

# City of Lake Worth Beach, Florida



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**

**CITY OF LAKE WORTH BEACH, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2021**

**Prepared by**  
**City of Lake Worth Beach Finance Department**



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***INTRODUCTORY SECTION***





May 13, 2022

The Honorable Mayor,  
Members of the City Commission and  
Citizens of the City of Lake Worth Beach, Florida

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Lake Worth Beach, Florida (the "City"), for the fiscal year ended September 30, 2021. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Finance Department and statistical tables included herein.

The ACFR's role is to assist in making economic, social, and political decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budgets, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules, and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

RSM US LLP, our independent auditors, has issued an unmodified opinion on the City of Lake Worth Beach's financial statements for the fiscal year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **PROFILE**

The City was incorporated as a municipality under the laws of the State of Florida in 1913. The City borders West Palm Beach on its northern boundary and the exclusive Town of Palm Beach to the northeast at the Intracoastal Waterway and the Atlantic Ocean. This location provides significant benefits in terms of the quality of life for its residents.

The City operates under a Commission-Manager form of government and provides general municipal services such as public safety, recreation, public works, and others as well as certain enterprise activities such as electric, water, sewer, stormwater, and waste removal service.

The City is primarily a residential community of approximately 7 square miles with a population of approximately 43,000. The median age has declined over the past two decades from 50 years to 37 years. Tourism, retail, and construction are the main industries supporting the local economy. The quarter-mile, municipally-owned beach complex features original 1920's architecture which has an ocean fishing pier, ocean front shops and restaurants, makes this area a popular attraction for residents and tourists alike.

Lake Worth Beach is a dynamic, multi-cultural city with a strong social and environmental consciousness. People are drawn to the City by its independent character, acceptance of different cultures and lifestyles, many historic structures, hip downtown, and distinctive residential neighborhoods. The City has a rich history and is protective of its historic architectural fabric. Over 1,000 historic buildings contribute to the human scale and charm of the downtown and residential areas.

The City is the geographic and artistic center of Palm Beach County. The downtown is considered the artistic soul of Lake Worth Beach with a historic theater and a museum, live music clubs, coffee houses, art galleries, antique malls, retail stores, and many restaurants.

## **REPORTING ENTITY**

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included as a discretely presented component unit.

## **ACCOUNTING AND INTERNAL CONTROL**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that 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 valuation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROLS**

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project 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 (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. All expenditures for other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

## **LOCAL ECONOMY**

The City obtains a significant portion of its General Fund annual financial resources from ad valorem property taxes. Lake Worth also operates electric, water and sewer utilities and solid waste collection and stormwater enterprises.

In 2007 the City reached its highest taxable value equaling \$2,957,971,000. However, as the result of the recession, in 2012 the City's assessable tax value decreased to \$1,047,017,000. Although values have increased since the recession, the City remains below the values realized in 2007. As of 2021, the City's taxable value equals \$2,337,696,000. When compared to values in adjacent City, there is investment potential.

Because of the City's demographics, attracting new business continues to be difficult. The City's poverty rate is approximately 24%. The City has adopted strategies to attract investment by removing disincentives to investment while also building stability through best practices and innovative approaches related to City rules and regulations. Additionally, because tax values remain low, the City's tax revenues are insufficient to materially expand City services.

As of the City's fiscal year end, September 30, 2021, the city's unemployment rate decreased to 4.8% from 7.2% mainly due to the COVID-19 impact during fiscal year 2020. This is slightly higher than the State of Florida's rate of 3.6% and the national rate of 3.9%. The City of Lake Worth Beach's primary employing industries are service occupations, office workers, management, professional and government.

Property taxes have increased over the prior year due to an increase in the assessed value of residential property. Property tax revenues in 2021 provided resources of approximately \$11.6 million or 30% of the General Fund budgeted expenditures of approximately \$38.6 million.

The City's future financial challenges come primarily in the area of constrained property taxes, funding pension obligations and health insurance. However, the City has negotiated a Cash Option Plan, reducing future pension obligations, and is evaluating other potential mitigation strategies with the health insurance.

The City's utility operations have made significant progress in addressing the challenges regarding reliability, maintaining competitive billing rates, and meeting capital infrastructure and maintenance needs. While these infrastructure "hardening" programs are developed, broader decisions regarding planning, testing, and monitoring the City's electrical transmission grid and groundwater inflow to the wastewater system are being refined.

## **LONG RANGE FINANCIAL PLANNING**

Management constantly examines the strategic goals and objectives of the City of Lake Worth Beach and implements policies that will assist in taking advantage of the opportunities. The City utilizes long term financial planning to identify future financial challenges and opportunities through financial forecasting and analysis, then, devises strategies based on the information to achieve financial sustainability.

In prior years, the City did not have the tools to track and project revenues, expenditures, and utility rates for electric, water, sewer, and stormwater beyond a five-year period. To overcome this challenge, the City has processed all of the major funds through an integrated financial system using multiple real time scenarios to model the best mix of working capital, appropriate levels of capital projects, adequate fund reserves, more accurate utility rates for residents and cash flow levels over a ten-year projection period. This integrated financial modelling provides both short-term and long-term information to aid in a better decision-making process.

The City's electric utility provides electricity to its customers using a variety of electric production resources. Among them are the City's entitlements in various Florida Municipal Power Agency (FMPA) projects, the City's own solar farm build atop a closed City landfill, the City's power plant, and a contract with Orlando Utilities Commission for supplemental energy and capacity effective 1/1/2019 with a term of up to seven years. City's entitlements and/or contracts with FMPA include participation in the St. Lucie Project, Stanton I and II Projects, and two FMPA Municipal Solar Projects. Participation in the St. Lucie and Stanton Projects date to the 1980s. Purchase agreements for solar energy from the FMPA Municipal Solar Projects were executed in 2019, have a term of 20 years and are expected to begin delivering energy to the City in 2023. Combined with the announced retirement of the Stanton 1 unit which is fueled by a combination of coal and natural gas, the City's electric utility projects that it will achieve the status of having greater than 50% of its energy supply sourced from carbon-free resources and one of the lowest carbon footprints in the state of Florida by 2025.

The City's electric utility is currently undertaking upgrades of its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP). The program includes a continuation of its efforts to upgrade components of its transmission system to include a second interconnection to Florida Power & Light's electric transmission system, conversions of 4 kV electric distribution systems to 26 kV, replacing aged components with newer versions designed to withstand Category 5 storm wind loads, adding new technology to more rapidly identify outages and restore service, adding field switching and sectionalizing capability to isolate areas of outages and minimize the number of customers impacted by outages, etc.

The City also conducts a cost-of-service study of the electric utility, as well as cash flow modeling as a part of the annual budgeting process, that will help ensure that the financial stability of the City's electric utility operations is maintained.

The City's other enterprise utilities which include water, sewer and stormwater activities are also being analyzed for additional infrastructure improvements including groundwater infiltration and treatment in the wastewater system.

In the coming fiscal years, the City plans to utilize funds available through the American Rescue Plan Act (ARPA). The ARPA provides funding to states and local governments and \$19.3 million is allocated to the City of Lake Worth Beach. Eligible uses of funds include response to the public health emergency or its negative economic impacts, response to workers performing essential work during the pandemic by providing premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the pandemic, and to make necessary investments in water, sewer, or broadband infrastructure.

## **RELEVANT FINANCIAL POLICIES**

The City operates under a set of Comprehensive Financial Policies that provide a framework for all financial and budgetary decisions and transactions. The City has implemented all Governmental Accounting Board Standards that are applicable as of the end of the current fiscal year.

## **MAJOR INITIATIVES**

The City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. The City's Comprehensive Plan has been updated. Significant infrastructure investments in the Lake Worth Park of Commerce are underway and the Neighborhood Road Improvement program is ahead of schedule. Additionally, the Water Utilities Department commenced the final phase of its major upgrades throughout the City in the replacement of pipes and fire hydrants. As the City invests in itself, developers and residents are also investing. The City's electric utility is continuing to upgrades of its' electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP).

### **Comprehensive Plan**

The City of Lake Worth Beach received an official Notice of In Compliance regarding the City's Evaluation Appraisal Report (EAR) based on amendments to its Comprehensive Plan and Future Land Use Map. The Florida Department of Economic Opportunity (DEO) issued the compliance letter on May 31, 2019, with an effective date of June 1, 2019. Following eighteen (18) months of effort, the City now has a completely re-vamped and progressive road map for its future development. The Comprehensive Plan provides clear, concise, and consistent goals and objectives to guide the City's activities across all departments. City staff has already seen an uptick in interest in investment in the City as a result of adopted changes.

### **Lake Worth Park of Commerce**

After 2 years of coordination, physical infrastructure upgrades in the Lake Worth Park of Commerce commenced in February 2018. Upgrades include water, drainage, sewer, electric, roadways, and sidewalks. By leveraging grant dollars awarded from the U.S. Economic Development Administration (\$1.4 million) with Capital Improvement Program monies from various departments, the City is able to maximize existing allocated dollars. The award is tied to the creation of 300 jobs within the Park. Additionally, the City has received a legislative appropriation from the State of Florida for \$1.5 million for FY 19/20 and an award of \$3 million in Local Agency Program funding from the Florida Department of Transportation in December 2019. It is important to note that the majority of ad valorem taxes generated from Park of Commerce are not subject to Save Our Homes legislation.

## **Neighborhood Road Program**

In November 2016, Lake Worth residents authorized the City to issue general obligation bonds to improve local roadways in an amount not to exceed \$40 million. Every neighborhood road was analyzed/ranked on a Pavement Condition Index and a four-year action plan was developed. All roads in Program Year 1, Year 2 and Year 3 were completed as of December 2020. The final Year 4 projects have been completed with the exception of 1 project currently under contract in the Lake Osborn area of District 1. For a City of less than seven square miles, a \$40 million investment in roads represents a major commitment to itself.

## **Working Capital and Capital Project Funding**

The City of Lake Worth Beach issued two bonds in late summer and early fall of 2020; an Ad Valorem Bond providing \$10,458,000 in project proceeds and a Combined Utility Bond providing \$51,959,240 in project proceeds. These two-bond series provided combined funding for City capital projects totaling \$62,417,240.

In addition to providing funding for capital projects, the City took advantage of the historically low interest rate environment by paying off, or refunding, two Bank of America bank notes totaling \$49,413,803 as part of the City's Combined Utility Bond. As part of paying off these bank notes, the City also extended the repayment term, thereby reducing the annual debt service associated with these borrowing and as a consequence, providing increased budgetary and rate flexibility for the City's utilities.

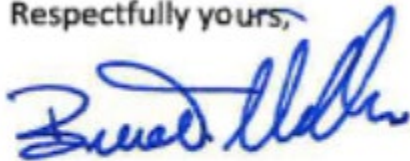
Another significant objective realized with the Ad Valorem borrowing is that the City was able to increase working capital and fund balances in the amount of \$16,135,803. This was accomplished by reimbursing itself for capital projects otherwise paid from reserves. This step increased working capital and fund balance thereby providing the City additional financial flexibility while managing the negative impacts of COVID-19.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Worth Beach for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2019. The GFOA is currently reviewing the City's ACFR for the fiscal year ending September 30, 2020. A Certificate of Achievement in Financial Reporting is valid for a period of one year only. We believe that the City's ACFR for fiscal year 2020 and 2021 will meet the program's requirements.

The preparation of this report could not have been accomplished without the efforts of the entire Finance Department. I express my appreciation to all members of the department who assisted and contributed to its preparation. Credit must also be given to the City Commission and City Management for their commitment and support to improving the City's financial operations.

Respectfully yours,



**Bruce Miller**  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Worth Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**City of Lake Worth Beach, Florida**

**List of Principal Officers  
For the Fiscal Year Ended September 30, 2021**

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**City Commission**

The City Commission is comprised of five members who serve overlapping two-year terms and are elected on a nonpartisan basis by residents of the City. The Mayor is elected at-large to serve a two-year term as the presiding officer at City Commission meetings and as the official head of the City of Lake Worth Beach for legislative and ceremonial purposes. The City Commission is responsible for passing ordinances and other policy directives necessary for the operation of the City.

| <u>OFFICE HELD</u>                   | <u>NAME OF OFFICIAL</u> |
|--------------------------------------|-------------------------|
| Mayor                                | Betty Resch             |
| Vice Mayor/Commissioner - District 3 | Kim Stokes              |
| Commissioner – District 1            | Sarah Malega            |
| Commissioner – District 2            | Christopher McVoy       |
| Commissioner – District 4            | Reinaldo Diaz           |

**Management Team:**

|                                   |                    |
|-----------------------------------|--------------------|
| City Manager                      | Carmen Y. Davis    |
| Assistant City Manager            | Juan Ruiz          |
| City Attorney                     | Christy L. Goddeau |
| City Clerk                        | Melissa Coyne      |
| Community Sustainability Director | William Waters     |
| Financial Services Director       | Bruce Miller       |
| Information Technology Director   | Nelly Peralta      |
| Human Resources Director          | Loren Slaydon      |
| Public Services Director          | Jamie Brown        |
| Water & Sewer Utility Director    | Brian Shields      |
| Electric Utility Director         | Edward Liberty     |
| Internal Auditor                  | William Brown      |
| Leisure Services Director         | Lauren Bennett     |

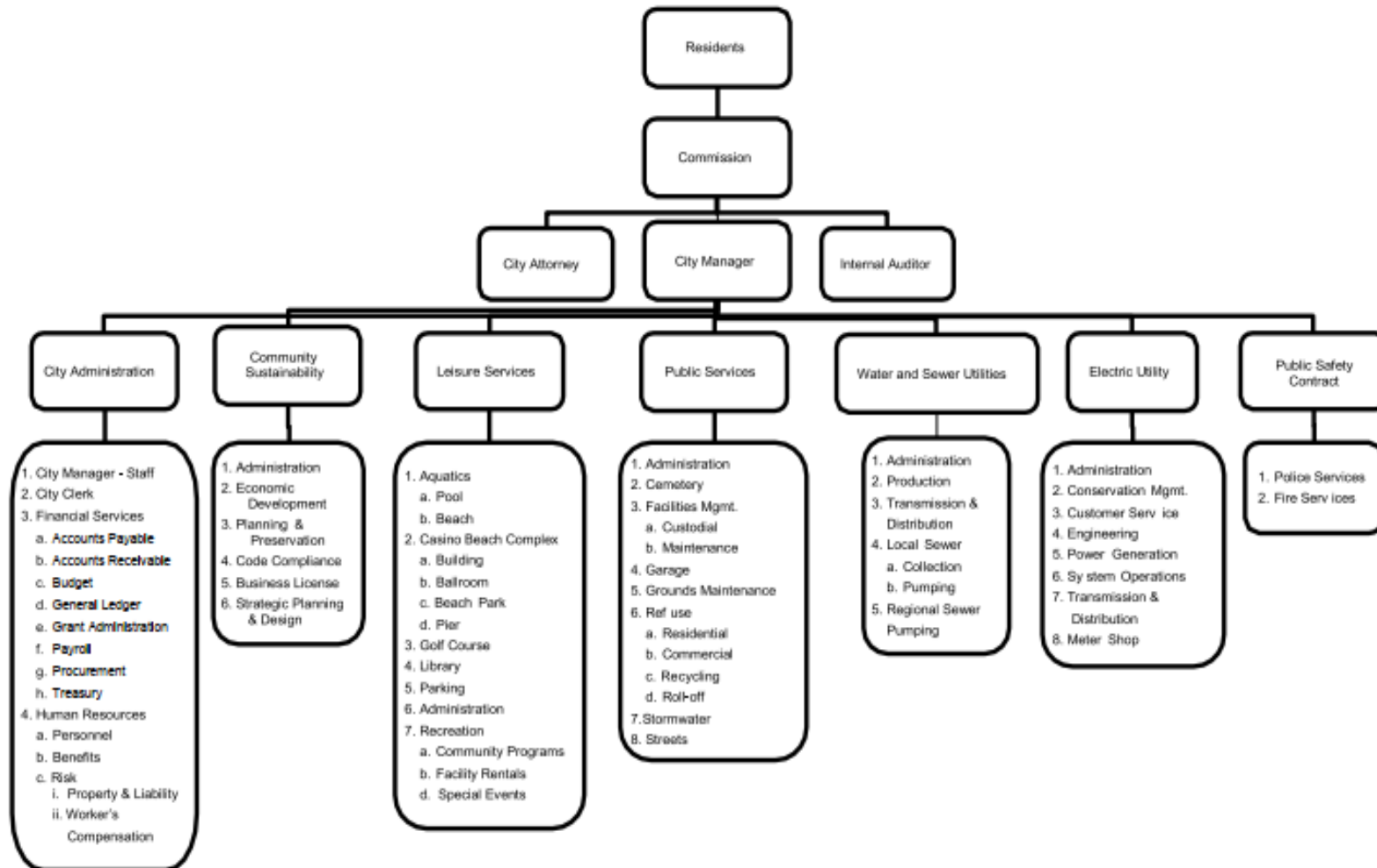
|   |            |
|---|------------|
| Community Redevelopment Agency:<br>Executive Director | Joan Oliva |
|---|------------|



City of Lake Worth Beach, Florida

Organizational Chart  
For the Fiscal Year Ended September 30, 2021

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# **FINANCIAL SECTION**

**Independent Auditor's Report**

RSM US LLP

The Honorable Mayor and Members of the City Commission  
City of Lake Worth Beach, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust, which together represent 73%, 79% and 50% of the assets, net position/fund balance and additions/revenues, respectively of the aggregate remaining fund information.

