, at September 30, 2009 only five 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, 2008. This report would have contained the contribution requirements for the plan year ended September 30, 2009. 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.

Schedule of Employer Contributions

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9 – PENSION PLANS (Continued)

Defined Benefit Plans (Continued)

The Retired Police Officers' Pension Fund (Continued)

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

Valuation date	October 1, 2006
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level dollar amount - closed
Remaining amortization period	15 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return (Net of administrative expenses)	8.0%
Projected salary increase	N/A
Post retirement COLA	N/A

Three Year Trend Information

	<u>Actuarially Determined Contribution</u>	<u>Percentage of APC* Contributed</u>	<u>Net Pension Obligation</u>
2005	\$ 26,482	100%	
2006	7,959	100	
2007	17,768	100	

* Annual Pension Cost from Town sources.

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

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9 – PENSION PLANS (Continued)

Defined Benefit Plans (Continued)

The Retired Police Officers' Pension Fund (Continued)

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, 2009 the Municipal Firemen's Pension Trust Fund is considered a terminated pension plan and actuarial information is not provided.

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.

**Statement of Fiduciary Net Assets
September 30, 2009**

	<u>Retired Police Officers' Pension Fund</u>	<u>Municipal Firemen's Pension Fund</u>
ASSETS		
Cash and cash equivalents	\$ 85,733	\$
Investments		
Closed end equity funds	892,045	
Closed end taxable bond funds	354,203	
Receivables:		
Contributions		
Prepaid retirement benefits	<u>10,622</u>	<u> </u>
Total assets	<u>1,342,603</u>	<u> </u>
NET ASSETS held in trust for pension benefits	<u>\$ 1,342,603</u>	<u>\$</u>

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

NOTE 9 - PENSION PLANS (Continued)

**Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2009**

	<u>Retired Police Officers' Pension Fund</u>	<u>Municipal Firemen's Pension Fund</u>
ADDITIONS		
Contributions		
Employer	\$	\$
Investment income		
Net decrease in fair value of investments	(109,079)	
Interest and dividends	<u>34,911</u>	<u> </u>
Net investment income	<u>(74,168)</u>	<u> </u>
Total additions	<u>(74,168)</u>	<u> </u>
DEDUCTIONS		
Retirement benefits	166,881	
Refunds of contributions		
Administrative expenses	<u>10,216</u>	<u>1,086</u>
Total deductions	<u>177,097</u>	<u>1,086</u>
Changes in net assets	(251,265)	(1,086)
Net assets, beginning of year	<u>1,593,868</u>	<u>1,086</u>
Net assets, end of year	<u>\$ 1,342,603</u>	<u>\$</u>

NOTE 10 - RESERVED FUND BALANCES

The Town has established reserves to account for that portion of fund balance that is not appropriate 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 appropriate 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, 2009

NOTE 11 - DEFICIT FUND EQUITY

At September 30, 2009 the following fund had a deficit in fund equity which will be eliminated through future revenues:

<u>Fund</u>	<u>Deficit Fund Equity</u>
Streets and Roads Fund	\$ 24,975

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 \$67,400 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, 2009**

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, 2009, 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	\$1,184,049	\$ 102,730	\$1,286,779
General Fund	Marina Fund		1,575,000	1,575,000
Non-major governmental funds	Marina Fund	19,264		19,264
General Fund	CRA	934,049		934,049
General Fund	Non-major governmental funds	168,641		168,641
General Fund	Insurance Fund	15,000		15,000

At September 30, 2009, the General Fund owed the CRA Fund \$1,286,779 for unpaid incremental tax revenue from fiscal year 2000 to the present. (See Note 2.) The amount due to the CRA from the General Fund includes outstanding principal of \$640,019 and penalties and interest of \$646,760. The due to the General Fund from the CRA fund was for the purpose of land acquisitions and improvements in the CRA.

**TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

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.

Interfund transfers during the year ended September 30, 2009 are as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
CRA Fund	\$773,506	
General Fund		\$773,506
Nonmajor Government	16,920	
Nonmajor Enterprise		16,920
Nonmajor Government	25,783	
General Fund		25,783
General Fund	286,500	
CRA Fund		286,500
General Fund	75,000	
Nonmajor Government		75,000
General Fund	215,004	
Sanitation Fund		215,004
Marina Fund	19,370	
General Fund		19,370

The transfer of \$773,506 from the General Fund to the CRA Fund included the following:

- a. Transfer of \$690,204 for the 2007 incremental tax obligation.
- b. Transfer of \$83,302 for interest for late payment of the incremental tax obligation. (See Note 2.)

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

NOTE 15 - RELATED PARTY TRANSACTIONS – ENTERPRISE FUNDS

The General Fund provides the other funds with various management services. Administrative costs totaling \$60,000 for the Marina fund, \$80,000 for the Sanitation fund, \$47,750 for the CRA fund, and \$32,100 for the Stormwater Utility fund were charged for 2009.

TOWN OF LAKE PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2010. 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 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.

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, 2009

Retired Police Officers' Pension Fund

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/03	\$ 2,095,114	\$ 2,177,473	\$ 82,359	96.22%	N/A	N/A
10/01/04	1,924,445	2,156,800	232,355	89.23%	N/A	N/A
10/01/05	1,971,286	2,030,035	58,749	97.11%	N/A	N/A
10/01/06	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 or 2008. These reports would have contained the contribution requirements for the plan year ended September 30, 2008 and 2009. Therefore, the Town did not make a contribution.

