

October 30, 2025

To 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 the Town of Lark Park, Florida (the “Town”) as of and for the fiscal year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, OMB Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida

As stated in our engagement letter dated March 25, 2024, our responsibility, as described by professional standards, was to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Town’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Town’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Town’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs, for the purpose of expressing an opinion on the Town’s compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Town’s compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis, the Budgetary Comparison Schedules, the applicable Pension Trust Fund Schedules, and the Schedule of Changes in the Town's Total OPEB Liability, which supplement the basic financial statements, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI is not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we did not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Fund Financial Statements and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on introductory section and statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information is not audited, and we do not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, Significant Risks and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified management override of controls as a significant risk of material misstatement as part of our audit planning.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during September 30, 2024, with the exception of the implementation of Governmental Accounting Standards Board (“GASB”) Statement No. 100, *Accounting Changes and Error Corrections*. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town’s financial statements were:

Management’s estimate of the net pension liability and related deferred outflows/inflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68) and the Total OPEB Liability and related deferred inflows/outflows in accordance with GASB Statement No. 75, *Accounting and Reporting for Postemployment Benefits other than Pensions* (GASB 75) are based on actuarial methods and assumptions used by the actuaries for the development of the funding valuations as well as the accounting valuations. The key factors impacting the assumptions, such as inflation, salary changes, market conditions, ad hoc postemployment benefit changes (including ad hoc cost-of-living adjustments [COLAs]), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies, are subject to change on an annual basis and therefore can have a significant impact on this estimate. We evaluated the key factors and assumptions used to develop these estimates described above, in determining that it is reasonable in relation to the financial statements as a whole.

Management’s estimate of the allowance for uncollectible receivables is based on aging of receivables, historic loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

The disclosures related to the Town’s defined benefit pension plan in Note 11 to the Financial Statements.

The disclosures related to the Town’s OPEB plan in Note 12 to the Financial Statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

Aside from delays in obtaining the Town's final reconciled trial balance, we did not encounter any significant difficulties in working with management during the performance and completion of our audit.

Independence

For the fiscal year ended September 30, 2024, we were engaged to provide nonaudit/nonattest services mainly related to the assistance of preparation of financial statements and related notes, the Data Collection Form as required by the Federal Single Audit Clearinghouse, and assistance with the preparation of the GASB 68, 75 and 87 journal entries. We evaluated the nature and objective of the requested work, the role of the nonaudit/nonattest responsibilities and management's role and determined that our independence would not be impaired, in fact or appearance.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2025.

Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the Town or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the Town's identification of, accounting for, and disclosures of the Town's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us; significant related party transactions that have not been approved in accordance with the Town's policies or procedures or for which exceptions to the Town's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Town’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The schedule of findings and questioned costs (the “Schedule”) which includes our audit findings is included in the reporting section of the Town’s Financial Statements. The Schedule includes two (2) significant deficiencies along with management’s responses to correct/improve (corrective action plan) these reported matters.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedules of employer contributions, and the schedule of changes in total OPEB liability and related ratios, and the budgetary comparison schedules, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by the Uniform Guidance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. We did read the other information and considered whether a material inconsistency exists between the other information and the financial statements. We did not note any material inconsistencies.

Restriction on Use

This information is intended solely for the information and use of the Honorable Mayor, Town Commission, Town Manager and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

CBIZ CPAs P.C.

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West Palm Beach, FL