The statements for the entities in the listing above were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the entities listed above, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and pension and other post-employment (OPEB) related information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control over financial reporting and compliance.

*RSM US LLP*

Fort Lauderdale, Florida  
May 13, 2022



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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As management of the City of Lake Worth Beach (the "City"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

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 Financial Statements and the Required Supplementary Information that is provided in addition to this MD&A.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by approximately \$191,100,000 (net position).
- The City's total net position increased by approximately 14,300,000 or 8% in comparison to the prior year. The increase was a result of an increase in governmental activities and business-type activities of approximately \$8,370,000 and \$5,970,000, respectively. The City's net position increase as a result of this year's operations.
- At the end of the current fiscal year, fund balance for the General Fund was approximately \$11,693,000 or 30.3% of total General Fund expenditures. Of this balance, approximately \$1,626,000 has been restricted to the City's future capital projects, \$9,000 has been assigned to fund future capital projects, \$1,000 is classified as nonspendable and \$10,056,000 is classified as unassigned.
- The City's business-type activities reported total net position of approximately \$159,700,000, which is a \$6.0 million or 4% increase in comparison to the prior year net position. Approximately \$50,970,000 or 32% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total debt, before premiums, increased by approximately \$37.9 million or 29.7%. This increase was due to the issuance of a \$88.9 million Consolidated utility revenue bonds, Series 2020 off by the repayment of prior year's utility bond and note payable totaling approximately \$49 million and related current year principal.

**Overview of the Financial Statements**

This financial section of the annual comprehensive financial report consists of the following: independent auditor's report, management's discussion, and analysis (this section), the basic financial statements, required supplementary information and a section that presents combining and individual fund statements and schedules. The basic financial statements include the following two kinds of statements that present different views of the City:

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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**Government-Wide Financial Statements**

The government-wide financial statements of the City provide a broad overview of the City's finances and report information about the City using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the City's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to City creditors (liabilities). The assets, deferred outflows, liabilities, and deferred inflows are presented in a classified format, which distinguishes between current and long-term assets and liabilities. Net position, the difference between assets and deferred outflows; and liabilities and deferred inflows, provide the basis for computing rate of return, evaluating the capital structure of the City and assessing the liquidity and financial flexibility of the City. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities measures the success of the City's operations over the past year and can be used to determine whether the City has successfully recovered all of its costs through its services provided, as well as its profitability and credit worthiness. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, physical environment, transportation, culture, and recreation. Business-type activities include water and electric utilities, local and regional sewer, stormwater utility, refuse collection and disposal systems.

**Fund Financial Statements**

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, a reconciliation is provided between the fund and government-wide statements in order to better understand the long-term impact of short-term financing decisions.

The City maintains individual governmental funds. Information is presented separately for the General Fund, the American Rescue Plan Act Fund, and the Neighborhood Road Program Fund, as these are considered to be major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for these other nonmajor funds is provided in the form of combining statements.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of providing water service, electric utility service, local and regional sewer service, stormwater utility, refuse collection and disposal. The City uses internal service funds to account for the financing of insurance, garage, information technology services and employee benefits provided to other funds of the City on a cost-reimbursement basis. Because these services primarily support business-type rather than governmental, they have been included within business-type activities in the government-wide statements.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

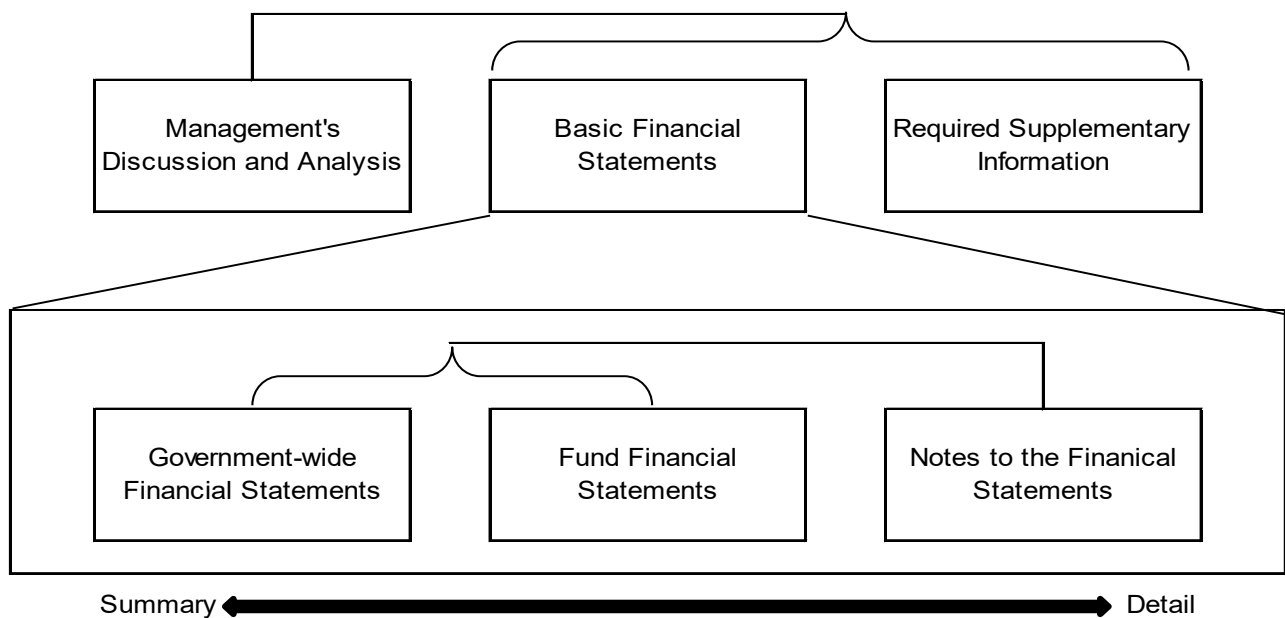
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Proprietary funds provide the same type of information as the government-wide business-type statements, only in more detail. The water, electric and local and regional sewer funds are major funds and are presented separately. Data for the other enterprise funds are aggregated into a single presentation. Separate information is provided for each of the City's nonmajor enterprise funds in combining schedules.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs. The accounting for fiduciary funds is much like that of proprietary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that explains and supports the information in the financial statements. The required supplementary section presents certain information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The figure below shows how the required parts of this annual report are arranged and relate to one another.

**Required Components of the  
City's Annual Comprehensive Financial Report**



**Government-Wide Financial Analysis**

Our analysis of the government-wide financial statements of the City begins on the next page. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City's activities in a way that will help answer this question. These two statements report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, – as one way to measure the financial health or financial position. Over time, increases or



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. **Net results of activities** could impact (increase/decrease) current assets and unrestricted net position.
2. **Borrowing for capital** will increase noncurrent assets and long-term debt.
3. **Spending borrowed proceeds on new capital assets** will reduce noncurrent assets and increase capital assets.
4. **Spending of nonborrowed current assets on new capital assets** will reduce current assets and increase capital assets and will reduce unrestricted net position and increase net investment in capital assets.
5. **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.
6. **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

**Summary Statement of Net Position**

The following schedule presents a Summary Statement of Net Position of the City as of September 30, 2021, and 2020:

**Summary Statement of Net Position  
September 30, 2021 and 2020**

|                                   | Governmental Activities |               | Business-Type Activities |                | Total                 |                |
|-----------------------------------|-------------------------|---------------|--------------------------|----------------|-----------------------|----------------|
|                                   | 2021                    | 2020          | 2021                     | 2020           | 2021                  | 2020           |
| Current and other assets          | \$ 51,957,302           | \$ 49,186,504 | \$ 157,483,359           | \$ 112,989,519 | \$ 209,440,661        | \$ 162,176,023 |
| Capital assets                    | 87,314,357              | 84,258,118    | 174,957,698              | 166,887,386    | 262,272,055           | 251,145,504    |
| Total assets                      | <b>139,271,659</b>      | 133,444,622   | <b>332,441,057</b>       | 279,876,905    | <b>471,712,716</b>    | 413,321,527    |
| Deferred outflows of resources    | <b>9,713,344</b>        | 9,379,402     | <b>3,925,210</b>         | 4,899,476      | <b>13,638,554</b>     | 14,278,878     |
| Long-term liabilities outstanding | <b>101,388,165</b>      | 107,107,541   | <b>161,393,757</b>       | 107,983,233    | <b>262,781,922</b>    | 215,090,774    |
| Other liabilities                 | <b>13,470,120</b>       | 12,279,265    | <b>13,702,705</b>        | 22,394,408     | <b>27,172,825</b>     | 34,673,673     |
| Total liabilities                 | <b>114,858,285</b>      | 119,386,806   | <b>175,096,462</b>       | 130,377,641    | <b>289,954,747</b>    | 249,764,447    |
| Deferred inflows of resources     | <b>2,766,766</b>        | 447,600       | <b>1,527,924</b>         | 626,838        | <b>4,294,690</b>      | 1,074,438      |
| Net position:                     |                         |               |                          |                |                       |                |
| Net investment in capital assets  | <b>38,748,868</b>       | 38,366,100    | <b>100,838,508</b>       | 95,049,432     | <b>139,587,376</b>    | 133,415,532    |
| Restricted                        | <b>20,955,066</b>       | 12,750,283    | <b>7,932,254</b>         | 8,670,291      | <b>28,887,320</b>     | 21,420,574     |
| Unrestricted (deficit)            | <b>(28,343,982)</b>     | (28,126,765)  | <b>50,971,119</b>        | 50,052,179     | <b>22,627,137</b>     | 21,925,414     |
| Total net position                | <b>\$ 31,359,952</b>    | \$ 22,989,618 | <b>\$ 159,741,881</b>    | \$ 153,771,902 | <b>\$ 191,101,833</b> | \$ 176,761,520 |

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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The overall position of the City increased in fiscal year 2021. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$191.1 million. The total net position of the City increased by \$14.3 million or approximately 8% from \$176.8 million in 2020 to \$191.1 million in 2021.

The increase of \$47.3 million in the City's current and other assets is due primarily to an increase in cash and investments of approximately \$44.6 million. The increase in cash and investments is due primarily to unspent proceeds from \$88.9 million Consolidated utility revenue bonds, series 2020 issued in November 2020 combined with \$9.6 million received from the American Rescue Plan in August that has not been spent at year end.

The increase in long-term liabilities of approximately \$47.7 million is due to an increase in bonds and state revolving loans. The increase in bonds is due primarily to the issuance of \$88.9 million Consolidated utility revenue bonds, Series 2020 offset by current year principal payments for the applicable debt and refunding of the then outstanding utility bonds, Series 2013 and Siemen's project note payable in the amount of approximately \$29 million and \$20 million, respectively. The increase in state revolving loans is primarily due to new water distribution projects of approximately \$3 million funded by the Drinking Water State Revolving Fund Loan Program.

The increase in deferred inflows of resources is due primarily to an increase in the net difference between projected and actual earnings on pension investments.

The largest portion of the City's net position, \$140.0 million or 73% reflects its investment in capital assets (for example: land, land improvements, buildings and structures, infrastructure, machinery, and equipment, vehicles, and construction in progress) less any related debt used to acquire these assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, 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.

Restricted net position in the amount of \$28.9 million or 15% is reported separately to show legal constraints from covenants and enabling legislation. Restricted net position increased by \$7.5 million primarily due to an increase of approximately \$5.5 million in the renewal and replacement of fund required by the Consolidated utility revenues bonds, Series 2020

***Summary of Changes in Net Position***

The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenue:

**Economic condition** can reflect a declining, stable, or growing environment and has an impact on property, non-ad valorem assessments, sales, or other tax revenue as well as consumer spending habits for building permits, user fees, and consumption.

**The City Commission** has the authority to set increases or decreases in the City's rates such as electric, water, sewer, permitting, impact fees, user fees and certain taxes.

**Changing patterns in intergovernmental and grant revenue** (both recurring and nonrecurring) can change and impact the annual comparisons.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

**Market impacts on investment income** may cause investment revenue to fluctuate from year to year.

Introduction of new programs can have an impact on property, non-ad valorem assessments, sales, or other tax revenue as well as consumer spending habits for building permits, user fees, and consumption.

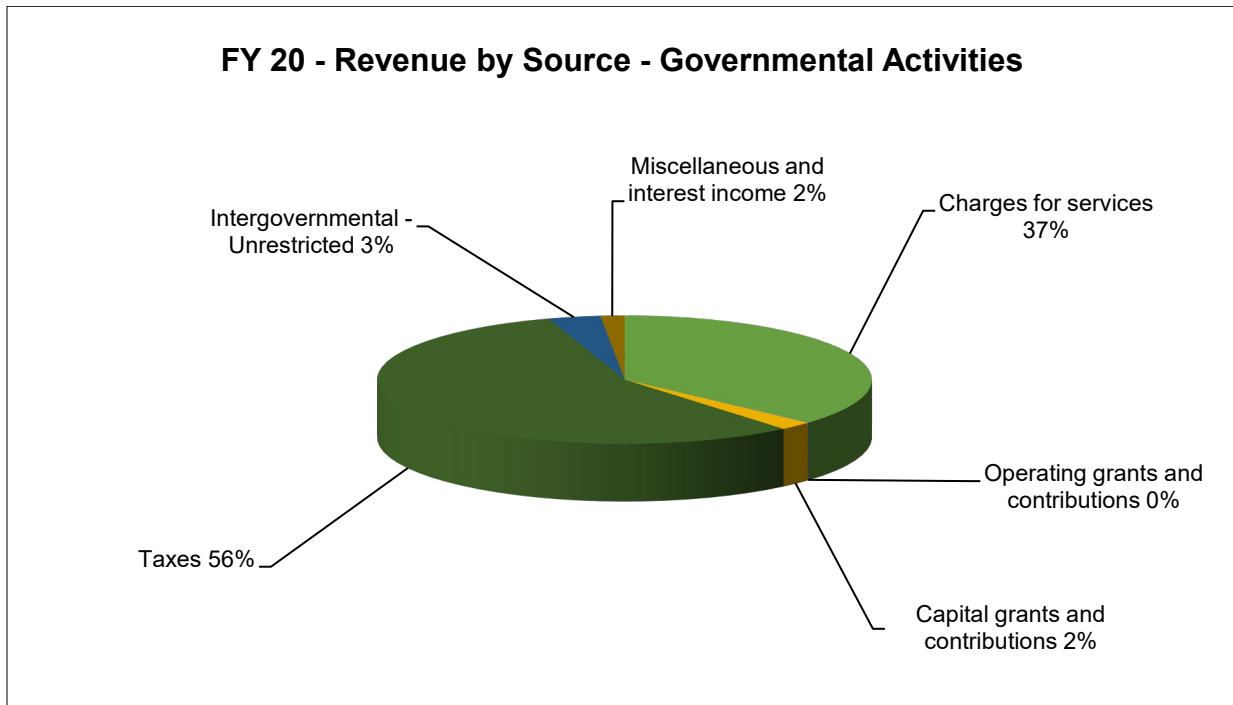
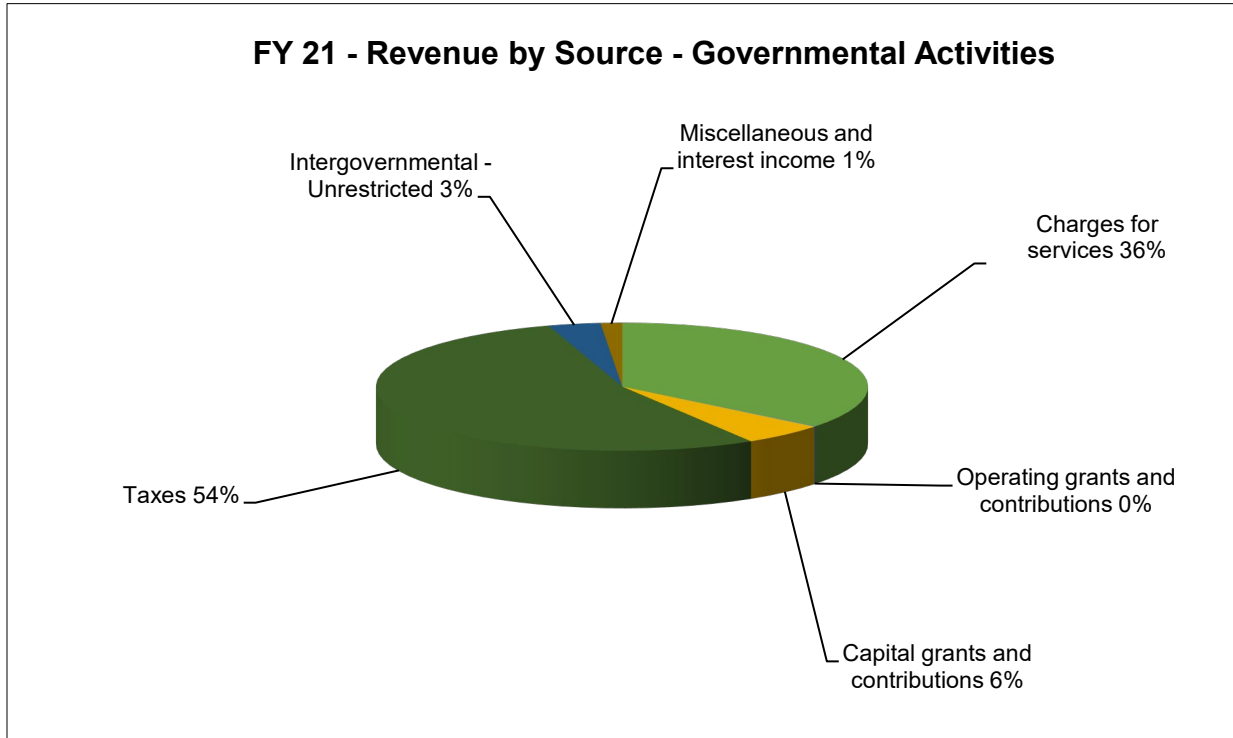
The following schedule presents a summary of the City's operations for fiscal year 2021, with comparative information for fiscal year 2020:

|  | Governmental Activities |                      | Business-Type Activities |                       | Total                 |                       |
|--|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|  | 2021                    | 2020                 | 2021                     | 2020                  | 2021                  | 2020                  |
| <b>Revenue:</b>                                      |                         |                      |                          |                       |                       |                       |
| Program revenue:                                     |                         |                      |                          |                       |                       |                       |
| Charges for services                                 | \$ 18,277,113           | \$ 16,392,064        | \$ 101,293,354           | \$ 96,153,533         | \$ 119,570,467        | \$ 112,545,597        |
| Operating grants and contributions                   | 68,415                  | 48,206               | -                        | -                     | 68,415                | 48,206                |
| Capital grants and contributions                     | 2,823,576               | 982,181              | 832,469                  | 1,196,278             | 3,656,045             | 2,178,459             |
| General Revenues:                                    |                         |                      |                          |                       |                       |                       |
| Taxes  | 27,665,281              | 25,101,361           | -                        | -                     | 27,665,281            | 25,101,361            |
| Intergovernmental – unrestricted                     | 1,764,666               | 1,534,497            | -                        | -                     | 1,764,666             | 1,534,497             |
| Investment income                                    | 28,179                  | 485,389              | 11,746                   | 505,611               | 39,925                | 991,000               |
| Miscellaneous  | 701,974                 | 218,393              | 1,027,152                | 410,438               | 1,729,126             | 628,831               |
| <b>Total revenues</b>                                | <b>51,329,204</b>       | <b>44,762,091</b>    | <b>103,164,721</b>       | <b>98,265,860</b>     | <b>154,493,925</b>    | <b>143,027,951</b>    |
| <b>Expenses:</b>                                     |                         |                      |                          |                       |                       |                       |
| General government                                   | 4,227,216               | 4,402,551            | -                        | -                     | 4,227,216             | 4,402,551             |
| Public safety  | 21,210,213              | 22,422,289           | -                        | -                     | 21,210,213            | 22,422,289            |
| Physical environment                                 | 2,391,933               | 3,282,429            | -                        | -                     | 2,391,933             | 3,282,429             |
| Transportation                                       | 5,489,348               | 5,372,627            | -                        | -                     | 5,489,348             | 5,372,627             |
| Culture and recreation                               | 7,836,192               | 6,491,360            | -                        | -                     | 7,836,192             | 6,491,360             |
| Interest and fiscal charges                          | 1,803,968               | 1,450,715            | -                        | -                     | 1,803,968             | 1,450,715             |
| Electric utility                                     | -                       | -                    | 54,964,184               | 52,993,465            | 54,964,184            | 52,993,465            |
| Water utility  | -                       | -                    | 15,987,210               | 15,805,291            | 15,987,210            | 15,805,291            |
| Local sewer  | -                       | -                    | 9,902,290                | 10,047,624            | 9,902,290             | 10,047,624            |
| Regional sewer                                       | -                       | -                    | 8,651,434                | 7,963,192             | 8,651,434             | 7,963,192             |
| Stormwater utility                                   | -                       | -                    | 1,722,339                | 1,838,722             | 1,722,339             | 1,838,722             |
| Refuse collection and disposal                       | -                       | -                    | 5,967,285                | 6,579,918             | 5,967,285             | 6,579,918             |
| <b>Total expenses</b>                                | <b>42,958,870</b>       | <b>43,421,971</b>    | <b>97,194,742</b>        | <b>95,228,212</b>     | <b>140,153,612</b>    | <b>138,650,183</b>    |
| Increase (decrease) in net position before transfers | 8,370,334               | 1,340,120            | 5,969,979                | 3,037,648             | 14,340,313            | 4,377,768             |
| Transfers  | -                       | 352,000              | -                        | (352,000)             | -                     | -                     |
| <b>Change in net position</b>                        | <b>8,370,334</b>        | <b>1,692,120</b>     | <b>5,969,979</b>         | <b>2,685,648</b>      | <b>14,340,313</b>     | <b>4,377,768</b>      |
| Net position, beginning                              | 22,989,618              | 21,611,225           | 153,771,902              | 150,819,112           | 176,761,520           | 172,430,337           |
| Restatement - Increase (decrease)                    | -                       | (313,727)            | -                        | 267,142               | -                     | (46,585)              |
| Net position, beginning (as restated)                | 22,989,618              | 21,297,498           | 153,771,902              | 151,086,254           | 176,761,520           | 172,383,752           |
| <b>Net position, ending</b>                          | <b>\$ 31,359,952</b>    | <b>\$ 22,989,618</b> | <b>\$ 159,741,881</b>    | <b>\$ 153,771,902</b> | <b>\$ 191,101,833</b> | <b>\$ 176,761,520</b> |

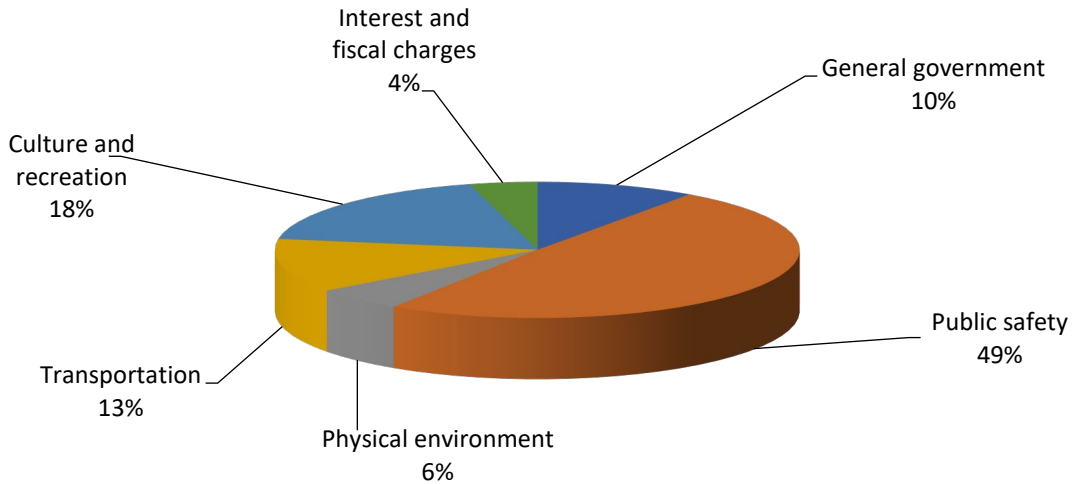
City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended September 30, 2021

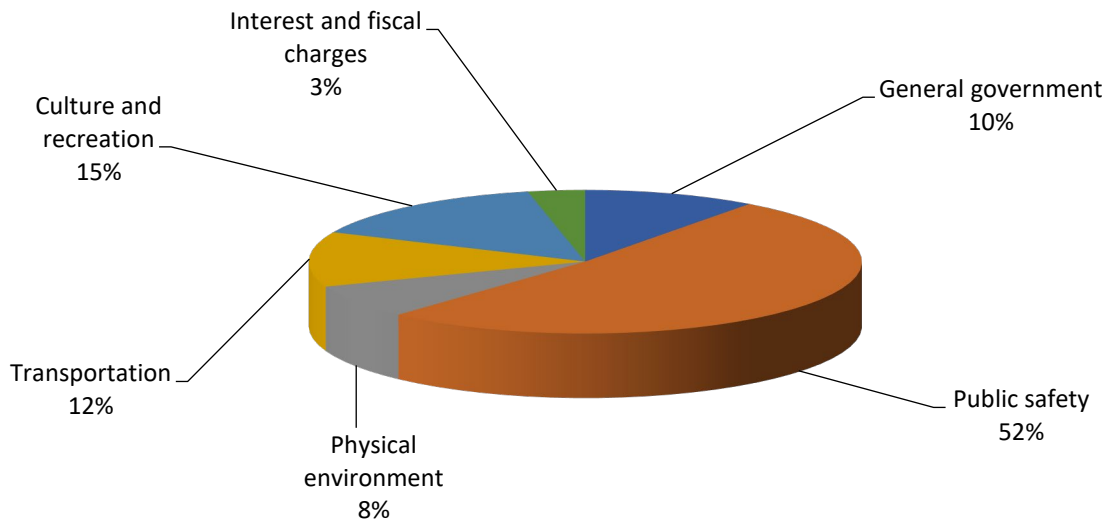
Summary Statement of Changes in Net Position



### FY 21 Expenses by Program - Governmental Activities



### FY 20 Expenses by Program - Governmental Activities



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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The City's governmental activities net position increased from \$23.0 million in 2020 to \$31.4 million in 2021. Total revenues from governmental activities increased by \$6.6 million from fiscal year 2020. The increase is due primarily to a \$1.2 million or 9.0% increase in property tax revenues which is from a 7.4% increase in the City's total taxable assessed value, a \$1.9 million increase in charges for services and a \$2.6 million increase in capital grants and contributions. Charges for services increased primarily due to an estimated \$1.0 million increase in indirect charge backs from the enterprise funds and a \$0.8 million increase in parking meters revenues from services that were canceled in fiscal year 2020 due to the COVID-19 pandemic and resumed in fiscal year 2021. Capital grants and contributions increased primarily due to federal awards reimbursements from the U.S. Economic Development Administration and State of Florida Department of Transportation for the infrastructure updates in the Lake Worth Park of Commerce. Expenses during fiscal year 2021 remained consistent to fiscal year 2020 with a decrease \$0.5 million or 1.1%.

The City's business-type activities net position increased from \$153.8 million in fiscal year 2020 to \$159.7 million in fiscal year 2021. The \$6.0 million increase is primarily due to an increase from current year operations in the Electric Fund, the Regional Sewer Fund and the Refuse Collection and Disposal Fund in the amount of \$3.2 million, \$1.2 million and \$1.1 million, respectively. Current year operations increased primarily due an estimated \$3.0 million reduction of net pension liability and a year-end accrual adjustment of approximately \$2.8 million for unbilled receivables.

**Financial Analysis of the City's Funds**

***Governmental Funds***

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned 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, 2021, the City's governmental funds reported combined fund balances of approximately \$43.5 million, an increase of approximately \$2.4 million in comparison to the prior year. Approximately 59% or \$25.6 million is restricted. The remainder of the fund balance is either non-spendable, committed, assigned or unassigned.

**General Fund** – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$10.1 million compared to approximately \$11.9 million in 2020. The unassigned fund balance represents approximately 86.0% of the overall fund balance at September 30, 2021. The General Fund recognized approximately \$39.4 million of revenue during the year, offset by approximately \$38.6 million of expenditures. Property taxes increased to approximately \$11.6 million from approximately \$10.6 million in the prior year, which along with utility taxes, charges for services and intergovernmental revenues, are the largest sources of revenue. Public safety expenditures increased by approximately \$1.0 million to approximately \$22.9 million, still representing the largest portion (59.3%) of expenditures. Both the Police and Fire Rescue services are contracted out to the Palm Beach County Sheriff's Office and the Palm Beach Fire Rescue District, respectively. These expenditures are driven by the interlocal agreements with each governmental entity and associated pension costs for former police and fire employees.

**American Rescue Plan Act Fund** –The American Rescue Plan Act (ARPA) Fund is used to account for funds received from the federal government to facilitate the recovery from the economic impact and health effects of the COVID-19 pandemic. In fiscal year 2021, the City received 50% of its ARPA allocation or \$9.6 million currently classified as unearned revenues until spent on eligible expenditures.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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Neighborhood Road Improvement Fund – The Neighborhood Road Improvement Fund is used to account for all of the cost involved in operating the Neighborhood Road program. The program is the City's largest capital improvement project to date and will dramatically improve transportation throughout the City's residential areas. It is being funded through a general obligation bond not to exceed \$40 million. In 2018, the City issued General Obligation Bond Series 2018 in the amount of \$17,295,000. This was the second and final tranche of the \$40 million bond authorization. The program spent \$3.5 million in fiscal year 2021.

***Proprietary Funds***

The City's Proprietary Funds include the City's Enterprise Funds – Electric, Water, Local Sewer, Regional Sewer, Stormwater Utility and the Refuse Collection and Disposal Fund. An Enterprise Fund is used to account for activities for which a fee is charged to external users for goods and services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Electric Fund, Water Fund, Local Sewer Fund, Regional Sewer Fund, Stormwater Utility Fund and the Refuse Collection and Disposal Fund at the end of the current fiscal year totaled approximately (\$1,306,000), \$3,857,000, \$1,465,000, \$31,405,000, \$2,845,000 and \$6,049,000, respectively.
- The operating income for the Electric Fund, Water Fund, Local Sewer Fund, Regional Sewer Fund, Stormwater Utility Fund and the Refuse Collection and Disposal Fund at the end of the current fiscal year totaled approximately \$5,429,000, \$1,578,000, \$160,000, \$881,000, \$292,000 and \$1,0210,000, respectively.
- The operating income for enterprise funds is primarily due to an estimated \$3.0 million reduction of net pension liability which decreased operating expenses and a year-end accrual adjustment of approximately \$2.8 million for unbilled receivables which increased operating revenues.

**General Fund Budgetary Highlights**

The General Fund required some interdepartmental changes to the original budget. The difference between the adopted budget and the final budget for the General Fund was not significant and in keeping with the financial strategy adopted in the City's Business Plan for the 2021 fiscal year. General Fund revenue was greater than budgeted and expenditures were greater than budgeted. This year's operations resulted in a \$0.2 million decrease to fund balance after all financial policies had been implemented.

General Fund revenue was more than budgeted by approximately \$1.3 million or 3.3%. This variance is due primarily to a favorable variance in taxes revenue, general government revenue, intergovernmental revenue, and miscellaneous revenue of approximately \$0.5 million, \$0.3 million, \$0.4 million and \$0.7 million, respectively.

General Fund expenditures were more than budgeted by approximately \$0.6 million or 1.6% due primarily to \$0.7 million in debt service.

**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

**Capital Assets and Debt Administration**

**Capital Assets**

As of September 30, 2021, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$262.3 million invested in a variety of capital assets, which represents a net increase (additions, deductions and depreciation) of approximately \$11.1 million or 4.4%. Construction-in-progress increased approximately \$10.5 million to a total of approximately \$36.6 million. The increase in capital assets is mainly attributable to various infrastructure projects throughout the City. The following schedule summarizes the City's capital assets as of September 30, 2021:

|                          | Governmental Activities |               | Business-Type Activities |                | Total          |                |
|--------------------------|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
|                          | 2021                    | 2020          | 2021                     | 2020           | 2021           | 2020           |
| Land                     | \$ 8,753,243            | \$ 8,753,243  | \$ 2,572,138             | \$ 2,572,138   | \$ 11,325,381  | \$ 11,325,381  |
| Construction in progress | 6,284,526               | 210,443       | 30,327,212               | 25,940,576     | 36,611,738     | 26,151,019     |
| Land improvements        | 7,024,436               | 7,024,436     | 468,972                  | 468,972        | 7,493,408      | 7,493,408      |
| Buildings and structures | 52,366,229              | 52,366,229    | 99,193,485               | 99,193,485     | 151,559,714    | 151,559,714    |
| Infrastructure           | 91,038,068              | 89,744,726    | 183,548,667              | 172,334,453    | 274,586,735    | 262,079,179    |
| Machinery and equipment  | 4,854,934               | 4,693,267     | 34,092,711               | 33,847,168     | 38,947,645     | 38,540,435     |
| Vehicles                 | 1,345,164               | 1,406,817     | 12,836,139               | 13,674,339     | 14,181,303     | 15,081,156     |
| Total capital assets     | 171,666,600             | 164,199,161   | 363,039,324              | 348,031,131    | 534,705,924    | 512,230,292    |
| Accumulated depreciation | 84,352,243              | 79,941,043    | 188,081,626              | 181,143,745    | 272,433,869    | 261,084,788    |
| Net capital assets       | \$ 87,314,357           | \$ 84,258,118 | \$ 174,957,698           | \$ 166,887,386 | \$ 262,272,055 | \$ 251,145,504 |

Major capital assets expenditures during the current fiscal year include the following:

- District 1, 2, 3 and 4 Roadway Projects – \$4,387,000
- Park of Commerce Phase 1B and 2 – \$3,676,000
- Street Resurfacing – \$672,000
- Neighborhood Road Program – \$3,524,000
- System Hardening and Reliability Improvement Program (SHRIP) – \$6,531,000
- 2-inch Watermain Project – \$1,175,000
- Lake Osborne Watermain – \$986,000
- Lift stations – \$809,000

Additional information on the City's capital assets can be found in Note 6.