TOWN OF LAKE PARK, FLORIDA
Notes to the Trend Data
September 30, 2009

	Retired Police Officers' Pension Fund
	<hr/>
Contribution rates as of 9/30/07:	
Town	N/A
Plan Members	N/A
Actuarially Determined Contribution	\$ 17,768
Contributions Made	\$ 17,768
Valuation date	10/01/06
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Amortized Method	Level dollar amount, closed
Remaining Amortization Period	15 Years
Asset Valuation Method	Market
Actuarial Assumption:	
Investment rate of return (net of administrative expenses)	8%
Projected salary increase	N/A
Post Retirement cost of living adjustments	N/A

GENERAL FUND

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund

For the year ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 5,565,585	\$ 5,565,585	\$ 5,776,168	\$ 210,583
Franchise taxes				
Electricity	625,000	625,000	599,961	(25,039)
Gas	5,000	5,000	1,342	(3,658)
Solid Waste	16,000	16,000	11,966	(4,034)
Dunkin' Donuts	5,000	5,000		(5,000)
Utility taxes				
Electricity	575,000	575,000	556,670	(18,330)
Water	120,000	120,000	131,601	11,601
Gas	2,500	2,500	2,442	(58)
Total taxes	<u>6,914,085</u>	<u>6,914,085</u>	<u>7,080,150</u>	<u>166,065</u>
Licenses and permits				
Building permits	250,000	250,000	134,611	(115,389)
Alarm permits	5,000	5,000	15,355	10,355
Business tax receipts	350,000	350,000	327,063	(22,937)
Occupational license applications	15,000	15,000	12,761	(2,239)
Cost recovery		36,700	36,677	(23)
Special event fees			550	550
Contractors fees	2,500	2,500	2,470	(30)
Total licenses and permits	<u>622,500</u>	<u>659,200</u>	<u>529,487</u>	<u>(129,713)</u>
Intergovernmental revenues				
State shared revenues				
Local government sales tax	655,500	655,500	558,085	(97,415)
Local communication services taxes	530,000	530,000	539,808	9,808
State revenue sharing	239,500	239,500	225,153	(14,347)
Alcoholic beverage licenses	12,000	12,000	11,645	(355)
Motor fuel tax refund	3,500	3,500	8,410	4,910
County shared revenues				
County occupation licenses	26,000	26,000	23,035	(2,965)
Grant revenues				
State aid to libraries	15,200	15,200	11,639	(3,561)
Total intergovernmental revenues	<u>\$ 1,481,700</u>	<u>\$ 1,481,700</u>	<u>\$ 1,377,775</u>	<u>\$ (103,925)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (Continued)				
Charges for services				
Administrative fees				
Sanitation	\$ 80,000	\$ 80,000	\$ 80,004	\$ 4
CRA	47,750	47,750	47,748	(2)
Stormwater utility	32,100	32,100	32,100	
Marina	60,000	60,000	60,000	
Plan review fees	15,000	15,000	11,414	(3,586)
Parks and recreation	62,285	62,285	55,447	(6,838)
Other charges for services	5,500	5,500	7,043	1,543
Total charges for services	<u>302,635</u>	<u>302,635</u>	<u>293,756</u>	<u>(8,879)</u>
Fines and forfeitures				
Court fines	25,000	25,000	17,378	(7,622)
Code violations	50,000	147,100	149,978	2,878
Code violations - administrative cost	20,000	20,000	28,174	8,174
Parking violations	5,000	5,000	850	(4,150)
Alarm violations	6,000	6,000	5,575	(425)
Occupational license penalties	10,000	10,000	9,196	(804)
Library fines	1,800	1,800	1,954	154
Total fines and forfeitures	<u>117,800</u>	<u>214,900</u>	<u>213,105</u>	<u>(1,795)</u>
Miscellaneous revenue				
Interest earnings	240,000	240,000	30,562	(209,438)
Interest earnings - tax collector	17,000	17,000	27,587	10,587
Rent	38,020	38,020	44,663	6,643
Sale of surplus property	5,000	5,000		(5,000)
Sale of scrap material	250	250		(250)
Transfer from Street & Roads	75,000	75,000	75,000	
Transfer from Stormwater utility	61,725	61,725	61,725	
Transfer from CRA	286,500	286,500	286,500	
Transfer from Sanitation	215,000	215,000	215,000	
Miscellaneous revenues	5,750	9,450	21,559	12,109
Total miscellaneous revenues	<u>944,245</u>	<u>947,945</u>	<u>762,596</u>	<u>(185,349)</u>
Balance brought forward	250,000	331,200		(331,200)
Loan proceeds		1,209,450	1,209,449	(1)
Total revenues	<u>\$ 10,632,965</u>	<u>\$ 12,061,115</u>	<u>\$ 11,466,318</u>	<u>\$ (594,797)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
(Continued)				
Expenditures				
General government				
Legislative				
Personal services	\$ 51,545	\$ 51,745	\$ 51,732	\$ 13
Operating expenditures	56,175	53,955	53,365	590
Total legislative	<u>107,720</u>	<u>105,700</u>	<u>105,097</u>	<u>603</u>
Town manager				
Personal services	291,730	296,010	295,979	31
Operating expenditures	15,575	29,890	29,865	25
Total town manager	<u>307,305</u>	<u>325,900</u>	<u>325,844</u>	<u>56</u>
Personnel				
Personal services	88,175	100,060	93,142	6,918
Operating expenditures	64,780	86,820	85,430	1,390
Capital outlay		930	926	4
Total personnel	<u>152,955</u>	<u>187,810</u>	<u>179,498</u>	<u>8,312</u>
Town clerk				
Personal services	128,910	127,510	127,473	37
Operating expenditures	45,160	49,000	48,941	59
Debt Service	3,100	3,100	3,094	6
Total town clerk	<u>177,170</u>	<u>179,610</u>	<u>179,508</u>	<u>102</u>
Finance				
Personal services	370,500	364,525	364,502	23
Operating expenditures	88,655	96,085	96,053	32
Total finance	<u>459,155</u>	<u>460,610</u>	<u>460,555</u>	<u>55</u>
Legal				
Operating expenditures	197,800	282,800	226,108	56,692
Total legal	<u>197,800</u>	<u>282,800</u>	<u>226,108</u>	<u>56,692</u>
Information technology				
Personal services	99,380	99,440	99,375	65
Operating expenditures	50,100	59,655	59,438	217
Capital outlay	17,700	59,630	58,415	1,215
Contingency	2,500	200		200
Total information technology	<u>169,680</u>	<u>218,925</u>	<u>217,228</u>	<u>1,697</u>
Non-departmental				
Operating expenditures	25,000	10,340	10,331	9
Debt service	329,625	333,850	333,777	73
Total non-departmental	<u>354,625</u>	<u>344,190</u>	<u>344,108</u>	<u>82</u>
Total general government	<u>1,926,410</u>	<u>2,105,545</u>	<u>2,037,946</u>	<u>67,599</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Safety				
Law enforcement				
Operating expenditures	\$ 2,687,020	\$ 2,688,215	\$ 2,688,202	\$ 13
Disaster				
Operating expenditures	10,000	10,000	7,629	2,371
Capital outlay		5,465	5,450	15
Total disaster	10,000	15,465	13,079	2,386
Fire department				
Operating expenditures	2,023,880	2,023,885	2,023,882	3
Community development				
Personal services	445,180	463,165	463,126	39
Operating expenditures	165,850	226,230	226,179	51
Capital outlay	1,500			
Total community development	612,530	689,395	689,305	90
Total public safety	5,333,430	5,416,960	5,414,468	2,492
Physical environment				
Public works- admin				
Personal services	179,665	119,485	106,751	12,734
Operating expenditures	23,275	26,370	21,010	5,360
Total Public works- admin	202,940	145,855	127,761	18,094
Public works- ground maint.				
Personal services	366,800	363,145	362,243	902
Operating expenditures	88,300	101,805	100,661	1,144
Capital outlay	55,000	50,735	47,090	3,645
Debt service	24,290	24,290	24,278	12
Total public works- ground maint.	534,390	539,975	534,272	5,703
Vehicle maintenance				
Personal services	129,950	129,870	120,587	9,283
Operating expenditures	41,900	41,980	38,490	3,490
Capital outlay		60,000	59,671	329
Total vehicle maintenance	171,850	231,850	218,748	13,102
Total physical environment	909,180	917,680	880,781	36,899
Transportation				
Facility maintenance				
Personal services	151,715	131,725	123,717	8,008
Operating expenditures	198,425	217,015	211,543	5,472
Capital outlay	75,800	87,775	61,923	25,852
Debt service	4,220	4,220	4,214	6
Total facility maintenance	430,160	440,735	401,397	39,338