**Debt Administration**

As of September 30, 2021, the City had debt outstanding of approximately \$181.2 million. Of this amount, approximately \$51.2 million and \$99.4 million are secured by specific governmental fund and enterprise fund revenue sources, respectively. The debt position of the City is summarized below and is explained further in Note 8 Long-Term Debt.

|                            | Governmental Activities |               | Business-Type Activities |               | Total          |                |
|----------------------------|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
|                            | 2021                    | 2020          | 2021                     | 2020          | 2021           | 2020           |
| Notes payable              | \$ -                    | \$ 843,864    | \$ -                     | \$ 18,705,463 | \$ -           | \$ 19,549,327  |
| Revenue bonds              | 51,181,367              | 51,206,367    | 99,378,633               | 44,203,633    | 150,560,000    | 95,410,000     |
| State revolving fund loans | -                       | -             | 14,926,319               | 12,601,124    | 14,926,319     | 12,601,124     |
|                            | 51,181,367              | 52,050,231    | 114,304,952              | 75,510,220    | 165,486,319    | 127,560,451    |
| Bond premium               | 1,872,621               | 1,830,051     | 13,869,974               | 741,790       | 15,742,595     | 15,700,025     |
| Total                      | \$ 53,053,988           | \$ 53,880,282 | \$ 128,174,926           | \$ 76,252,010 | \$ 181,228,914 | \$ 143,260,476 |



**City of Lake Worth Beach, Florida  
Management's Discussion and Analysis (Unaudited)**

**For the Fiscal Year Ended September 30, 2021**

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The City's long-term debt increased by approximately \$51.1 million or 39.2% primarily due to the net effect of increased borrowings from \$88.9 million Consolidated utility revenue bonds, series 2020 issued in November 2020, offset by current year principal payments for the applicable debt and refunding of the then outstanding utility bonds, Series 2013 and Siemen's project note payable in the amount of approximately \$29 million and \$20 million, respectively.

**Economic Factors and Next Year's Budget**

The City considered the following economic factors in developing its 2021-2022 fiscal year budget:

- The State of Florida, by constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property taxes supplemented by a limited array of other permitted taxes (sales, gasoline, and utilities) and fees (franchise and occupational license) for their governmental activities. During the past year these revenues increased and for fiscal year 2022, they are estimated to continue this trend.
- The General Fund budget for 2022 of approximately \$40.3 million is approximately \$2.1 million more than the fiscal year 2021 budget. The adopted budget reflected a level service budget with excess revenues strengthening fund balance and working capital.
- The fiscal year 2022 budget maintains and improves service levels wherever possible, with the restraint of gradual increases in revenues. The City of Lake Worth Beach, Florida continues to look for efficiencies and improved productivity in the reorganization of its departments and infrastructure planning of capital assets.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lake Worth Beach, Finance Department, 7 North Dixie Highway, Lake Worth, FL 33460.

City of Lake Worth Beach, Florida

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City of Lake Worth Beach, Florida

Statement of Net Position  
September 30, 2021

|   | Primary Government         |                             |                    | Component<br>Unit |
|---|----------------------------|-----------------------------|--------------------|-------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total              |                   |
| <b>Assets</b>                               |                            |                             |                    |                   |
| Cash and cash equivalents                   | \$ 28,889,293              | \$ 13,271,193               | \$ 42,160,486      | \$ 2,464,679      |
| Investments                                 | 18,508,020                 | 27,688,947                  | 46,196,967         | 1,180,373         |
| Accounts receivable, net                    | 2,183,405                  | 14,434,557                  | 16,617,962         | 829               |
| Accrued interest receivable                 | 4,060                      | 4,858                       | 8,918              | -                 |
| Due from other governments                  | -                          | 1,492,552                   | 1,492,552          | -                 |
| Internal balances                           | (2,450,578)                | 2,450,579                   | 1                  | -                 |
| Inventories                                 | 11,298                     | 6,525,123                   | 6,536,421          | -                 |
| Land held for resale                        | 111,589                    | -                           | 111,589            | 10,047,519        |
| Prepaid items                               | 25,405                     | -                           | 25,405             | 14,330            |
| Restricted assets:                          |                            |                             |                    |                   |
| Cash and cash equivalents                   | 4,674,810                  | 55,534,390                  | 60,209,200         | -                 |
| Investments                                 | -                          | 5,487,875                   | 5,487,875          | -                 |
| Deposits                                    | -                          | 1,316,174                   | 1,316,174          | -                 |
| Investment in joint venture                 | -                          | 29,277,111                  | 29,277,111         | -                 |
| Capital assets:                             |                            |                             |                    |                   |
| Nondepreciable                              | 15,037,769                 | 32,899,350                  | 47,937,119         | 2,624,317         |
| Depreciable, net                            | 72,276,588                 | 142,058,348                 | 214,334,936        | 5,416,276         |
| <b>Total assets</b>                         | <b>139,271,659</b>         | <b>332,441,057</b>          | <b>471,712,716</b> | <b>21,748,323</b> |
| Deferred outflows of resources:             |                            |                             |                    |                   |
| Deferred outflows relating to pensions      | 9,560,115                  | 3,719,751                   | 13,279,866         | -                 |
| Deferred outflows relating to OPEB          | 153,229                    | 205,459                     | 358,688            | -                 |
| <b>Total deferred outflows of resources</b> | <b>9,713,344</b>           | <b>3,925,210</b>            | <b>13,638,554</b>  | <b>-</b>          |
| <b>Liabilities</b>                          |                            |                             |                    |                   |
| Accounts and contracts payable              | \$ 643,403                 | \$ 3,509,533                | \$ 4,152,936       | \$ 22,273         |
| Accrued liabilities                         | 382,043                    | 7,995,468                   | 8,377,511          | 28,027            |
| Accrued interest payable                    | 337,334                    | 61,386                      | 398,720            | -                 |
| Unearned revenue                            | 10,619,726                 | -                           | 10,619,726         | 94,400            |
| Liabilities payable from restricted assets  | -                          | 893,623                     | 893,623            | -                 |
| Due within one year:                        |                            |                             |                    |                   |
| Notes payable                               | -                          | 680,191                     | 680,191            | 478,872           |
| Bonds payable                               | 1,426,296                  | 523,705                     | 1,950,001          | -                 |
| Compensated absences                        | 61,318                     | 38,799                      | 100,117            | -                 |
| Due in more than a year:                    |                            |                             |                    |                   |
| Notes payable                               | -                          | 14,246,129                  | 14,246,129         | 2,784,378         |
| Bonds payable                               | 51,627,692                 | 112,724,901                 | 164,352,593        | -                 |
| Compensated absences                        | 799,886                    | 717,660                     | 1,517,546          | -                 |
| Insurance claims payable                    | -                          | 3,507,918                   | 3,507,918          | -                 |
| Total OPEB liability                        | 781,560                    | 1,121,631                   | 1,903,191          | -                 |
| Deposits payable                            | -                          | 6,973,799                   | 6,973,799          | -                 |
| Net pension liability                       | 48,179,027                 | 22,101,719                  | 70,280,746         | -                 |
| <b>Total liabilities</b>                    | <b>114,858,285</b>         | <b>175,096,462</b>          | <b>289,954,747</b> | <b>3,407,950</b>  |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position (Continued)  
September 30, 2020

|   | Primary Government         |                             |                       | Component<br>Unit    |
|---|----------------------------|-----------------------------|-----------------------|----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |                      |
| Deferred inflows of resources:            |                            |                             |                       |                      |
| Deferred inflows relating to pensions     | 2,711,839                  | 1,131,441                   | 3,843,280             | -                    |
| Deferred inflows relating to OPEB         | 54,927                     | 73,650                      | 128,577               | -                    |
| Deferred charge on refunding              | -                          | 322,833                     | 322,833               | -                    |
| <b>Total deferred inflow of resources</b> | <b>2,766,766</b>           | <b>1,527,924</b>            | <b>4,294,690</b>      | <b>-</b>             |
| Net position:                             |                            |                             |                       |                      |
| Net investment in capital assets          | 38,748,868                 | 100,838,508                 | 139,587,376           | 4,777,343            |
| Restricted for:                           |                            |                             |                       |                      |
| Debt service                              | 165,278                    | 1,133,381                   | 1,298,659             | -                    |
| Working capital                           | -                          | 1,316,174                   | 1,316,174             | -                    |
| Renewal and replacement                   | -                          | 5,482,699                   | 5,482,699             | -                    |
| Grants                                    | 393,731                    | -                           | 393,731               | -                    |
| Capital projects                          | 10,435,148                 | -                           | 10,435,148            | -                    |
| Public safety                             | 9,331,147                  | -                           | 9,331,147             | -                    |
| Community redevelopment                   | -                          | -                           | -                     | 13,563,030           |
| Parking improvements                      | 69,336                     | -                           | 69,336                | -                    |
| Tree preservation                         | 19,606                     | -                           | 19,606                | -                    |
| Energy conservation                       | 178,123                    | -                           | 178,123               | -                    |
| Culture and recreation                    | 362,697                    | -                           | 362,697               | -                    |
| Unrestricted (deficit)                    | (28,343,982)               | 50,971,119                  | 22,627,137            | -                    |
| <b>Total net position</b>                 | <b>\$ 31,359,952</b>       | <b>\$ 159,741,881</b>       | <b>\$ 191,101,833</b> | <b>\$ 18,340,373</b> |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Activities  
For the Fiscal Year Ended September 30, 2021

|  | Program Revenues      |                                      |  |  | Net (Expense) Revenue<br>and Changes in Net Position |                             |                       | Component<br>Unit    |
|--|-----------------------|--------------------------------------|--|--|--|-----------------------------|-----------------------|----------------------|
|  | Expenses              | Charges for<br>Services and<br>Sales | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                   |                             |                       |                      |
|  |                       |                                      |  |  | Governmental<br>Activities                           | Business-Type<br>Activities | Total                 |                      |
| Primary government:                    |                       |                                      |  |  |  |                             |                       |                      |
| Governmental activities:               |                       |                                      |  |  |  |                             |                       |                      |
| General government                     | \$ 4,227,216          | \$ 11,317,341                        | \$ -                                     | \$ 2,679,433                           | \$ 9,769,558   | \$ -                        | \$ 9,769,558          | \$ -                 |
| Public safety                          | 21,210,213            | 1,806,106                            | 59,548                                   | -                                      | (19,344,559)   | -                           | (19,344,559)          | -                    |
| Physical environment                   | 2,391,933             | 26,725                               | -  | -                                      | (2,365,208)  | -                           | (2,365,208)           | -                    |
| Transportation                         | 5,489,348             | 2,721,033                            | -  | -                                      | (2,768,315)  | -                           | (2,768,315)           | -                    |
| Culture and recreation                 | 7,836,192             | 2,405,908                            | 8,867                                    | 144,143                                | (5,277,274)  | -                           | (5,277,274)           | -                    |
| Interest and fiscal charges            | 1,803,968             | -                                    | -  | -                                      | (1,803,968)  | -                           | (1,803,968)           | -                    |
| <b>Total governmental activities</b>   | <b>42,958,870</b>     | <b>18,277,113</b>                    | <b>68,415</b>                            | <b>2,823,576</b>                       | <b>(21,789,766)</b>                                  | <b>-</b>                    | <b>(21,789,766)</b>   | <b>-</b>             |
| Business-type activities:              |                       |                                      |  |  |  |                             |                       |                      |
| Electric                               | 54,964,184            | 57,265,178                           | -  | -                                      | -  | 2,300,994                   | 2,300,994             | -                    |
| Water                                  | 15,987,210            | 15,612,994                           | -  | 302,373                                | -  | (71,843)                    | (71,843)              | -                    |
| Local sewer                            | 9,902,290             | 9,991,750                            | -  | 167,095                                | -  | 256,555                     | 256,555               | -                    |
| Regional sewer                         | 8,651,434             | 9,532,063                            | -  | 363,001                                | -  | 1,243,630                   | 1,243,630             | -                    |
| Stormwater utility                     | 1,722,339             | 1,936,696                            | -  | -                                      | -  | 214,357                     | 214,357               | -                    |
| Refuse collection and disposal         | 5,967,285             | 6,954,673                            | -  | -                                      | -  | 987,388                     | 987,388               | -                    |
| <b>Total business-type activities</b>  | <b>97,194,742</b>     | <b>101,293,354</b>                   | <b>-</b>                                 | <b>832,469</b>                         | <b>-</b>   | <b>4,931,081</b>            | <b>4,931,081</b>      | <b>-</b>             |
| <b>Total primary government</b>        | <b>\$ 140,153,612</b> | <b>\$ 119,570,467</b>                | <b>\$ 68,415</b>                         | <b>\$ 3,656,045</b>                    | <b>(21,789,766)</b>                                  | <b>4,931,081</b>            | <b>(16,858,685)</b>   | <b>-</b>             |
| Component unit:                        |                       |                                      |  |  |  |                             |                       |                      |
| Lake Worth CRA                         | \$ 2,563,550          | \$ -                                 | \$ -                                     | \$ -                                   |  |                             |                       | (2,563,550)          |
| General revenue:                       |                       |                                      |  |  |  |                             |                       |                      |
| Taxes:                                 |                       |                                      |  |  |  |                             |                       |                      |
| Property and other taxes               |                       |                                      |  |  | 14,234,595   | -                           | 14,234,595            | 3,814,619            |
| Franchise fees based on gross receipts |                       |                                      |  |  | 156,700  | -                           | 156,700               | -                    |
| Utility services taxes                 |                       |                                      |  |  | 5,802,645  | -                           | 5,802,645             | -                    |
| Gas taxes                              |                       |                                      |  |  | 891,977  | -                           | 891,977               | -                    |
| State and other shared revenues        |                       |                                      |  |  | 6,579,364  | -                           | 6,579,364             | -                    |
| Intergovernmental – unrestricted       |                       |                                      |  |  | 1,764,666  | -                           | 1,764,666             | -                    |
| Investment income – unrestricted       |                       |                                      |  |  | 28,179   | 11,746                      | 39,925                | 1,131                |
| Miscellaneous                          |                       |                                      |  |  | 701,974  | 1,027,152                   | 1,729,126             | 77,694               |
| <b>Total general revenues</b>          |                       |                                      |  |  | <b>30,160,100</b>                                    | <b>1,038,898</b>            | <b>31,198,998</b>     | <b>3,893,444</b>     |
| <b>Change in net position</b>          |                       |                                      |  |  | <b>8,370,334</b>                                     | <b>5,969,979</b>            | <b>14,340,313</b>     | <b>1,329,894</b>     |
| Net Position beginning of year         |                       |                                      |  |  | 22,989,618   | 153,771,902                 | 176,761,520           | 17,010,479           |
| Net Position end of year               |                       |                                      |  |  | <b>\$ 31,359,952</b>                                 | <b>\$ 159,741,881</b>       | <b>\$ 191,101,833</b> | <b>\$ 18,340,373</b> |

See notes to financial statements.

City of Lake Worth Beach, Florida

Balance Sheet – Governmental Funds  
September 30, 2021

|  | General              | American<br>Rescue Plan<br>Act Fund | Neighborhood<br>Road Program<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                              |                      |                                     |                                      |                                   |                                |
| Cash and cash equivalents                  | \$ 5,893,804         | \$ 9,647,944                        | \$ 438,807                           | \$ 12,908,738                     | \$ 28,889,293                  |
| Investments                                | 3,271,593            | -                                   | -                                    | 15,236,427                        | 18,508,020                     |
| Accounts receivable, net                   | 1,417,851            | -                                   | -                                    | 765,554                           | 2,183,405                      |
| Accrued interest receivable                | -                    | -                                   | -                                    | 4,060                             | 4,060                          |
| Inventories                                | -                    | -                                   | -                                    | 11,298                            | 11,298                         |
| Land held for resale                       | -                    | -                                   | -                                    | 111,589                           | 111,589                        |
| Prepaid items                              | 1,116                | -                                   | -                                    | 24,289                            | 25,405                         |
| Due from other funds                       | 827,875              | -                                   | -                                    | -                                 | 827,875                        |
| Restricted cash:                           |                      |                                     |                                      |                                   |                                |
| Cash and cash equivalents                  | 1,626,000            | -                                   | 2,623,810                            | 425,000                           | 4,674,810                      |
| <b>Total assets</b>                        | <b>\$ 13,038,239</b> | <b>\$ 9,647,944</b>                 | <b>\$ 3,062,617</b>                  | <b>\$ 29,486,955</b>              | <b>\$ 55,235,755</b>           |
| <b>Liabilities</b>                         |                      |                                     |                                      |                                   |                                |
| Accounts and contracts payable             | \$ 153,677           | \$ -                                | \$ 93,271                            | \$ 396,455                        | \$ 643,403                     |
| Accrued liabilities                        | 280,230              | -                                   | -                                    | 101,813                           | 382,043                        |
| Due to other funds                         | 590                  | -                                   | -                                    | 116,985                           | 117,575                        |
| Unearned revenue                           | 911,031              | 9,647,944                           | -                                    | 60,751                            | 10,619,726                     |
| <b>Total liabilities</b>                   | <b>1,345,528</b>     | <b>9,647,944</b>                    | <b>93,271</b>                        | <b>676,004</b>                    | <b>11,762,747</b>              |
| Fund balances:                             |                      |                                     |                                      |                                   |                                |
| Nonspendable:                              |                      |                                     |                                      |                                   |                                |
| Prepaid items                              | 1,116                | -                                   | -                                    | 24,289                            | 25,405                         |
| Inventories                                | -                    | -                                   | -                                    | 11,298                            | 11,298                         |
| Land held for resale                       | -                    | -                                   | -                                    | 111,589                           | 111,589                        |
| Restricted for:                            |                      |                                     |                                      |                                   |                                |
| Debt service                               | -                    | -                                   | -                                    | 165,278                           | 165,278                        |
| Public safety                              | -                    | -                                   | -                                    | 9,331,147                         | 9,331,147                      |
| Grants                                     | -                    | -                                   | -                                    | 393,731                           | 393,731                        |
| Capital projects                           | 1,626,000            | -                                   | 2,969,346                            | 10,514,612                        | 15,109,958                     |
| Parking improvements                       | -                    | -                                   | -                                    | 69,336                            | 69,336                         |
| Tree preservation                          | -                    | -                                   | -                                    | 19,606                            | 19,606                         |
| Energy conservation                        | -                    | -                                   | -                                    | 178,123                           | 178,123                        |
| Culture and recreation                     | -                    | -                                   | -                                    | 362,697                           | 362,697                        |
| Assigned to:                               |                      |                                     |                                      |                                   |                                |
| Capital projects                           | -                    | -                                   | -                                    | 7,629,245                         | 7,629,245                      |
| Housing initiative                         | 9,267                | -                                   | -                                    | -                                 | 9,267                          |
| Unassigned (deficit)                       | 10,056,328           | -                                   | -                                    | -                                 | 10,056,328                     |
| <b>Total fund balances</b>                 | <b>11,692,711</b>    | <b>-</b>                            | <b>2,969,346</b>                     | <b>28,810,951</b>                 | <b>43,473,008</b>              |
| <b>Total liabilities and fund balances</b> | <b>\$ 13,038,239</b> | <b>\$ 9,647,944</b>                 | <b>\$ 3,062,617</b>                  | <b>\$ 29,486,955</b>              | <b>\$ 55,235,755</b>           |

See notes to financial statements.