(Continued)

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
General Fund

For the year ended September 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Transportation (Continued)				
Parking facilities				
Operating expenditures	\$	\$ 7,400	\$ 7,368	\$ 32
Capital outlay		116,150	116,124	26
Total parking facilities		123,550	123,492	58
Total transportation	430,160	564,285	524,889	39,396
Culture and recreation				
Library				
Personal services	291,720	287,990	267,047	20,943
Operating expenditures	63,025	95,534	83,747	11,787
Capital outlay	28,000	296	296	
Miscellaneous supplies - donations		1,250		1,250
Total library	382,745	385,070	351,090	33,980
Recreation				
Personal services	166,000	157,180	155,340	1,840
Operating expenditures	108,200	115,485	110,687	4,798
Capital outlay	2,200	6,600	6,297	303
Debt service	11,250	11,250	10,116	1,134
Total recreation	287,650	290,515	282,440	8,075
Total culture and recreation	670,395	675,585	633,530	42,055
Total expenditures	9,269,575	9,680,055	9,491,614	188,441
Transfers out and other expenditures				
Transfer out CRA	942,335	1,023,535	773,506	250,029
Transfer out Special projects		8,865	8,863	2
Transfer out Marina		37,025	19,370	17,655
Transfer out Streets and roads	16,925	16,925	16,920	5
Other		18,905	18,898	7
Contingency, reserves and unappropriated	404,130	1,275,805		1,275,805
Total transfers out and other expenditures	1,363,390	2,381,060	837,557	1,543,503
Total expenditures and transfers	10,632,965	12,061,115	10,329,171	1,731,944
Net change in fund balances	\$	\$	\$ 1,137,151	\$ 1,137,151

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Intergovernmental	\$1,249,650	\$ 1,249,650	\$ 306,439	\$ (943,211)
Investment income	2,500	2,500	5,622	3,122
Miscellaneous revenue	550,000	776,450	2,313	(774,137)
Loan proceeds		934,050		(934,050)
Transfer from General Fund			773,506	773,506
Total revenues	<u>1,802,150</u>	<u>2,962,650</u>	<u>1,087,880</u>	<u>(1,874,770)</u>
Expenditures				
General government	571,375	765,650	709,098	56,552
Grants and aid	225,000	225,000	3,357	221,643
Capital outlay	505,000	1,471,395	1,000,595	470,800
Debt service		28,600	14,249	14,351
Transfers	286,500	286,500	286,500	
Loss on investments		1,035	1,034	1
Unappropriated	214,275	184,470		184,470
Total expenditures	<u>1,802,150</u>	<u>2,962,650</u>	<u>2,014,833</u>	<u>947,817</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	<u>\$ (926,953)</u>	<u>\$ (926,953)</u>

See notes to the budgetary comparison schedules.

TOWN OF LAKE PARK
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2009

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 \$1,428,150 during the year, which increased the original General Fund appropriations from \$10,632,965 to a revised total of \$12,061,115. For the Community Redevelopment Fund, approved budget amendments totaled \$1,160,500 during the year, which increased the original appropriations from \$1,802,150 to a revised total of \$2,962,650.

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, 2009

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 78 to 80.

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 67-71, and Community Redevelopment Fund, from page 72, 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)

General Fund	<u>Revenues</u>	<u>Expenditures</u>
Current year encumbrances outstanding at year end	\$	\$ 130,959
Prior year encumbrances paid in the current year		(41,790)
Net encumbered amount		89,169
Transfers	576,504	818,659
Reclassification of unrealized loss on investments	15,365	15,365
Loan proceeds	1,209,449	
Net differences – GAAP and budgetary basis	1,801,318	923,193
GAAP basis	9,665,004	9,405,978
Budgetary basis	<u>\$ 11,466,322</u>	<u>\$ 10,329,171</u>
Community Redevelopment Fund	<u>Revenues</u>	<u>Expenditures</u>
Current year encumbrances outstanding at year end	\$	\$ 148,737
Prior year encumbrances paid in the current year		(1,068,194)
Net encumbered amount		(919,457)
Transfers	773,506	286,500
Reclassification of unrealized loss on investments	1,034	1,034
Net differences – GAAP and budgetary basis	774,540	(631,923)
GAAP basis	313,340	2,646,756
Budgetary basis	<u>\$ 1,087,880</u>	<u>\$ 2,014,833</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, 2009