**City of Lake Worth Beach, Florida**

**Reconciliation of the Balance Sheet of Governmental Funds  
to Statement of Net Position  
September 30, 2021**

|   |                 |                      |                             |
|---|-----------------|----------------------|-----------------------------|
| Total fund balance – governmental funds   |                 | \$ 43,473,008        |                             |
| Amounts reported for governmental activities in the statement of net position are different because:  |                 |                      |                             |
| Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the fund.  |                 |                      | 87,314,357                  |
| Accrued interest payable not reported in the governmental funds.  |                 |                      | (337,334)                   |
| Long-term liabilities are not due and payable in the current period and, therefore are not reported in the government funds. These liabilities are comprised of the following:  |                 |                      |                             |
| Revenue bonds payable, including premiums   | \$ (53,053,988) |                      |                             |
| Net pension liability   | (48,179,027)    |                      |                             |
| Total OPEB liability  | (781,560)       |                      |                             |
| Compensated absences  | (861,204)       |                      |                             |
|   |                 | <u>(102,875,779)</u> |                             |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.        |                 |                      |                             |
| Deferred outflows relating to pensions  | 9,560,115       |                      |                             |
| Deferred inflows relating to pensions   | (2,711,839)     |                      |                             |
| Deferred outflows relating to OPEB  | 153,229         |                      |                             |
| Deferred inflows relating to OPEB   | (54,927)        |                      |                             |
|   |                 | <u>6,946,578</u>     |                             |
| Internal service funds are used by management to charge the costs risk management, IT services, City garage operations and employee benefits to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in business-type activities in the statement of net position. |                 |                      |                             |
|   | 4,329,710       |                      |                             |
| Less due to business-type activities for “Look Back” allocation   | (7,490,588)     |                      |                             |
|   |                 | <u>(3,160,878)</u>   |                             |
| <b>Net position of governmental activities</b>  |                 |                      | <u><u>\$ 31,359,952</u></u> |

See notes to financial statements.

City of Lake Worth Beach, Florida

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2021**

|  | General           | American<br>Rescue Plan<br>Act Fund | Neighborhood<br>Road Program<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| <b>Revenues:</b>   |                   |                                     |                                      |                                   |                                |
| Property taxes   | \$ 11,598,587     | \$ -                                | \$ -                                 | \$ 2,334,299                      | \$ 13,932,886                  |
| Utility and other taxes                                      | 5,409,650         | -                                   | -                                    | 532,181                           | 5,941,831                      |
| Licenses and permits   | 1,072,155         | -                                   | -                                    | 1,555,716                         | 2,627,871                      |
| Fines and forfeitures  | 513,888           | -                                   | -                                    | 984,744                           | 1,498,632                      |
| Charges for services   | 14,488,565        | -                                   | -                                    | 4,989,477                         | 19,478,042                     |
| Intergovernmental  | 5,532,535         | -                                   | -                                    | 6,047,708                         | 11,580,243                     |
| Investment income  | 9,085             | -                                   | 12,034                               | 2,425                             | 23,544                         |
| Rents and royalties  | 19,598            | -                                   | -                                    | -                                 | 19,598                         |
| Miscellaneous  | 727,419           | -                                   | -                                    | 427,479                           | 1,154,898                      |
| <b>Total revenues</b>  | <b>39,371,482</b> | <b>-</b>                            | <b>12,034</b>                        | <b>16,874,029</b>                 | <b>56,257,545</b>              |
| <b>Expenditures:</b>   |                   |                                     |                                      |                                   |                                |
| Current:   |                   |                                     |                                      |                                   |                                |
| General government   | 8,458,854         | -                                   | -                                    | 87,896                            | 8,546,750                      |
| Public safety  | 22,899,156        | -                                   | -                                    | 1,516,025                         | 24,415,181                     |
| Physical environment   | 2,211,880         | -                                   | -                                    | -                                 | 2,211,880                      |
| Transportation   | 1,407,093         | -                                   | -                                    | 772,376                           | 2,179,469                      |
| Culture and recreation                                       | 2,455,557         | -                                   | -                                    | 3,967,678                         | 6,423,235                      |
| Capital outlay   | 79,784            | -                                   | 3,523,937                            | 3,925,371                         | 7,529,092                      |
| Debt service:  |                   |                                     |                                      |                                   |                                |
| Principal  | 863,864           | -                                   | -                                    | 765,000                           | 1,628,864                      |
| Interest   | 264,276           | -                                   | -                                    | 1,559,497                         | 1,823,773                      |
| <b>Total expenditures</b>                                    | <b>38,640,464</b> | <b>-</b>                            | <b>3,523,937</b>                     | <b>12,593,843</b>                 | <b>54,758,244</b>              |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>731,018</b>    | <b>-</b>                            | <b>(3,511,903)</b>                   | <b>4,280,186</b>                  | <b>1,499,301</b>               |
| Other financing sources (uses):                              |                   |                                     |                                      |                                   |                                |
| Proceeds from debt issuance                                  | 760,000           | -                                   | -                                    | -                                 | 760,000                        |
| Proceeds from bond premiums                                  | 125,699           | -                                   | -                                    | -                                 | 125,699                        |
| Transfers in   | -                 | -                                   | -                                    | 2,120,000                         | 2,120,000                      |
| Transfers out  | (1,840,000)       | -                                   | -                                    | (280,000)                         | (2,120,000)                    |
| <b>Total other financing sources (uses)</b>                  | <b>(954,301)</b>  | <b>-</b>                            | <b>-</b>                             | <b>1,840,000</b>                  | <b>885,699</b>                 |
| <b>Net change in fund balances</b>                           | <b>(223,283)</b>  | <b>-</b>                            | <b>(3,511,903)</b>                   | <b>6,120,186</b>                  | <b>2,385,000</b>               |
| Fund balances – beginning of year                            | 11,915,994        | -                                   | 6,481,249                            | 22,690,765                        | 41,088,008                     |
| Fund balances, end of year                                   | \$ 11,692,711     | \$ -                                | \$ 2,969,346                         | \$ 28,810,951                     | \$ 43,473,008                  |

See notes to financial statements.



**City of Lake Worth Beach, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
In Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended September 30, 2021**

|  |                    |                            |
|--|--------------------|----------------------------|
| Net change in fund balances, total governmental funds  | \$                 | 2,385,000                  |
| 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 allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period: |                    |                            |
| Capital outlay   | \$ 7,529,092       |                            |
| Depreciation expense   | <u>(4,472,853)</u> | 3,056,239                  |
| 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 the governmental funds:  |                    |                            |
| Change in accrued interest payable   | 19,805             |                            |
| Principal payment on notes payable   | 843,864            |                            |
| Principal payment revenue bonds  | 785,000            |                            |
| Amortization of bond premium   | 83,129             |                            |
| Change in compensated absences   | 8,971              |                            |
| Change in net total OPEB liability   | 321,754            |                            |
| Change in net pension liability  | <u>3,929,235</u>   | 5,991,758                  |
| Issuance of debt   |                    |                            |
| Bonds payable  | (760,000)          |                            |
| Bond premium   | (125,699)          | (885,699)                  |
| Certain changes in the statement activities related to pension assets and liabilities are not reported in the net change in the governmental funds:  |                    |                            |
| Change in deferred outflows relating to pensions   | 411,096            |                            |
| Change in deferred inflows relating to pensions  | (2,264,239)        |                            |
| Change in deferred outflows relating to OPEB   | (77,155)           |                            |
| Change in deferred inflows relating to OPEB  | <u>(54,927)</u>    | (1,985,225)                |
| Internal service funds are used by management to change the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities:   |                    |                            |
| Internal service fund change in net position   | (257,314)          |                            |
| Current year "Look Back" allocation to Enterprise Funds  | <u>65,575</u>      | (191,739)                  |
| <b>Change in net position of governmental activities</b>   |                    | <u><u>\$ 8,370,334</u></u> |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds  
September 30, 2021

|                                | Business-Type Activities – Enterprise Funds |                       |                      |                      |                      |                              |                              |
|--------------------------------|---|-----------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|
|                                | Major                                       |                       |                      |                      | Nonmajor             | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|                                | Electric                                    | Water                 | Local<br>Sewer       | Regional<br>Sewer    | Enterprise<br>Funds  |                              |                              |
| <b>Assets</b>                  |   |                       |                      |                      |                      |                              |                              |
| Current assets:                |   |                       |                      |                      |                      |                              |                              |
| Cash and cash equivalents      | \$ 5,366,192                                | \$ 2,254,756          | \$ 876,725           | \$ 1,638,855         | \$ 1,953,374         | \$ 12,089,902                | \$ 1,181,291                 |
| Investments                    | 530,899                                     | 5,213,623             | 1,108,896            | 812,536              | 10,722,983           | 18,388,937                   | 9,300,010                    |
| Accounts receivable, net       | 10,036,535                                  | 2,124,804             | 1,321,222            | 525,377              | 496,861              | 14,504,799                   | 1,422,310                    |
| Accrued interest receivable    | -   | 1,975                 | 159                  | 1,148                | 80                   | 3,362                        | 1,496                        |
| Inventories                    | 6,286,066                                   | 212,190               | -                    | -                    | -                    | 6,498,256                    | 26,867                       |
| <b>Total current assets</b>    | <b>\$ 22,219,692</b>                        | <b>\$ 9,807,348</b>   | <b>\$ 3,307,002</b>  | <b>\$ 2,977,916</b>  | <b>\$ 13,173,298</b> | <b>\$ 51,485,256</b>         | <b>\$ 11,931,974</b>         |
| Noncurrent assets:             |   |                       |                      |                      |                      |                              |                              |
| Restricted assets:             |   |                       |                      |                      |                      |                              |                              |
| Cash and cash equivalents      | \$ 41,465,669                               | \$ 6,573,433          | \$ 2,723,217         | \$ 25,071            | \$ 2,897,000         | \$ 53,684,390                | \$ 1,850,000                 |
| Investments                    | -   | 3,688,010             | 501,538              | 1,298,327            | -                    | 5,487,875                    | -                            |
| Deposits                       | 1,316,174                                   | -                     | -                    | -                    | -                    | 1,316,174                    | -                            |
| Investment in joint venture    | -   | -                     | -                    | 29,277,111           | -                    | 29,277,111                   | -                            |
| Capital assets:                |   |                       |                      |                      |                      |                              |                              |
| Land                           | 1,527,194                                   | 307,148               | 5,750                | -                    | 732,046              | 2,572,138                    | -                            |
| Construction in progress       | 21,888,796                                  | 4,569,004             | 896,685              | 728,972              | 2,096,810            | 30,180,267                   | 146,945                      |
| Land improvements              | 216,163                                     | -                     | 6,570                | 4,602                | 241,637              | 468,972                      | -                            |
| Buildings and structures       | 40,597,626                                  | 52,448,604            | 5,829,936            | 20,325               | 296,994              | 99,193,485                   | -                            |
| Infrastructure                 | 51,361,976                                  | 68,461,842            | 30,519,569           | 26,344,841           | 6,860,440            | 183,548,668                  | -                            |
| Machinery and equipment        | 25,398,055                                  | 4,816,545             | 906,995              | 293,898              | 681,292              | 32,096,785                   | 1,995,926                    |
| Vehicles                       | 2,729,962                                   | 477,531               | 1,535,209            | 77,418               | 4,123,504            | 8,943,624                    | 3,892,515                    |
| Accumulated depreciation       | (87,335,298)                                | (43,352,006)          | (25,675,968)         | (20,168,929)         | (6,346,387)          | (182,878,588)                | (5,203,039)                  |
| <b>Total noncurrent assets</b> | <b>99,166,317</b>                           | <b>97,990,111</b>     | <b>17,249,501</b>    | <b>37,901,636</b>    | <b>11,583,336</b>    | <b>263,890,901</b>           | <b>2,682,347</b>             |
| <b>Total assets</b>            | <b>\$ 121,386,009</b>                       | <b>\$ 107,797,459</b> | <b>\$ 20,556,503</b> | <b>\$ 40,879,552</b> | <b>\$ 24,756,634</b> | <b>\$ 315,376,157</b>        | <b>\$ 14,614,321</b>         |

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)  
September 30, 2021

|   | Business-Type Activities – Enterprise Funds |                      |                     |                   |                                 |                              |                      | Internal<br>Service<br>Funds |
|---|---|----------------------|---------------------|-------------------|---------------------------------|------------------------------|----------------------|------------------------------|
|   | Major                                       |                      |                     |                   | Nonmajor<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |                      |                              |
|   | Electric                                    | Water                | Local Sewer         | Regional<br>Sewer |                                 |                              |                      |                              |
| Deferred outflows of resources:             |   |                      |                     |                   |                                 |                              |                      |                              |
| Deferred outflows relating to pensions      | \$ 2,079,942                                | \$ 649,292           | \$ 315,843          | \$ 66,814         | \$ 607,860                      | \$ 3,719,751                 | \$ -                 |                              |
| Deferred outflows relating to OPEB          | 108,585                                     | 39,506               | 12,426              | 913               | 44,030                          | 205,460                      | -                    |                              |
| <b>Total deferred outflows of resources</b> | <b>\$ 2,188,527</b>                         | <b>\$ 688,798</b>    | <b>\$ 328,269</b>   | <b>\$ 67,727</b>  | <b>\$ 651,890</b>               | <b>\$ 3,925,211</b>          | <b>\$ -</b>          |                              |
| <b>Liabilities:</b>                         |   |                      |                     |                   |                                 |                              |                      |                              |
| <b>Current liabilities:</b>                 |   |                      |                     |                   |                                 |                              |                      |                              |
| Accounts and contracts payable              | \$ 2,102,617                                | \$ 696,749           | \$ 88,151           | \$ 50,287         | \$ 308,741                      | \$ 3,246,545                 | \$ 262,398           |                              |
| Accrued liabilities                         | 3,266,793                                   | 135,354              | 213,325             | 415,461           | 70,275                          | 4,101,208                    | 3,894,260            |                              |
| Accrued interest payable                    | -   | 61,386               | -                   | -                 | -                               | 61,386                       | -                    |                              |
| Due to other funds                          | -   | -                    | -                   | -                 | -                               | -                            | 710,890              |                              |
| Compensated absences                        | 15,408                                      | 6,855                | 4,990               | -                 | 8,307                           | 35,560                       | 3,239                |                              |
| Notes payable                               | -   | 680,191              | -                   | -                 | -                               | 680,191                      | -                    |                              |
| Revenue bonds payable                       | 43,571                                      | 153,577              | 67,939              | -                 | 176,468                         | 441,555                      | 82,150               |                              |
| Payable from restricted assets:             |   |                      |                     |                   |                                 |                              |                      |                              |
| Accounts and contracts payable              | 587,255                                     | 186,049              | 9,332               | 27,237            | 83,750                          | 893,623                      | -                    |                              |
| <b>Total current liabilities</b>            | <b>6,015,644</b>                            | <b>1,920,161</b>     | <b>383,737</b>      | <b>492,985</b>    | <b>647,541</b>                  | <b>9,460,068</b>             | <b>4,952,937</b>     |                              |
| <b>Noncurrent liabilities:</b>              |   |                      |                     |                   |                                 |                              |                      |                              |
| Insurance claims payable                    | -   | -                    | -                   | -                 | -                               | -                            | 3,507,918            |                              |
| Compensated absences                        | 402,151                                     | 119,624              | 48,088              | -                 | 91,891                          | 661,754                      | 55,906               |                              |
| Total OPEB liability                        | 587,120                                     | 216,592              | 72,541              | 6,519             | 238,859                         | 1,121,631                    | -                    |                              |
| Notes payable                               | -   | 14,246,129           | -                   | -                 | -                               | 14,246,129                   | -                    |                              |
| Revenue bonds payable                       | 73,084,070                                  | 30,584,843           | 3,031,618           | -                 | 4,256,520                       | 110,957,051                  | 1,767,850            |                              |
| Net pension liability                       | 12,799,025                                  | 3,419,426            | 1,586,686           | 452,900           | 3,843,682                       | 22,101,719                   | -                    |                              |
| Payable from restricted assets:             |   |                      |                     |                   |                                 |                              |                      |                              |
| Deposits payable                            | 5,612,606                                   | 1,361,193            | -                   | -                 | -                               | 6,973,799                    | -                    |                              |
| <b>Total noncurrent liabilities</b>         | <b>92,484,972</b>                           | <b>49,947,807</b>    | <b>4,738,933</b>    | <b>459,419</b>    | <b>8,430,952</b>                | <b>156,062,083</b>           | <b>5,331,674</b>     |                              |
| <b>Total liabilities</b>                    | <b>\$ 98,500,616</b>                        | <b>\$ 51,867,968</b> | <b>\$ 5,122,670</b> | <b>\$ 952,404</b> | <b>\$ 9,078,493</b>             | <b>\$ 165,522,151</b>        | <b>\$ 10,284,611</b> |                              |