	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	\$ 94,556	\$ 51	\$ 13,420	\$	\$ 108,027
Investments	1,534		7,752		9,286
Accounts receivable		1,455		194,018	195,473
Due from other governments		19,129		1,663	20,792
Due from other funds				19,264	19,264
Total assets	<u>\$ 96,090</u>	<u>\$ 20,635</u>	<u>\$ 21,172</u>	<u>\$ 214,945</u>	<u>\$ 352,842</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$	\$ 4,186	\$	\$	\$ 4,186
Accrued items		2,054			2,054
Deferred revenue				57,212	57,212
Due to other funds		39,370		129,271	168,641
Total liabilities		<u>45,610</u>		<u>186,483</u>	<u>232,093</u>
Fund balances (deficit)					
Reserved for/reported in:					
Debt service / Debt service fund	96,090				96,090
Unreserved					
Undesignated (deficit)					
Special revenue fund		(24,975)			(24,975)
Capital projects fund			21,172	28,462	49,634
Total fund balances	<u>96,090</u>	<u>(24,975)</u>	<u>21,172</u>	<u>28,462</u>	<u>120,749</u>
Total liabilities and fund balances	<u>\$ 96,090</u>	<u>\$ 20,635</u>	<u>\$ 21,172</u>	<u>\$ 214,945</u>	<u>\$ 352,842</u>

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	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	\$ 745,061	\$	\$	\$	\$ 745,061
Intergovernmental		342,434		171,615	514,049
Miscellaneous	356	4,874	1,519		6,749
Total revenues	<u>745,417</u>	<u>347,308</u>	<u>1,519</u>	<u>171,615</u>	<u>1,265,859</u>
Expenditures					
Current					
General government				3,768	3,768
Transportation		217,752			217,752
Culture and recreation				5,991	5,991
Capital outlay		33,504	46,494	102,817	182,815
Debt service					
Principal	506,707	4,463			511,170
Interest charges	261,400	448			261,848
Other debt service charges	1,000				1,000
Total expenditures	<u>769,107</u>	<u>256,167</u>	<u>46,494</u>	<u>112,576</u>	<u>1,184,344</u>
Excess of revenues over (under) expenditures	<u>(23,690)</u>	<u>91,141</u>	<u>(44,975)</u>	<u>59,039</u>	<u>81,515</u>
Other financing sources (uses)					
Transfers in		33,840		8,863	42,703
Transfers out		(75,000)			(75,000)
Total other financing sources (uses)		<u>(41,160)</u>		<u>8,863</u>	<u>(32,297)</u>
Net changes in fund balances	(23,690)	49,981	(44,975)	67,902	49,218
Fund balances - beginning (deficit)	<u>119,780</u>	<u>(74,956)</u>	<u>66,147</u>	<u>(39,440)</u>	<u>71,531</u>
Fund balances - ending (deficit)	<u>\$ 96,090</u>	<u>\$ (24,975)</u>	<u>\$ 21,172</u>	<u>\$ 28,462</u>	<u>\$ 120,749</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Debt Service Fund
For the Year Ended September 30, 2009

	<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	\$ 749,525	\$ 749,525	\$ 745,061	\$ (4,464)
Investment earnings	3,000	3,000	356	(2,644)
Fund balance appropriation	15,600	15,600		(15,600)
Total revenues	<u>768,125</u>	<u>768,125</u>	<u>745,417</u>	<u>(22,708)</u>
Expenditures				
Debt service	<u>768,125</u>	<u>768,125</u>	<u>769,107</u>	<u>(982)</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ (23,690)</u>	<u>\$ (23,690)</u>

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Streets and Roads Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 356,650	\$ 356,650	\$ 342,434	\$ (14,216)
Miscellaneous			4,874	4,874
Transfer from General fund	16,925	16,925	16,920	(5)
Transfer from Stormwater	16,925	16,925	16,920	(5)
Total revenues	<u>390,500</u>	<u>390,500</u>	<u>381,148</u>	<u>(9,352)</u>
Expenditures				
Transportation	228,565	238,230	214,233	23,997
Capital outlay	55,000	45,335	33,504	11,831
Debt service	4,925	4,925	4,911	14
Other	27,010	27,010		27,010
Transfer to General fund	75,000	75,000	75,000	
Total expenditures	<u>390,500</u>	<u>390,500</u>	<u>327,648</u>	<u>62,852</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 53,500</u>	<u>\$ 53,500</u>

Reconciliation between budgetary schedule and GAAP basis:

GAAP basis expenditures	\$ 331,167
less prior year encumbrances paid in the current year	(3,519)
Budgetary basis expenditures	<u>\$ 327,648</u>

PROPRIETARY FUNDS

Internal Service Fund
Insurance Fund

TOWN OF LAKE PARK, FLORIDA
Budgetary Comparison Schedule -
Insurance Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Contributed revenue	\$ 389,460	\$ 389,460	\$ 391,954	2,494
Miscellaneous revenue			5,117	5,117
Total revenues	<u>389,460</u>	<u>389,460</u>	<u>397,071</u>	<u>7,611</u>
Expenditures				
Personal services	126,550	126,550	122,290	4,260
Operating services	214,950	260,250	237,528	22,722
Other	47,960	2,660		2,660
Total expenditures	<u>389,460</u>	<u>389,460</u>	<u>359,818</u>	<u>29,642</u>
Net change in fund balances - budgetary basis	<u>\$</u>	<u>\$</u>	<u>\$ 37,253</u>	<u>\$ 37,253</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, 2009

	Retired Police Officers' Pension Fund	Municipal Firemen's Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 85,733	\$	\$ 85,733
Investments			
Closed end equity funds	892,045		892,045
Closed end taxable bond funds	354,203		354,203
Receivables			
Contributions			
Prepaid retirement benefits	10,622		10,622
Total assets	<u>1,342,603</u>		<u>1,342,603</u>
Net assets			
Held in trust for pension benefits	<u>\$ 1,342,603</u>	<u>\$</u>	<u>\$ 1,342,603</u>

TOWN OF LAKE PARK, FLORIDA
Combining Statement of Changes in Fiduciary Net Assets
Employee Retirement Funds
For the Year Ended September 30, 2009

	Retired Police Officers' Pension Fund	Municipal Firemen's Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions			
Contributions			
Employer	\$	\$	\$
Investment income			
Net decrease in fair value of investments	(109,079)		(109,079)
Interest and dividends	34,911		34,911
Net investment income	<u>(74,168)</u>		<u>(74,168)</u>
Total additions	<u>(74,168)</u>		<u>(74,168)</u>
Deductions			
Retirement benefits	166,881		166,881
Administrative expenses	10,216	1,086	11,302
Total deductions	<u>177,097</u>	<u>1,086</u>	<u>178,183</u>
Change in net assets	(251,265)	(1,086)	(252,351)
Net assets held in trust for pension benefits, beginning of year	<u>1,593,868</u>	<u>1,086</u>	<u>1,594,954</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 1,342,603</u>	<u>\$</u>	<u>\$ 1,342,603</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends

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

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Revenue Capacity

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

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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.