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)  
September 30, 2021

|  | Business-Type Activities – Enterprise Funds |                      |                      |                      |                      |                              |                     | Internal<br>Service<br>Funds |
|--|---|----------------------|----------------------|----------------------|----------------------|------------------------------|---------------------|------------------------------|
|  | Major                                       |                      |                      |                      | Nonmajor             | Total<br>Enterprise<br>Funds |                     |                              |
|  | Electric                                    | Water                | Local Sewer          | Regional<br>Sewer    | Enterprise<br>Funds  |                              |                     |                              |
| Deferred inflows of resources:             |   |                      |                      |                      |                      |                              |                     |                              |
| Deferred inflows relating to pensions      | \$ 717,091                                  | \$ 143,001           | \$ 70,318            | \$ 22,058            | \$ 178,973           | \$ 1,131,441                 | \$ -                |                              |
| Deferred inflows relating to OPEB          | 35,897                                      | 14,657               | 6,971                | 1,149                | 14,976               | 73,650                       | -                   |                              |
| Deferred charge on refunding               | 161,417                                     | 161,416              | -                    | -                    | -                    | 322,833                      | -                   |                              |
| <b>Total deferred inflows of resources</b> | <b>914,405</b>                              | <b>319,074</b>       | <b>77,289</b>        | <b>23,207</b>        | <b>193,949</b>       | <b>1,527,924</b>             | <b>-</b>            |                              |
| Net position:                              |   |                      |                      |                      |                      |                              |                     |                              |
| Net investment in capital assets           | 24,106,221                                  | 47,920,376           | 13,639,075           | 7,273,890            | 7,066,599            | 100,006,161                  | 832,347             |                              |
| Restricted for:                            |   |                      |                      |                      |                      |                              |                     |                              |
| Debt service                               | 43,571                                      | 833,768              | 79,574               | -                    | 176,468              | 1,133,381                    | -                   |                              |
| Working capital                            | 1,316,174                                   | -                    | -                    | -                    | -                    | 1,316,174                    | -                   |                              |
| Renewal and replacement                    | -   | 3,688,010            | 501,538              | 1,293,151            | -                    | 5,482,699                    | -                   |                              |
| Unrestricted (deficit)                     | (1,306,451)                                 | 3,857,061            | 1,464,626            | 31,404,627           | 8,893,015            | 44,312,878                   | 3,497,363           |                              |
| <b>Total net position</b>                  | <b>\$ 24,159,515</b>                        | <b>\$ 56,299,215</b> | <b>\$ 15,684,813</b> | <b>\$ 39,971,668</b> | <b>\$ 16,136,082</b> | <b>152,251,293</b>           | <b>\$ 4,329,710</b> |                              |

Explanation of difference between proprietary funds statement of net position  
and the government-wide statement of net position:

|  |                              |
|--|------------------------------|
| <b>Total net position</b>  | \$ 152,251,293               |
| Adjustment to report the cumulative internal balance for the net effect of the activity<br>between the internal service funds and the enterprise funds over time | <u>7,490,588</u>             |
| <b>Net position – business-type activities</b>   | <u><u>\$ 159,741,881</u></u> |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds  
For the Fiscal Year Ended September 30, 2021

|  | Business-Type Activities – Enterprise Funds |                    |                  |                   |                     |                              |                              |
|--|---|--------------------|------------------|-------------------|---------------------|------------------------------|------------------------------|
|  | Major                                       |                    |                  | Regional<br>Sewer | Nonmajor            | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|  | Electric                                    | Water              | Local Sewer      |                   | Enterprise<br>Funds |                              |                              |
| Operating revenues:                            |   |                    |                  |                   |                     |                              |                              |
| Charges for services                           | \$ 57,265,178                               | \$ 15,612,994      | \$ 9,991,750     | \$ 9,532,063      | \$ 8,891,369        | \$ 101,293,354               | \$ 15,619,966                |
| <b>Total operating revenues</b>                | <b>57,265,178</b>                           | <b>15,612,994</b>  | <b>9,991,750</b> | <b>9,532,063</b>  | <b>8,891,369</b>    | <b>101,293,354</b>           | <b>15,619,966</b>            |
| Operating expenses:                            |   |                    |                  |                   |                     |                              |                              |
| Cost of services                               | 42,123,599                                  | 7,651,825          | 7,295,809        | 7,320,911         | 5,543,843           | 69,935,987                   | 15,678,465                   |
| General and administrative                     | 7,848,305                                   | 3,105,214          | 1,808,649        | 897,565           | 1,164,659           | 14,824,392                   | -                            |
| Depreciation                                   | 1,864,562                                   | 3,276,390          | 727,677          | 432,883           | 880,217             | 7,181,729                    | 609,996                      |
| <b>Total operating expenses</b>                | <b>51,836,466</b>                           | <b>14,033,429</b>  | <b>9,832,135</b> | <b>8,651,359</b>  | <b>7,588,719</b>    | <b>91,942,108</b>            | <b>16,288,461</b>            |
| <b>Operating income (loss)</b>                 | <b>5,428,712</b>                            | <b>1,579,565</b>   | <b>159,615</b>   | <b>880,704</b>    | <b>1,302,650</b>    | <b>9,351,246</b>             | <b>(668,495)</b>             |
| Non-operating revenues (expenses):             |   |                    |                  |                   |                     |                              |                              |
| Investment income                              | 3,996                                       | 922                | 332              | 1,487             | 5,009               | 11,746                       | 1,184                        |
| Interest and fiscal charges                    | (3,098,315)                                 | (1,952,150)        | (54,234)         | -                 | (82,360)            | (5,187,059)                  | (49,588)                     |
| Other  | 825,300                                     | 51,800             | 38,670           | -                 | 111,382             | 1,027,152                    | 226,257                      |
| <b>Total non-operating revenues (expenses)</b> | <b>(2,269,019)</b>                          | <b>(1,899,428)</b> | <b>(15,232)</b>  | <b>1,487</b>      | <b>34,031</b>       | <b>(4,148,161)</b>           | <b>177,853</b>               |
| <b>Income before capital contributions</b>     | <b>3,159,693</b>                            | <b>(319,863)</b>   | <b>144,383</b>   | <b>882,191</b>    | <b>1,336,681</b>    | <b>5,203,085</b>             | <b>(490,642)</b>             |
| Capital contributions                          | -   | 302,373            | 167,095          | 363,001           | -                   | 832,469                      | 233,328                      |
| <b>Change in net position</b>                  | <b>3,159,693</b>                            | <b>(17,490)</b>    | <b>311,478</b>   | <b>1,245,192</b>  | <b>1,336,681</b>    | <b>6,035,554</b>             | <b>(257,314)</b>             |
| Net position – beginning of year               | 20,999,822                                  | 56,316,705         | 15,373,335       | 38,726,476        | 14,799,401          | 146,215,739                  | 4,587,024                    |
| Net position – end of year                     | \$ 24,159,515                               | \$ 56,299,215      | \$ 15,684,813    | \$ 39,971,668     | \$ 16,136,082       | \$ 152,251,293               | \$ 4,329,710                 |

Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities:

|  |                     |
|--|---------------------|
| Change in net position – proprietary funds financial statements  | \$ 6,035,554        |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | <u>(65,575)</u>     |
| Change in net position – business-type activities  | <u>\$ 5,969,979</u> |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds  
For the Fiscal Year Ended September 30, 2021

|  | Business-Type Activities – Enterprise Funds |                  |                  |                    |                     |                              |                              |
|--|---|------------------|------------------|--------------------|---------------------|------------------------------|------------------------------|
|  | Major                                       |                  |                  |                    | Nonmajor            | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|  | Electric                                    | Water            | Local Sewer      | Regional Sewer     | Enterprise<br>Funds |                              |                              |
| Cash flows from operating activities:  |   |                  |                  |                    |                     |                              |                              |
| Receipts from customers  | \$ 55,991,650                               | \$ 15,204,927    | \$ 10,040,662    | \$ 10,484,984      | \$ 8,796,317        | \$ 100,518,540               | \$ -                         |
| Receipts from interfund service charges  | -   | -                | -                | -                  | -                   | -                            | 15,699,806                   |
| Payments to suppliers  | (34,399,151)                                | (4,985,585)      | (6,468,594)      | (7,785,252)        | (3,102,722)         | (56,741,304)                 | (18,932,482)                 |
| Payments to employees  | (7,961,749)                                 | (2,856,119)      | (1,249,543)      | (191,516)          | (2,129,313)         | (14,388,240)                 | (1,295,401)                  |
| Payments for interfund services provided                                       | (8,456,011)                                 | (3,666,227)      | (1,612,215)      | (658,170)          | (1,661,753)         | (16,054,376)                 | -                            |
| <b>Net cash provided by (used in) operating activities</b>                     | <b>5,174,739</b>                            | <b>3,696,996</b> | <b>710,310</b>   | <b>1,850,046</b>   | <b>1,902,529</b>    | <b>13,334,620</b>            | <b>(4,528,077)</b>           |
| Cash flows from non-capital financing activities:                              |   |                  |                  |                    |                     |                              |                              |
| Payments received from other funds   | -   | -                | -                | -                  | -                   | -                            | 710,890                      |
| Other receipts   | 825,300                                     | 51,800           | 38,670           | -                  | 111,382             | 1,027,152                    | 226,257                      |
| <b>Net cash provided by non-capital financing activities</b>                   | <b>825,300</b>                              | <b>51,800</b>    | <b>38,670</b>    | <b>-</b>           | <b>111,382</b>      | <b>1,027,152</b>             | <b>937,147</b>               |
| Cash flows from capital and related financing activities:                      |   |                  |                  |                    |                     |                              |                              |
| Acquisitions and construction of capital assets, net                           | (8,686,329)                                 | (4,444,912)      | (351,714)        | (748,824)          | (1,404,856)         | (15,636,635)                 | (225,403)                    |
| Proceeds from issuance of debt   | 72,847,719                                  | 30,594,278       | 1,354,154        | -                  | -                   | 104,796,151                  | -                            |
| Proceeds of capital grants, cash transactions                                  | -   | 302,373          | 167,095          | 363,001            | -                   | 832,469                      | 233,328                      |
| Principal paid on revenue bonds and notes                                      | (29,017,254)                                | (23,403,940)     | -                | -                  | -                   | (52,421,194)                 | -                            |
| Interest and other fiscal charges  | (3,095,622)                                 | (1,758,598)      | (71,496)         | -                  | (106,518)           | (5,032,234)                  | (49,588)                     |
| <b>Net cash provided by (used in) capital and related financing activities</b> | <b>32,048,514</b>                           | <b>1,289,201</b> | <b>1,098,039</b> | <b>(385,823)</b>   | <b>(1,511,374)</b>  | <b>32,538,557</b>            | <b>(41,663)</b>              |
| Cash flows from investing activities:  |   |                  |                  |                    |                     |                              |                              |
| Purchase of investments  | -   | (200,000)        | (100,000)        | (75,000)           | (140,000)           | (515,000)                    | (130,000)                    |
| Sale of investments  | 300,000                                     | -                | -                | -                  | -                   | 300,000                      | -                            |
| Investment in joint venture  | -   | -                | -                | (1,096,572)        | -                   | (1,096,572)                  | -                            |
| Interest and gains or losses on investments                                    | 8,303,692                                   | 202,663          | 100,444          | 77,600             | 143,189             | 8,827,588                    | 132,330                      |
| <b>Net cash provided by (used in) investing activities</b>                     | <b>8,603,692</b>                            | <b>2,663</b>     | <b>444</b>       | <b>(1,093,972)</b> | <b>3,189</b>        | <b>7,516,016</b>             | <b>2,330</b>                 |
| <b>Net change in cash and cash equivalents</b>                                 | <b>46,652,245</b>                           | <b>5,040,660</b> | <b>1,847,463</b> | <b>370,251</b>     | <b>505,726</b>      | <b>54,416,345</b>            | <b>(3,630,263)</b>           |
| Cash and cash equivalents, beginning   | 179,615                                     | 3,787,529        | 1,752,479        | 1,293,675          | 4,344,648           | 11,357,946                   | 6,661,554                    |
| Cash and cash equivalents, ending  | \$ 46,831,860                               | \$ 8,828,189     | \$ 3,599,942     | \$ 1,663,926       | \$ 4,850,374        | \$ 65,774,291                | \$ 3,031,291                 |

(Continued)

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds (Continued)  
For the Fiscal Year Ended September 30, 2021

|  | Business-Type Activities – Enterprise Funds |                     |                   |                     |                     |                              |                              |
|--|---|---------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|
|  | Major                                       |                     |                   |                     | Nonmajor            | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|  | Electric                                    | Water               | Local Sewer       | Regional Sewer      | Enterprise<br>Funds |                              |                              |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:        |   |                     |                   |                     |                     |                              |                              |
| Operating income (loss)  | \$ 5,428,712                                | \$ 1,579,565        | \$ 159,615        | \$ 880,704          | \$ 1,302,650        | \$ 9,351,246                 | \$ (668,495)                 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |   |                     |                   |                     |                     |                              |                              |
| Depreciation   | 1,864,562                                   | 3,276,390           | 727,677           | 432,883             | 880,217             | 7,181,729                    | 609,996                      |
| Provision for uncollectible accounts   | -   | -                   | -                 | -                   | -                   | -                            | -                            |
| Decrease (increase) in assets and deferred outflows:   |   |                     |                   |                     |                     |                              |                              |
| Accounts receivable  | (1,300,442)                                 | (478,107)           | 48,912            | 952,921             | (95,052)            | (871,768)                    | 9,598                        |
| Due from other governments   | -   | -                   | -                 | -                   | -                   | -                            | 70,242                       |
| Prepaid items  | (1,066,826)                                 | (9,082)             | -                 | -                   | -                   | (1,075,908)                  | 76,433                       |
| Inventories  | 59,666                                      | -                   | -                 | -                   | -                   | 59,666                       | -                            |
| Deferred outflows relating to pensions   | 139,183                                     | 42,909              | 19,408            | 3,120               | 37,811              | 242,431                      | -                            |
| Deferred outflows relating to OPEB   | 6,584                                       | 2,688               | 1,279             | 211                 | 2,747               | 13,509                       | -                            |
| Increase (decrease) in liabilities and deferred inflows:   |   |                     |                   |                     |                     |                              |                              |
| Accounts and contracts payable   | (1,062,829)                                 | (334,560)           | (217,477)         | (797,049)           | 147,653             | (2,264,262)                  | (95,783)                     |
| Accrued liabilities  | 2,565,647                                   | (17,103)            | 176,803           | 410,252             | 9,470               | 3,145,069                    | (4,695,271)                  |
| Compensated absences   | 15,747                                      | 20,214              | (359)             | -                   | 14,725              | 50,327                       | 7,228                        |
| Insurance claims payable   | -   | -                   | -                 | -                   | -                   | -                            | 157,975                      |
| Customer deposits payable  | 26,911                                      | 70,040              | -                 | -                   | -                   | 96,951                       | -                            |
| Net OPEB liability   | 35,569                                      | 14,524              | 6,907             | 1,138               | 14,839              | 72,977                       | -                            |
| Net pension liability  | (1,863,342)                                 | (574,451)           | (259,821)         | (41,779)            | (506,207)           | (3,245,600)                  | -                            |
| Deferred inflows relating to pensions  | 289,700                                     | 89,312              | 40,395            | 6,496               | 78,700              | 504,603                      | -                            |
| Deferred inflows relating to OPEB  | 35,897                                      | 14,657              | 6,971             | 1,149               | 14,976              | 73,650                       | -                            |
| <b>Total adjustments</b>   | <b>(253,973)</b>                            | <b>2,117,431</b>    | <b>550,695</b>    | <b>969,342</b>      | <b>599,879</b>      | <b>3,983,374</b>             | <b>(3,859,582)</b>           |
| <b>Net cash provided by (used in) operating activities</b>   | <b>\$ 5,174,739</b>                         | <b>\$ 3,696,996</b> | <b>\$ 710,310</b> | <b>\$ 1,850,046</b> | <b>\$ 1,902,529</b> | <b>\$ 13,334,620</b>         | <b>\$ (4,528,077)</b>        |
| Supplemental disclosure of noncash investing and non-capital financing activities:                       |   |                     |                   |                     |                     |                              |                              |
| Due from other governments   | \$ -  | \$ -                | \$ -              | \$ -                | \$ -                | \$ -                         | \$ 1,492,552                 |
| Unrealized losses on investments   | \$ (123)                                    | \$ (1,214)          | \$ (269)          | \$ (117)            | \$ (2,419)          | \$ (4,142)                   | \$ (1,432)                   |

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position  
Fiduciary Funds  
September 30, 2021

|   | Pension Trust<br>Funds |
|---|------------------------|
| <b>Assets</b>   |                        |
| Cash and cash equivalents                                   | \$ 5,451,882           |
| Investments at fair value:                                  |                        |
| U.S. government and agency funds                            | 21,033,485             |
| Corporate bonds   | 13,301,838             |
| Common stocks   | 119,175,342            |
| Real estate   | 20,831,573             |
| Mutual funds  | 4,547,158              |
| Accrued interest, dividends and contributions<br>receivable | 498,555                |
| Prepaid items   | 9,246                  |
| <b>Total assets</b>   | <b>184,849,079</b>     |
| <b>Liabilities</b>  |                        |
| Accounts payable  | 679,235                |
| <b>Total liabilities</b>                                    | <b>679,235</b>         |
| <b>Deferred inflows of resources:</b>                       |                        |
| Advanced contributions from employer                        | 577,367                |
| <b>Net position restricted for pension benefits</b>         | <b>\$ 183,592,477</b>  |

See notes to financial statements.