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Demographic and Economic Information

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

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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.

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

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities						
Invested in capital assets, net of related debt	\$ (2,042,578)	\$	\$ (1,219,252)	\$ 179,115	\$ 1,781,760	\$ 2,062,366
Restricted	88,879	114,301	149,558	239,847	119,780	96,090
Unrestricted	2,268,630	1,640,854	3,711,384	3,838,721	3,060,834	3,320,736
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>	<u>\$ 5,479,192</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	\$ 4,297,968
Restricted		292,141	61,648			
Unrestricted	2,094,262	904,990	996,718	146,230	(298,208)	(1,028,259)
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>	<u>\$ 3,269,709</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	\$ 6,360,334
Restricted	88,879	406,442	211,206	239,847	119,780	96,090
Unrestricted	4,362,892	2,545,844	4,708,102	3,984,951	2,762,626	2,292,477
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>	<u>\$ 8,748,901</u>

Information prior to fiscal year 2004 is not available.

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities:						
General government	\$ 1,315,158	\$ 1,462,056	\$ 1,704,011	\$ 2,237,149	\$ 2,538,501	\$ 2,656,309
Public safety	3,106,822	3,870,758	4,377,568	5,008,257	5,211,776	5,421,845
Physical environment	440,968	462,674	953,466	652,725	361,170	319,993
Transportation	531,581	559,433	820,777	573,501	683,463	659,113
Culture and recreation	887,990	1,052,857	1,242,254	1,450,650	1,161,870	1,242,156
Interest on long-term debt	367,469	351,729	334,083	314,933	320,280	420,671
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>	<u>10,720,087</u>
Business-type activities:						
Marina	118,893	216,922	1,143,506	1,610,274	1,902,634	1,734,561
Sanitation	1,040,062	1,321,437	1,245,151	1,283,851	1,355,926	1,430,694
Stormwater						208,668
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>	<u>3,373,923</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>	<u>\$ 14,094,010</u>
Program revenues						
Governmental activities:						
Charges for services:						
General government	\$ 392,336	\$ 415,029	\$ 504,806	\$ 33,232	\$ 40,726	\$ 43,756
Public safety	221,502	607,252	451,805	967,365	796,094	775,124
Physical environment						
Culture and recreation	44,670	38,817	48,471	49,352	56,775	58,785
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	11,639
Capital contributions and grants:			16,437			
General government	76,697	327,408	226,097			
Public safety				3,435	8,637	4,295
Physical environment				40,000		
Transportation				15,709	91,533	22,903
Culture and recreation				306,858	225,100	160,597
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>	<u>1,077,099</u>
Business-type activities:						
Charges for services:						
Marina	5,296	184,545	1,092,204	1,279,927	1,220,299	1,017,094
Sanitation	1,364,796	1,403,863	1,409,510	1,423,947	1,483,528	1,401,682
Stormwater						455,587
Operating contributions and grants						
Marina	210,807	22,098				
Sanitation		354,529	259,527			
Capital contributions and grants						
Marina		240,193		825		110,276
Stormwater						95,755
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>	<u>3,080,394</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>	<u>\$ 4,157,493</u>

Information prior to fiscal year 2004 is not available.

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Net (expense) revenue						
Governmental activities	\$ (5,317,156)	\$ (5,398,901)	\$ (7,039,348)	\$ (8,693,477)	\$ (9,026,148)	\$ (9,642,988)
Business-type activities	421,944	666,869	372,584	(189,426)	(554,733)	(293,529)
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>	<u>\$ (9,936,517)</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	\$ 6,827,668
Franchise fees	473,764	518,641	631,811	629,365	630,215	603,269
Utility service taxes	618,080	651,733	671,970	668,400	681,568	690,743
Sales tax	661,796			260,282	246,643	236,037
Communication sales tax	500,277			539,562	505,783	539,808
Intergovernmental, unrestricted	39,468	1,266,350	720,919	1,062,715	974,834	893,510
Gain on sale of equipment		17,140	39,629		26	
Miscellaneous revenue				24,658	38,971	102,096
Investment earnings	64,028	133,691	532,902	306,398	174,117	54,121
Transfers	(140,549)		262,647	75,000	321,996	212,554
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>	<u>10,159,806</u>
Business-type activities						
Investment earnings	42,417	44,694	62,167	78,419	29,038	7,100
Gain on sale of equipment		100,250		14,720		
Miscellaneous revenues				7,168		
Transfers	140,549			(75,000)	(321,996)	(212,554)
Total business-type activities	<u>182,966</u>	<u>144,944</u>	<u>62,167</u>	<u>25,307</u>	<u>(292,958)</u>	<u>(205,454)</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>	<u>\$ 9,954,352</u>
Changes in net assets						
Governmental activities	\$ 611,067	\$ 1,440,224	\$ 886,535	\$ 1,135,630	\$ 704,691	\$ 516,818
Business-type activities	604,910	811,813	434,751	(164,119)	(847,691)	(498,983)
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>	<u>\$ 17,835</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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General fund				
Reserved	\$ 95,607	\$ 9,381	\$ 5,778	\$ 8,617
Unreserved				
Designated for subsequent years budget	232,446			
Undesignated	<u>252,655</u>	<u>162,832</u>	<u>844,854</u>	<u>1,590,425</u>
Total general fund	<u>\$ 580,708</u>	<u>\$ 172,213</u>	<u>\$ 850,632</u>	<u>\$ 1,599,042</u>
All other governmental funds				
Reserved	\$	\$	\$	\$
Unreserved				
Designated for capital projects	2,955,751	2,014,209	995,018	
Designated for subsequent year's budget				37,698
Undesignated, reported in:				
Debt service fund	(199,652)	29,108		
Special revenue funds	17,823		(191,130)	(755)
Capital projects fund		<u>(187,647)</u>	<u>61,951</u>	<u>(45,208)</u>
Total all other governmental funds	<u>\$ 2,773,922</u>	<u>\$ 1,855,670</u>	<u>\$ 865,839</u>	<u>\$ (8,265)</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 44,961	\$ 177,971	\$ 135,074	\$ 946,499	\$ 1,379,773	\$ 2,209,117
			151,963	121,572	28,814
<u>1,879,919</u>	<u>2,672,593</u>	<u>3,138,613</u>	<u>1,010,346</u>	<u>686,285</u>	<u>1,176,019</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>	<u>\$ 3,413,950</u>
\$ 88,879	\$ 114,301	\$ 149,558	\$ 1,590,692	\$ 2,754,260	\$ 638,293
			849,579	883,122	1,156,193
<u>(94,042)</u>	<u>135,371</u>	<u>244,852</u>	<u>164,837</u>	<u>3,930</u>	<u>49,634</u>
<u>\$ (5,163)</u>	<u>\$ 249,672</u>	<u>\$ 394,410</u>	<u>\$ 2,605,108</u>	<u>\$ 3,641,312</u>	<u>\$ 1,844,120</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues				
Taxes	\$ 4,147,131	\$ 4,362,132	\$ 4,182,729	\$ 4,536,447
Licenses and permits	339,578	365,051	508,963	479,752
Intergovernmental	2,308,263	1,933,638	2,769,313	2,180,062
Charges for services	388,342	394,239	472,350	163,004
Fines and forfeitures	233,237	150,464	62,424	68,319
Miscellaneous	372,532	257,149	202,261	635,643
Total revenues	<u>7,789,083</u>	<u>7,462,673</u>	<u>8,198,040</u>	<u>8,063,227</u>
Expenditures				
General government	965,743	1,163,835	1,152,324	1,343,427
Public safety	3,899,379	3,519,712	3,545,800	2,915,117
Physical environment	257,822	275,769	272,708	342,981
Transportation	339,520	363,213	417,061	499,871
Culture and recreation	725,023	779,045	622,652	646,691
Capital outlay	3,737,832	1,895,528	1,724,583	1,799,244
Debt service				
Principal	372,211	416,196	464,038	397,570
Interest	449,365	436,122	422,133	390,570
Other debt service charges				
Total expenditures	<u>10,746,895</u>	<u>8,849,420</u>	<u>8,621,299</u>	<u>8,335,471</u>
Excess of revenues over (under) expenditures	(2,957,812)	(1,386,747)	(423,259)	(272,244)
Other financing sources (uses)				
Transfers in	372,343	130,099	278,566	160,550
Transfers out	(122,343)	(70,099)	(214,290)	(81,164)
Proceeds from sale of assets				
Bonds issued				
Loan proceeds				
Capital lease obligations	163,528		47,571	
Total other financing sources (uses)	<u>413,528</u>	<u>60,000</u>	<u>111,847</u>	<u>79,386</u>
Net change in fund balances	<u>\$ (2,544,284)</u>	<u>\$ (1,326,747)</u>	<u>\$ (311,412)</u>	<u>\$ (192,858)</u>
Debt service as a percentage of non-capital expenditures	<u>13.28%</u>	<u>13.97%</u>	<u>14.74%</u>	<u>13.71%</u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	4,803,203	\$ 5,556,457	\$ 6,369,786	\$ 7,286,723	\$ 7,165,046	\$ 7,825,211
	412,858	786,175	567,044	695,726	579,519	529,487
	1,823,113	2,415,388	2,356,210	2,323,977	2,681,555	2,198,263
	176,671	161,681	239,705	254,759	295,517	293,756
	68,979	100,642	185,234	220,724	174,643	213,105
	116,780	162,248	600,715	421,268	250,799	184,381
	<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>	<u>11,244,203</u>
	1,291,440	1,451,403	1,594,394	1,701,253	3,267,652	2,361,396
	3,069,983	3,814,984	4,302,722	4,992,454	5,206,596	5,413,894
	355,001	357,690	835,987	551,320	368,740	287,322
	512,437	550,861	809,325	573,007	626,366	553,392
	699,347	806,050	940,868	1,330,674	1,039,190	1,087,407
	282,527	116,093	1,008,895	1,126,772	2,699,269	2,369,922
	417,354	448,808	472,830	510,523	538,385	746,625
	372,129	356,611	339,199	320,294	308,481	397,670
					17,488	19,450
	<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>	<u>13,237,078</u>
	401,386	1,280,091	14,474	96,880	(2,925,088)	(1,992,875)
			46,107	867,005	3,868,013	1,392,713
	(140,549)		(46,107)	(792,005)	(3,546,017)	(1,180,159)
	226,870	243,905	256,897	5,742	630	
					3,717,488	1,209,449
	<u>61,606</u>	<u>84,453</u>	<u>103,185</u>			
	<u>147,927</u>	<u>328,358</u>	<u>360,082</u>	<u>80,742</u>	<u>4,040,114</u>	<u>1,422,003</u>
\$	<u>549,313</u>	<u>\$ 1,608,449</u>	<u>\$ 374,556</u>	<u>\$ 177,622</u>	<u>\$ 1,115,026</u>	<u>\$ (570,872)</u>
	<u>13.32%</u>	<u>11.54%</u>	<u>9.57%</u>	<u>9.08%</u>	<u>8.06%</u>	<u>11.79%</u>

TOWN OF LAKE PARK, FLORIDA
Governmental Funds Tax Revenues by Source
Last Six 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
2009	6,827,668	603,269	690,743	539,808	236,037	8,897,525

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

Fiscal Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services
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
2009	7,825,211	529,487	2,198,263	293,756

Fiscal Year	Fines and Forfeitures	Miscellaneous	Other Financing Sources	Total	Annual Percentage Increase (Decrease)
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		6,104,373	(1.4) %
2005	100,642	142,127		7,366,947	20.7 %
2006	182,788	696,141		8,389,852	13.9 %
2007	220,724	421,268		11,203,177	33.5 %
2008	174,643	250,799	3,717,488	14,864,567	32.7 %
2009	213,105	184,381	1,209,449	12,453,652	(16.2) %