**City of Lake worth Beach, Florida**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2021**

|   | Pension<br>Trust Funds |
|---|------------------------|
| <hr/>                                   |                        |
| Additions:                              |                        |
| Contributions:                          |                        |
| Employer                                | \$ 12,054,683          |
| Chapter 175                             | 38,308                 |
| Plan members                            | 1,339,051              |
| State                                   | 563,299                |
|   | <hr/>                  |
| <b>Total contributions</b>              | <b>13,995,341</b>      |
|   | <hr/>                  |
| Investment income:                      |                        |
| Interest and dividends                  | 4,652,597              |
| Net change in fair value of investments | 24,532,287             |
| Other income                            | 5,759                  |
|   | <hr/>                  |
| <b>Total investment income</b>          | <b>29,190,643</b>      |
|   | <hr/>                  |
| Less investment expenses                | (639,401)              |
|   | <hr/>                  |
| <b>Net investment income</b>            | <b>28,551,242</b>      |
|   | <hr/>                  |
| <b>Total additions</b>                  | <b>42,546,583</b>      |
|   | <hr/>                  |
| Deductions:                             |                        |
| Pension benefits                        | 19,324,169             |
| Administrative expenses                 | 313,947                |
|   | <hr/>                  |
| <b>Total deductions</b>                 | <b>19,638,116</b>      |
|   | <hr/>                  |
| <b>Change in net position</b>           | <b>22,908,467</b>      |
|   | <hr/>                  |
| Net position, beginning of year         | 160,684,010            |
|   | <hr/>                  |
| Net position, end of year               | <b>\$ 183,592,477</b>  |
|   | <hr/> <hr/>            |

See notes to financial statements.

# City of Lake Worth Beach, Florida

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Manatees are vulnerable mammals that are endangered. They are a slow-moving species that feed in shallow water. They are often found in the same areas as manatees, such as Florida Bay and the St. Johns River. Manatees are often found in the same areas as manatees, such as Florida Bay and the St. Johns River. Manatees are often found in the same areas as manatees, such as Florida Bay and the St. Johns River.

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## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The City of Lake Worth Beach, Florida (the City), was incorporated as a municipality in 1913 under Chapter 6713, Laws of Florida. It is located in Palm Beach County and is bordered by the City of West Palm Beach to the north, the Intracoastal Waterway and Atlantic Ocean to the east, the City of Lantana to the south and various municipalities and unincorporated county areas to the west. The City operates under a Commission-Manager form of government and provides a full range of municipal services, including police and fire protection, public works activities, park and recreation activities, and general administrative services. The City also operates six enterprise activities: electric, water, local sewer, regional sewer, stormwater utility and refuse collection and disposal.

The basic financial statements of the City have been prepared in accordance with the generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's governmental accounting policies are described below:

#### A. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the reporting entity. The definition of the financial reporting entity is based on the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The City's reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for and which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In defining the City for financial reporting purposes, management has considered all potential component units. Component units are legally separate entities for which the primary government is financially accountable which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No 14 – *The Financial Reporting Entity* and GASB Statement No 39 – *Determining Whether Certain Organizations Are Component Units*, as amended by GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus*, which includes the ability to appoint a voting majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or (3) impose specific financial burden.

Based upon the application of the criteria in GASB Statements Nos. 14 and 39, as amended by GASB Statement No. 61, the financial statements of the City's Component Unit, the Community Redevelopment Agency (CRA), have been included in the City's reporting entity as a discretely presented component unit. The CRA is a legally separate entity governed by a board comprised of seven citizens of the City appointed by the City Commission. It does not provide services entirely or almost entirely to the primary government or otherwise, exclusively, or almost exclusively, benefits the City and therefore is presented as a discrete component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separated from the government.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### B. Discretely Presented Component Unit

As required by generally accepted accounting principles, the financial statements in this report present the City, the primary government, and its component unit: The Community Redevelopment Agency (CRA). Although a legally separate entity, the CRA is included as a component unit in the City's financial statements because of the significance of their operational or financial relationships with the City which creates the potential of financial benefit/burden to the primary government.

The CRA was established under the authority of Florida Statute Chapter 163, Part III in 1989 to promote and guide the physical and economic redevelopment of targeted areas within the City. The CRA's board, appointed by the City Commission as required by State Statute has full administrative responsibility. Separate financial statements for the CRA are available. The financial statements and statutorily required report can be obtained by contacting the Lake Worth Community Redevelopment Agency office at 29 South J Street, Unit 1, Lake Worth, FL 33460.

##### C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are 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 are 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. 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 major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds and nonmajor enterprise funds are aggregated and reported as nonmajor funds.

##### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. 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.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB and pensions, are recorded only when payment is due. Acquisitions of general capital assets are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Property taxes, charges for services, franchise fees and other taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred, and all eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating revenues for the enterprise funds include water, electric and sewer service fees; as well as user fees related to the stormwater utility system and solid waste removal. For the internal service funds, operating revenues include charges to other departments for insurance services and information technology costs and other services. Operating expenses for the enterprise and internal service funds include costs of services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

**Major Governmental Funds:**

**General Fund** – The General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement in another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Neighborhood Road Program Fund** – The Neighborhood Road Program Fund is a capital projects fund that was established to account for the roadway improvements within the City. This program is being funded by proceeds received from general obligation bonds of \$40 million.

**American Rescue Plan Act Fund** – The American Rescue Plan Act Fund is a special revenue fund that was established to account for funds received from the federal government to facilitate the recovery from the economic impact and health effects of the COVID-19 pandemic.

**Major Enterprise Funds:**

The enterprise funds are used to account for operations that are financed and operated in a manner similar to a commercial enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's major enterprise funds accounts for the operations of providing electric, water and local and regional sewer services.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

Electric – The Electric Fund is used to account for the provision of electric service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution, and customer service.

Water – The Water Fund is used to account for the provision of water service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution, and customer service.

Local Sewer – The Local Sewer Fund is used to account for the provision of sewer service to customers of the local service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal, and customer service. This fund has been determined by management to be a major fund.

Regional Sewer – The Regional Sewer Fund is used to account for the provision of sewer service to customers of the regional service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal, and customer service.

Additionally, the City reports the following fund types:

#### **Nonmajor Special Revenue Funds:**

These funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes. These funds include the Beach, Building Permit, Golf, Parking Improvement, Code Remediation, Grants, Tree Beautification, Utility Conservation, Simpkin Trust, Library Trust, Law Enforcement and Firefighters Education and Law Enforcement Confiscated Property.

#### **Nonmajor Debt Service Fund:**

This fund is used to account for the financial resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

#### **Nonmajor Capital Project Funds:**

These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The funds include the Park of Commerce Fund, Discretionary Sales Tax Fund, and the Capital Projects Fund.

#### **Nonmajor Enterprise Funds:**

These funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. It is the intent of the City Commission that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes. These funds include the Stormwater Utility Fund and the Refuse Collection and Disposal Fund.

#### **Internal Service Funds:**

The Internal Service Funds account for the goods or services provided by one department to other departments of the City on a cost-reimbursement basis. These funds include the Information Technology, Insurance, City Garage and Employee Benefits.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### Pension Trust Funds:

The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The City has the following pension trust funds: General Employees' Retirement System; Police Officers' Relief and Retirement System and the Firefighters' Pension Trust.

##### E. Interfund Receivables and Payables

Activities between funds that are 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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds (i.e., amounts owed for goods/services rendered to a particular fund by another fund in the reporting entity) are reported as "due to/from other funds" (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

##### F. Receivables

Receivables include amounts due from other governments and others for services provided by the City. The City recognizes receivables in its various funds based on the accounting basis required for that fund.

Utility (electric, water, local and regional sewer, stormwater utility and refuse collection and disposal) operating revenue is generally recognized on the basis of cycle billings rendered monthly. The cycle with the meter-reading date closest to September 30 is selected as the cutoff for billing accrual purposes. The City accrues revenue for services delivered for which meters have not been read by September 30 as unbilled revenues.

All trade and other receivables are reported at original amount, net of an allowance for doubtful receivables based on a review of outstanding amounts on a regular basis. Management determines that allowance by specifically identifying uncollectible accounts and a general allowance is calculated based on the City's historic bad-debt experience.

##### G. Inventories

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first-in first-out method. The cost of inventories is reported using the consumption method, whereby inventories are recorded as expenditures/expenses when used. In the governmental funds, reported inventories are included in fund balance as non-spendable resources. Unless if they are acquired with restricted resources in which case, they remain restricted fund balance.

##### H. Land Held for Resale

The discretely present component unit reports land held resale. Such balances are recorded at lower of cost or net realizable value.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### I. Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by non-spendable amounts of fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” and are accounted for on the consumption method.

##### J. Restricted Assets

Restricted assets in the enterprise funds consist of bond proceeds designated for construction; other monies required to be restricted for debt service, maintenance and improvements under the terms of various bonds, certificates and loans; and assets restricted by customers’ deposits.

##### K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks and similar items), regardless of their acquisition date, are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Depreciation is charged as an expense against operations using the straight-line method over the following estimated useful lives:

| Assets                  | Years |
|-------------------------|-------|
| Land improvements       | 4-40  |
| Infrastructure          | 4-20  |
| Buildings and structure | 10-40 |
| Machinery and equipment | 3-15  |
| Vehicles                | 5     |

##### L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflows relating to the pension plans and is discussed in further detail in the pension note. The second item is the deferred outflows relating to other postemployment benefits other than pensions and is discussed in further detail in OPEB note.



**Note 1. Summary of Significant Accounting Policies (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the proprietary funds and government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The second item is deferred inflows relating to the pension plans and is discussed further in pension note. The third item is the deferred inflows relating to other postemployment benefits other than pensions and is discussed in further detail in OPEB note.

**M. Compensated Absences**

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**N. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method, which approximates the effective interest method. Bonds are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**O. Self-Insurance**

The City is partially self-insured for general and auto liability, property, workers' compensation, and employees' health and dental. The operating funds are charged premiums by the City's Self-Insurance Fund, which is accounted for as an internal service fund. The accrued liability for estimated claims reported in the self-insurance fund represents an estimate of the eventual loss on claims including claims incurred but not yet reported.

**P. Pensions**

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

The City applies GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and GASB 82, Pension Issues-An Amendment of GASB Statements No. 67, No. 68 and No. 7, for the measurement, recognition and disclosure of pension expenditures or expenses, liabilities and assets.

#### **Q. Other Post-Employment Benefits (OPEB)**

The City applies GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*, for the measurement, recognition, and disclosure of OPEB expenditures or expenses, liabilities, and assets. This plan is not accounted for in a trust fund and is funded on a pay as you go basis.

#### **R. Property Taxes**

The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recorded as a receivable on November 1 of each year based upon the assessed value established by the Broward County Property Appraiser as of the prior January 1. The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. Taxes become payable on November 1st each year and are discounted 1% for each month for payment prior to the following March 1st. All unpaid taxes become delinquent on April 1st and are subject to the issuance of Tax Sale Certificates on June 1st.

The City's tax revenue is first paid to the Broward County Tax Collector who then remits such collections to the City based on a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes.

The City levied taxes at a rate of approximately 5.49 mills plus County-levied Fire Municipal Services Taxing Unit rate of 3.46 and debt service of 1.11, for a total of 10.06 on all City parcels.

#### **S. Nature and Purpose of Fund Balance**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by ordinance. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither committed nor restricted are classified as assigned fund balances. Assignments are made by the City Manager. The City Commission delegated this responsibility to the City Manager through an ordinance. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (continued)**

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

#### **T. Minimum Fund Balance Policy**

The City's policy is to maintain an adequate fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted a financial standard to maintain an adequate level of total unassigned/unrestricted fund balance in the General Fund to provide for necessary cash flow to minimize any short-term borrowings. As of September 30, 2021, this balance was approximately \$10.1 million.

#### **U. Net Position**

Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as: 1) net investment in capital assets; capital assets, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct, or improve those assets excluding unexpended bond proceeds, 2) restricted or 3) unrestricted. The first category represents net position related to property, plant, equipment, and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components.

#### **V. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

#### **W. Accounting Standards Adopted**

In fiscal year 2021, the City adopted the following statements of financial accounting standards issued by the GASB:

- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption resulted in no financial impact to the City.

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The adoption resulted in no financial impact to the City.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR. The adoption resulted in no financial impact to the City.

#### Note 2. Stewardship, Compliance and Accountability

**Excess of expenditures over appropriations:** The following expenditures exceeded appropriations by the amounts indicated:

|                                      |            |
|--------------------------------------|------------|
| General Fund:                        |            |
| City manager                         | \$ 47,033  |
| City clerk                           | 104,119    |
| Finance                              | 99,544     |
| Personnel                            | 7,084      |
| Community development                | 20,155     |
| Cost of services                     | 277,617    |
| Police                               | 315,394    |
| Administration                       | 1,902      |
| Streets, drains and sidewalks        | 32,130     |
| Debt service                         | 702,871    |
| Other Funds:                         |            |
| Beach Fund – Interest expense        | \$ 170,021 |
| Parking Improvement Fund             | 12         |
| Simpkin Trust Fund                   | 26         |
| Law Enforcement Confiscated Property | 2          |

The expenditures were funded by appropriated fund balance, where applicable.

#### Note 3. Deposits and Investments

**Deposits:** In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all 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 banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name. The City had deposits with financial institutions of \$41,159,472 with a carrying amount of \$40,625,518. The CRA had deposits with financial institutions of \$2,481,354 with a carrying amount of \$2,464,679.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 3. Deposits and Investments (Continued)**

**Cash and Cash Equivalents:** Cash and cash equivalents are defined as deposits with financial institutions and highly liquid investments which are readily convertible to known amounts of cash. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

**Investments:** As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The City is authorized to invest in the State Board of Administration funds (Florida Prime), the Florida Public Assets for Liquidity Management (FL PALM), obligations of the U.S. Treasury, its agencies, repurchase agreements collateralized by U.S. Treasury, and U.S. Government Agency-Backed Obligations, and money market mutual funds comprised of U.S. Treasury and/or U.S. Government Agency-Backed Obligations.

The City's pension fund investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds, mutual funds, and certain other investments.

The investment objectives of the Plans are to preserve the purchasing power of each Plan's assets and earn a reasonable rate of return over the long-term while minimizing short-term volatility. To achieve these objectives, the Plans seek to create a conservative, well diversified and balanced portfolio of high-quality equity, fixed income, and money market securities. Unless authorized by law or local ordinance, investments of the assets of the Plans are subject to the limitations of state statutes.

The Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan's investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

The Plans each issue stand-alone financial statements. Investment disclosures relating to each Plans' interest rate risk, credit risk, custodial credit risk, concentration of credit risk and related fair value measurement disclosures required by GASB are included in the separate stand-alone plan financial statements. Such disclosures are not required to be included in the City's financial statements herein.

**City Investments**

At year end the City and the Discretely Present Component Unit had the following investments:

| City Investments          | Fair Value            | Investment Maturities (in years) |             |             |
|---------------------------|-----------------------|----------------------------------|-------------|-------------|
|                           |                       | Less than 1                      | 1-5         | More than 5 |
| Money Market Mutual Funds | \$ 113,384,414        | \$ 113,384,414                   | \$ -        | \$ -        |
| FL PRIME                  | 44,596                | 44,596                           | -           | -           |
|                           | <u>\$ 113,429,010</u> | <u>\$ 113,429,010</u>            | <u>\$ -</u> | <u>\$ -</u> |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 3. Deposits and Investments (Continued)**

**Discretely Presented Component Unit (DPCU)**

| Community Redevelopment Agency<br>Investments | Fair Value          | Investment Maturities (in years) |             |             |
|---|---------------------|----------------------------------|-------------|-------------|
|   |                     | Less than 1                      | 1-5         | More than 5 |
| Money Market Mutual Fund                      | \$ 181,394          | \$ 181,394                       | \$ -        | \$ -        |
| U.S. Agencies                                 | 998,979             | 998,979                          | -           | -           |
|   | <u>\$ 1,180,373</u> | <u>\$ 1,180,373</u>              | <u>\$ -</u> | <u>\$ -</u> |

The DPCU Community Redevelopment Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City as discussed below.

**Credit Risk** – The City’s investment policy does not address the requirement of ratings by a nationally recognized statistical rating organization (NRSRO), i.e., Standard and Poor’s and Moody’s Investment Services. The City’s investment policy is designed to ensure the prudent management of public funds.