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					
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
2009	223,053,149	310,344,797	44,930,557	1,338,599	579,667,102	9.9163	579,667,102

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

Source: Palm Beach County Property Appraiser

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

Fiscal Year	Town of Lake Park Property Tax Rates			Overlapping Property Tax Rates - (1)		
	Operating Millage	General Obligation Debt Service	Total Town Millage	Operating Millage	General Obligation Debt Service	Total County Millage
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
2009	8.5163	1.1500	9.6663	3.7811	0.1845	3.9656

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

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

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

Overlapping Property Tax Rates - (1)

Palm Beach County School District			Palm Beach	
Operating Millage	General Obligation Debt Service	Total School Millage	County Special Districts	Total
8.587	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	25.4285
7.712	0.160	7.872	2.3254	23.9749
7.356	-	7.356	2.1308	22.0531
7.251	-	7.251	2.2569	23.1398

TOWN OF LAKE PARK, FLORIDA

*Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited*

	2009			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owner LLC	20,000,000	170,326	1	2.56%
Wal Mart Stores East LP	18,370,731	156,451	2	2.35%
Congress Ave Properties LTD	17,326,109	147,554	3	2.22%
SC Lake Park Associates LLLP	13,789,073	117,432	4	1.77%
Lake Park Square Joint Venture	11,200,012	95,384	5	1.43%
Mullinax Ford of PBC, LLC	10,599,180	90,266	6	1.36%
Trust Lake Park LTD	10,000,000	85,163	7	1.28%
Twin Cities Investors Inc	9,557,864	81,396	8	1.22%
Northlake Square East LLC	9,000,999	76,655	9	1.15%
Earl Stewart LLC	8,073,090	68,753	10	1.03%
Lake Park Portfolio LLC				
WHCB Real Estate				
Nicholas B. Smith				
New Plan Realty Trust				
Phillip D. Lewis				
Communitis Finance Co.				
Opabola Kasali O				
Stuart Enterprise Inc.				
3100 Blvd. Inc.				
John A. Holley, Jr.				
Totals	\$ 127,917,058	\$ 1,089,380		16.37%

Source: Palm Beach County Property Appraiser.

	2000			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
Lake Park Owner LLC				
Wal Mart Stores East LP				
Congress Ave Properties LTD				
SC Lake Park Associates LLLP				
Lake Park Square Joint Venture				
Mullinax Ford of PBC, LLC				
Trust Lake Park LTD				
Twin Cities Investors Inc	2,570,601	2,157	8	1.07%
Northlake Square East LLC				
Earl Stewart LLC				
Lake Park Portfolio LLC				
WHCB Real Estate	10,600,000	44,250	1	2.48%
Nicholas B. Smith	7,289,135	19,273	3	1.65%
New Plan Realty Trust	6,623,500	17,398	4	1.64%
Phillip D. Lewis	8,705,628	23,505	2	1.79%
Communitis Finance Co.	4,187,039	8,793	5	1.29%
Opabola Kasali O	3,131,529	4,071	7	1.14%
Stuart Enterprise Inc.	3,216,718	4,271	6	1.14%
3100 Blvd. Inc.	2,570,601	2,087	9	3.02%
John A. Holley, Jr.	2,504,902	1,926	10	2.90%
Totals	\$ 51,399,653	\$ 127,731		18.12%

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
2000	\$ 3,102,751	\$ 2,968,734	95.7 %	\$ 13,782
2001	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
2009	6,649,031	6,281,877	94.5 %	19,880

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
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 %	134,200	4.0 %
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 %	144,146	3.3 %
2006	4,898,976	96.4 %	145,225	2.9 %
2007	6,007,871	96.8 %	145,225	2.3 %
2008	5,878,290	93.1 %	145,225	2.3 %
2009	6,301,757	94.8 %	145,225	2.2 %

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

Source: Palm Beach County Property Appraiser

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

Governmental Activities						
Fiscal Year	General Obligation Bonds	Capital Lease Obligations	Loans Payable	Total Governmental Activities	Percentage of Taxable Value of Property	Per Capita(2)
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
2009	5,329,323	28,702	4,721,352	10,079,377	1.74%	1276.19

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

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)
S	\$ 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
4,365,000	1,646,951	7,060	6,019,011	16,098,388	7,898	4.48%	2,038.29

TOWN OF LAKE PARK, FLORIDA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2009
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	\$ 5,329,323	100%	\$ 5,329,323
Obligations under capital lease	28,702	100%	28,702
Other debt			
Palm Beach County	270,150,000	0.684%	1,847,826
Palm Beach County School Board	32,835,000	0.684%	224,591
Total direct and overlapping debt			7,430,442
Estimated town population			7,898
	Total per capita		\$ 940.80

(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	
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)	
2009	1,018,448	1,029,912	(11,464)	315,900	(0.04)	

(1) Expense is exclusive of depreciation.

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

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

Fiscal Year	Population (1)(2)	Personal Income	Average Household Income (2)	Median Age (2)	Education Level in Years of Formal Schooling	School Enrollment (3)	Unemployment Rate (2)
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%
2009	7,898	N/A	45,458	36	N/A	344	11.7%

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 for the Town of Lake Park
- (3) Lake Park Elementary

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

Employer	2009			2000		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Palm Beach County School District	21,718	1	N/A	16,800	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	7	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	1,500	9	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	1,600	N/A	N/A
Totals	56,809		N/A	N/A		N/A

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

N/A: Not available.

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

	<u>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>	<u>2009</u>
General government										
Town Manager	3	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	2	2	2	2	2	1	2
Town Clerk	3	2	2	2	2	2	2	2	2	2
Finance	5	5	5	5	5	5	5	5	5	5
Information technology	-	-	-	-	-	-	1	1	1	1
Public Safety										
Police	37	37	-	-	-	-	-	-	-	-
Fire	12	12	12	-	-	-	-	-	-	-
Community development	7	5	4	4	4	5	5	7	8	7
Physical Environment										
Public works	7	7	6	6	5	7	8	9	11	11
Vehicle maintenance	3	3	2	2	2	2	2	2	2	2
Transportation										
Transportation	-	-	-	3	3	3	3	3	2	2
Culture and Recreation										
Library	5	5	5	5	5	3	3	6	6	6
Park maintenance	6	6	6	6	6	6	6	8	8	6
Recreation	2	2	2	2	2	2	2	2	3	3
Marina	5	5	5	-	1	5	5	5	5	5
Sanitation	9	9	9	8	8	8	8	10	8	10
Total	<u>105</u>	<u>102</u>	<u>62</u>	<u>48</u>	<u>48</u>	<u>53</u>	<u>55</u>	<u>65</u>	<u>65</u>	<u>65</u>

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

Function	2004	2005	2006	2007	2008	2009
Public Safety						
Community development						
Code violations	960	1,571	1,534	1,612	1,722	3,116
Building permits issued	861	1,784	1,140	841	841	651
Value of permits (in thousands)	16,796	37,679	20,121	24,835	189,451	5,860,000
Transportation						
Street resurfacing (miles)			3	-	1	0
Pot holes repaired			70	215	160	160
Culture and Recreation						
Library						
Circulation	28,788	24,972	23,021	26,789	23,296	23,316
Programs offered	190	467	430	434	468	434
Park maintenance						
Acres of parks	69	69	69	69	69	69
Recreation						
Recreation programs offered	8	10	12	18	15	9
Recreation program attendance	289	304	394	431	419	305
Youth athletic participants	15	185	210	263	241	125
Marina						
Available slips		103	103	103	103	103
Sanitation						
Residential customers	377	369	357	3,698	3,698	3,596
Commercial customers	300	300	300	367	275	272
Refuse collected (tons)	11,610	12,685	11,381	9,222	9,260	9,178
Recyclables collected (tons)	248	283	282	573	655	645

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 Six Fiscal Years
Unaudited

Function/Program	2004	2005	2006	2007	2008	2009
Public Safety (contracted to Palm Beach County)						
Police Station - County	1	1	1	1	1	1
Fire Station - County	1	1	1	1	1	1
Transportation						
Roads & Streets						
Street Lights	300	331	331	331	340	340
Lane Miles	64	64	64	64	64	64
Culture and Recreation						
Marina						
Wet Slips		103	103	103	103	103
Library						
Books	28,048	29,582	30,413	28,257	33,233	33,710
Leisure Services						
Ballfields - lighted	2	2	2	2	2	2
Basketball courts	1	1	1	2	2	2
Soccer fields	1	1	1	1	1	1
Tennis courts	2	2	2	6	6	6
Parks	5	5	5	5	6	6
Sanitation						
Garbage Trucks	8	8	8	10	14	13
Water /Sewer						
(Provided by Seacoast Utility)						

Source: Town Departments, Town of Lake Park, Florida

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2009, which collectively comprise the Town of Lake Park, Florida's basic financial statements and have issued our report thereon dated March 30, 2010. 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 a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 deficiency described below to be a significant deficiency in internal control over financial reporting:

2001-1: Written Policies and Procedures

We noted significant improvements in internal controls from the prior year and in the current year the Town finished a major revision to the Employee Handbook. While the Town has also made improvements in strengthening the internal control system and in communicating to the employees their responsibilities in the system; 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.

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 the significant deficiency described above is not a material weakness.

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 March 30, 2010.

The Town of Lake Park, Florida's response to the findings identified in our audit is described in the attached letter dated March 30, 2010. 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 & Mimer, P.A.

March 30, 2010
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

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

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We have audited the basic financial statements of the Town of Lake Park, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated March 30, 2010.

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 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 March 30, 2010, should be considered in conjunction with this management letter.

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 report on internal control over financial reporting and on compliance and other matters.

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 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. One other prior year comment as noted below continues to apply, the other eight comments in the prior year's report were corrected.

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

At September 30, 2009, the General Fund owed the Community Redevelopment Agency (CRA) Fund \$1,286,779 for unpaid incremental tax revenue dating back to fiscal year 2000. Starting in the prior year the Town has paid the current year's incremental tax revenue and penalties and interest, as well as a payments totaling \$750,000 towards 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

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

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, 2009.

Financial Condition Assessment Procedures

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

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, 2009, 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, 2009. In connection with our audit, we noted that the two reports were in substantial agreement.

Investment of Public Funds

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, 2009.

Violations of Contracts and Grant Provisions or Abuse

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, 2009, we did not have any such findings.

Matters Inconsequential to the Financial Statements

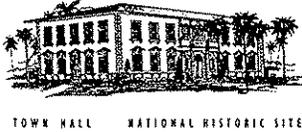
Rules of the Auditor General, requires based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that 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, 2009, 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.

The Town of Lake Park, Florida's response to the findings identified in our audit is described in the attached letter dated March 30, 2010. We did not audit Town of Lake Park, Florida's response and, accordingly, we express no opinion on it.

Nowlen, Holt & Mimes, P.A.

March 30, 2010
West Palm Beach, Florida



TOWN OF LAKE PARK

FINANCE DEPARTMENT

March 30, 2010

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

RE: Response to the Report on Internal Control and the Management Letter required by the Rules of the Auditor General for the State of Florida for the Fiscal Year ended September 30, 2009.

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

The entire re-write of the Handbook of Procedures for Employees (Employee Handbook) required hundreds of staff hours to complete over the course of two fiscal years. Many new policies were established and old ones were updated. Payroll procedures were standardized among departments and leave policies were implemented. Written procedures for many other functions of the Finance Department have been partially drafted. Due to the extensive nature of this undertaking and the limited staff within the Finance Department, the Town will consider appropriating funds to engage an outside consultant to assist with the development of a formal accounting policies and procedures manual. This will be a significant undertaking and due to budget constraints will probably not be completed during the current fiscal year.

MANAGEMENT LETTER

PRIOR YEAR COMMENTS

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

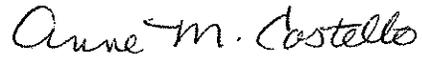
Current year obligations have been paid timely in accordance with statutory requirements. As noted, the Town has begun to pay the delinquents amounts due the CRA and will continue to do so annually until paid in full.

CURRENT YEAR COMMENTS

There are no current year comments that require remedial action.

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

Sincerely,

A handwritten signature in black ink that reads "Anne M. Costello". The signature is written in a cursive style with a large initial "A" and a distinct "M" and "C".

Anne M. Costello
Finance Director