At year end the City and the Discretely Present Component Unit investments had the following ratings:

| Investments        | City                  |           |
|--------------------|-----------------------|-----------|
|                    | Balance               | Ratings   |
| Florida PRIME      | \$ 44,596             | AAAm      |
| Money Market Funds | 109,202,868           | Not rated |
| FL PALM            | 4,181,546             | AAAm      |
|                    | <u>\$ 113,429,010</u> |           |

| Investments       | Community Redevelopment Agency |           |
|-------------------|--------------------------------|-----------|
|                   | Balance                        | Ratings   |
| Money Market Fund | \$ 181,394                     | Not rated |
| U.S. Agencies     | 998,979                        | AA+       |
|                   | <u>\$ 1,180,373</u>            |           |

**Concentration of Credit Risk** – The City’s investment policy limits its investments in the Florida PRIME and FL PALM to 25% at any one time. Investments in U.S. Treasuries can be up to 100% while federal agencies are limited to 50% of all City investment balances at any one time. GASB Statement No. 40 requires disclosure when the percentage is 5% or more in any one issuer. Investments guaranteed by the U.S. Government, mutual funds, external investment pools and other pooled investments are exempt from this disclosure.

**Interest Rate Risk** – The City has an investment policy that limits the maturities on individual investments to no more than ten years.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To avoid this risk, the City and the DPCU register all securities in their name.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 3. Deposits and Investments (Continued)

**Risks and Uncertainties** – The City's Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan's investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

**Fair Value Hierarchy** – GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Various inputs are used in determining the fair value of investments. These inputs are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

**Level 1:** Investments reflect unadjusted quoted prices in active markets for identical assets.

**Level 2:** Investments reflect prices that are based on similar observable assets, either directly or indirectly, which may include inputs in markets that are not considered to be active.

**Level 3:** Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The following are descriptions of the valuation methodologies used for assets measured at fair value:

**Government securities:** Valued using pricing models maximizing the use of observable inputs for similar securities.

**Mutual funds:** Valued at the daily closing price as reported by the plans. Mutual funds are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded.

**Corporate bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 3. Deposits and Investments (Continued)**

Fair values of investments held by the City at year end are classified as follows:

| Investments                                      | Balance               | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|--|-----------------------|--|---|--|
| U.S Treasuries                                   | \$ -                  | \$ -   | \$ -  | \$ -   |
| Investments measured<br>at fair value            | -                     | \$ -   | \$ -  | \$ -   |
| Investments measured at<br>amortized cost:       |                       |  |   |  |
| Money market funds                               | 109,202,868           |  |   |  |
| Florida PRIME                                    | 44,596                |  |   |  |
|  | <u>109,247,464</u>    |  |   |  |
| Investments measured<br>at net asset value (NAV) |                       |  |   |  |
| FL PALM  | 4,181,546             |  |   |  |
| Total investments                                | <u>\$ 113,429,010</u> |  |   |  |

The Florida Public Assets for Liquidity Management (FL PALM) offers a short-term investment program for Florida Public agency investors. The FL PALM offers a fully liquid, variable rate investment option for participants to invest in shares of fixed-rate, fixed-term investments through the FL PALM Term Portfolio. The investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. FL PALM is directed by a Board of Trustees, which is made up of experienced school board members, superintendents, public agency officials, and an Advisory Committee of senior finance officers from member Districts and public agencies. The FL PALM investments are measured at the net asset value (NAV) per share, or equivalent. The redemption frequency is daily and unlimited. There are no unfunded commitments as of year-end.

Fair values of investments held by the Discretely Presented Component Units are classified at year end as follows:

| Investments                                 | Balance             | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---|---------------------|--|---|--|
| U.S Agencies                                | \$ 998,979          | \$ -   | \$ 998,979  | \$ -   |
| Total investments measured<br>at fair value | 998,979             | \$ -   | \$ 998,979  | \$ -   |
| Investments measured at<br>amortized cost:  |                     |  |   |  |
| Money market funds                          | 181,394             |  |   |  |
| Total investments                           | <u>\$ 1,180,373</u> |  |   |  |



**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 4. Receivables and Due From Other Governments**

Accounts, special assessments, and other receivables, including restricted accounts receivable and the related allowance for doubtful accounts at year end are as follows:

|   | General<br>Fund     | Nonmajor<br>Governmental<br>Funds | Total               |
|---|---------------------|-----------------------------------|---------------------|
| Customer accounts                       | \$ 48,727           | \$ 291,520                        | \$ 340,247          |
| Utility and other taxes                 | 786,953             | 97,908                            | 884,861             |
| Intergovernmental                       | 778,597             | 551,089                           | 1,329,686           |
| Other receivables                       | -                   | 1,045                             | 1,045               |
| Gross receivables                       | 1,614,277           | 941,562                           | 2,555,839           |
| Less allowance for<br>doubtful accounts | (196,426)           | (176,008)                         | (372,434)           |
| Total                                   | <u>\$ 1,417,851</u> | <u>\$ 765,554</u>                 | <u>\$ 2,183,405</u> |

|   | Electric<br>Fund     | Water<br>Fund       | Local Sewer<br>Fund | Regional<br>Sewer<br>Fund | Nonmajor<br>Enterprise<br>Funds | Internal<br>Service<br>Funds | Total                |
|---|----------------------|---------------------|---------------------|---------------------------|---------------------------------|------------------------------|----------------------|
| Customer accounts                       | \$ 11,193,321        | \$ 2,583,096        | \$ 1,540,967        | \$ 476,513                | \$ 648,250                      | \$ 2,914,862                 | \$ 19,357,009        |
| Utility and other taxes                 | 372,443              | -                   | -                   | -                         | -                               | -                            | 372,443              |
| Other receivables                       | 818,817              | 12,740              | 1,233               | 48,864                    | -                               | -                            | 881,654              |
| Gross receivables                       | 12,384,581           | 2,595,836           | 1,542,200           | 525,377                   | 648,250                         | 2,914,862                    | 20,611,106           |
| Less allowance for<br>doubtful accounts | (2,348,046)          | (471,032)           | (220,978)           | -                         | (151,389)                       | (1,492,552)                  | (4,683,997)          |
| Total                                   | <u>\$ 10,036,535</u> | <u>\$ 2,124,804</u> | <u>\$ 1,321,222</u> | <u>\$ 525,377</u>         | <u>\$ 496,861</u>               | <u>\$ 1,422,310</u>          | <u>\$ 15,927,109</u> |

|                   | Community<br>Redevelopment<br>Agency Trust | NSP2 | CRA Capital<br>Projects | Total  |
|-------------------|--|------|-------------------------|--------|
| Customer accounts | \$ 829                                     | \$ - | \$ -                    | \$ 829 |

For fiscal year 2021, approximately 91% of the City's regional sewer fund revenues and 74% of corresponding receivables are generated from three major customers. The following table summarizes the concentration percentage by customer.

| Customer                | Revenues   | Receivables |
|-------------------------|------------|-------------|
| City Lake Worth Beach   | 50%        | 0%          |
| Town of Lantana         | 16%        | 38%         |
| Village of Palm Springs | 25%        | 36%         |
|                         | <u>91%</u> | <u>74%</u>  |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 5. Interfund Receivables, Payables, Advances and Transfers**

Interfund activity and balances for the City are summarized as follows as of and for the year ended:

**Due to/from Other Funds**

|                                      | <u>Receivable Fund</u> |
|--------------------------------------|------------------------|
| Major Fund:                          |                        |
| General Fund                         | \$ 827,875             |
| Component Unit:                      |                        |
| Community Redevelopment Agency Trust | 590                    |
|                                      | <u>\$ 828,465</u>      |
|                                      |                        |
|                                      | <u>Payable Fund</u>    |
| Major Fund:                          |                        |
| General Fund                         | \$ 590                 |
| Nonmajor governmental funds          | 116,985                |
| Internal service funds               | 710,890                |
|                                      | <u>\$ 828,465</u>      |

The other balances in interfund receivables/payables resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The amount payable to the general fund were to cover cash shortages to the utility conservation fund, capital project fund and employee benefits fund. The funds will be repaid by fiscal year 2022.

**Interfund Transfers**

|                             | <u>Transfer In</u>  | <u>Transfer Out</u> |
|-----------------------------|---------------------|---------------------|
| Major Governmental Fund:    |                     |                     |
| General Fund                | \$ -                | \$ 1,840,000        |
| Nonmajor Governmental Funds | 2,120,000           | 280,000             |
|                             | <u>\$ 2,120,000</u> | <u>\$ 2,120,000</u> |

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the appropriate fund making the debt service payments when it becomes due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers of \$2,120,000 to the capital project funds from the general fund, beach fund and golf fund were made to cover various projects funded by proceeds from non-ad valorem revenue bond, series 2020A issued in August 2020.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets**

**Governmental Activities Capital Assets**

Summary of changes in the governmental activities capital asset balances for the year ended follows:

|   | Beginning<br>Balance | Additions    | Deletions | Transfers/Reclass | Ending<br>Balance |
|---|----------------------|--------------|-----------|-------------------|-------------------|
| Capital assets not being depreciated:       |                      |              |           |                   |                   |
| Land  | \$ 8,753,243         | \$ -         | \$ -      | \$ -              | \$ 8,753,243      |
| Construction in progress                    | 210,443              | 7,367,425    | -         | (1,293,342)       | 6,284,526         |
| Total capital assets not being depreciated  | 8,963,686            | 7,367,425    | -         | (1,293,342)       | 15,037,769        |
| Capital assets being depreciated            |                      |              |           |                   |                   |
| Land improvements                           | 7,024,436            | -            | -         | -                 | 7,024,436         |
| Buildings and structures                    | 52,366,229           | -            | -         | -                 | 52,366,229        |
| Infrastructure                              | 89,744,726           | -            | -         | 1,293,342         | 91,038,068        |
| Machinery and equipment                     | 4,693,267            | 161,667      | -         | -                 | 4,854,934         |
| Vehicles                                    | 1,406,817            | -            | (61,653)  | -                 | 1,345,164         |
| Total capital assets being depreciated      | 155,235,475          | 161,667      | (61,653)  | 1,293,342         | 156,628,831       |
| Accumulated depreciation                    |                      |              |           |                   |                   |
| Land improvements                           | 2,358,577            | 75,775       | -         | -                 | 2,434,352         |
| Buildings and structures                    | 16,889,103           | 1,005,272    | -         | -                 | 17,894,375        |
| Infrastructure                              | 55,951,963           | 3,140,508    | -         | -                 | 59,092,471        |
| Machinery and equipment                     | 3,487,604            | 211,383      | -         | -                 | 3,698,987         |
| Vehicles                                    | 1,253,796            | 39,915       | (61,653)  | -                 | 1,232,058         |
| Total accumulated depreciation              | 79,941,043           | 4,472,853    | (61,653)  | -                 | 84,352,243        |
| Total capital assets being depreciated, net | 75,294,432           | (4,311,186)  | -         | 1,293,342         | 72,276,588        |
| Total capital assets                        | \$ 84,258,118        | \$ 3,056,239 | \$ -      | \$ -              | \$ 87,314,357     |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

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

|                            |           |                  |
|----------------------------|-----------|------------------|
| General government         | \$        | 34,477           |
| Culture and recreation     |           | 1,002,732        |
| Transportation             |           | 3,220,192        |
| Public safety              |           | 206,865          |
| Physical environment       |           | 8,587            |
| Total depreciation expense | <u>\$</u> | <u>4,472,853</u> |

**Business-Type Activities Capital Assets**

Summary of changes in business-type activities capital asset balances for the year ended follows:

|   | Beginning<br>Balance  | Additions           | Deletions        | Transfers/Reclass   | Ending<br>Balance     |
|---|-----------------------|---------------------|------------------|---------------------|-----------------------|
| Capital assets not being depreciated:       |                       |                     |                  |                     |                       |
| Land  | \$ 2,572,138          | \$ -                | \$ -             | \$ -                | \$ 2,572,138          |
| Construction in progress                    | 25,940,576            | 15,309,900          | -                | (10,923,264)        | 30,327,212            |
| Total capital assets not being depreciated  | <u>28,512,714</u>     | <u>15,309,900</u>   | <u>-</u>         | <u>(10,923,264)</u> | <u>32,899,350</u>     |
| Capital assets being depreciated            |                       |                     |                  |                     |                       |
| Land improvements                           | 468,972               | -                   | -                | -                   | 468,972               |
| Buildings and structures                    | 99,193,485            | -                   | -                | -                   | 99,193,485            |
| Infrastructure                              | 172,334,453           | 290,950             | -                | 10,923,264          | 183,548,667           |
| Machinery and equipment                     | 33,897,665            | 261,187             | -                | (66,141)            | 34,092,711            |
| Vehicles                                    | 13,623,842            | -                   | (853,844)        | 66,141              | 12,836,139            |
| Total capital assets being depreciated      | <u>319,518,417</u>    | <u>552,137</u>      | <u>(853,844)</u> | <u>10,923,264</u>   | <u>330,139,974</u>    |
| Accumulated depreciation                    |                       |                     |                  |                     |                       |
| Land improvements                           | 453,815               | 4,586               | -                | -                   | 458,401               |
| Buildings and structures                    | 59,072,233            | 2,270,982           | -                | -                   | 61,343,215            |
| Infrastructure                              | 81,637,950            | 3,453,638           | -                | -                   | 85,091,588            |
| Machinery and equipment                     | 29,516,240            | 734,641             | -                | -                   | 30,250,881            |
| Vehicles                                    | 10,463,507            | 1,327,878           | (853,844)        | -                   | 10,937,541            |
| Total accumulated depreciation              | <u>181,143,745</u>    | <u>7,791,725</u>    | <u>(853,844)</u> | <u>-</u>            | <u>188,081,626</u>    |
| Total capital assets being depreciated, net | <u>138,374,672</u>    | <u>(7,239,588)</u>  | <u>-</u>         | <u>10,923,264</u>   | <u>142,058,348</u>    |
| Total capital assets                        | <u>\$ 166,887,386</u> | <u>\$ 8,070,312</u> | <u>\$ -</u>      | <u>\$ -</u>         | <u>\$ 174,957,698</u> |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 6. Capital Assets (Continued)**

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

|                                |           |                  |
|--------------------------------|-----------|------------------|
| Electric                       | \$        | 1,864,562        |
| Water                          |           | 3,276,390        |
| Local sewer                    |           | 727,677          |
| Regional sewer                 |           | 432,883          |
| Stormwater utility             |           | 279,501          |
| Refuse collection and disposal |           | 600,716          |
| Information technology         |           | 266,673          |
| Self insurance                 |           | 6,183            |
| City garage                    |           | 337,140          |
| Total depreciation expense     | <u>\$</u> | <u>7,791,725</u> |

**Discretely Presented Component Unit**

Summary of changes in the discretely presented component unit capital asset balances for the year ended follows:

|   | Beginning           |                     |             |                 |             | Ending              |
|---|---------------------|---------------------|-------------|-----------------|-------------|---------------------|
|   | Balance             | Additions           | Deletions   | Transfers       |             | Balance             |
| Capital assets not being depreciated:       |                     |                     |             |                 |             |                     |
| Land  | \$ 773,206          | \$ -                | \$ -        | \$ -            | \$ -        | \$ 773,206          |
| Construction in progress                    | 1,875,896           | 12,500              | -           | (37,285)        | -           | 1,851,111           |
| Total capital assets not being depreciated  | <u>2,649,102</u>    | <u>12,500</u>       | <u>-</u>    | <u>(37,285)</u> | <u>-</u>    | <u>2,624,317</u>    |
| Capital assets being depreciated            |                     |                     |             |                 |             |                     |
| Land improvements                           | 223,831             | -                   | -           | -               | -           | 223,831             |
| Infrastructure                              | 9,283,579           | -                   | -           | -               | -           | 9,283,579           |
| Buildings and structures                    | 161,729             | -                   | -           | 37,285          | -           | 199,014             |
| Machinery and equipment                     | 178,804             | -                   | -           | -               | -           | 178,804             |
| Total capital assets being depreciated      | <u>9,847,943</u>    | <u>-</u>            | <u>-</u>    | <u>37,285</u>   | <u>-</u>    | <u>9,885,228</u>    |
| Accumulated depreciation                    |                     |                     |             |                 |             |                     |
| Land improvements                           | 105,857             | 11,192              | -           | -               | -           | 117,049             |
| Infrastructure                              | 3,810,539           | 367,343             | -           | -               | -           | 4,177,882           |
| Buildings and structures                    | 41,462              | 5,391               | -           | -               | -           | 46,853              |
| Machinery and equipment                     | 119,269             | 7,899               | -           | -               | -           | 127,168             |
| Total accumulated depreciation              | <u>4,077,127</u>    | <u>391,825</u>      | <u>-</u>    | <u>-</u>        | <u>-</u>    | <u>4,468,952</u>    |
| Total capital assets being depreciated, net | <u>5,770,816</u>    | <u>(391,825)</u>    | <u>-</u>    | <u>37,285</u>   | <u>-</u>    | <u>5,416,276</u>    |
| Total capital assets                        | <u>\$ 8,419,918</u> | <u>\$ (379,325)</u> | <u>\$ -</u> | <u>\$ -</u>     | <u>\$ -</u> | <u>\$ 8,040,593</u> |

Depreciation expense was charged to the function/program of the primary government as follows:

|                         |                   |
|-------------------------|-------------------|
| Community redevelopment | <u>\$ 391,825</u> |
|-------------------------|-------------------|

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 7. Investment in Joint Venture

In September 1992, the City entered into a joint interlocal agreement (the Agreement) with Palm Beach County (the County) and three municipalities (Riviera Beach, Lake Worth and the Town of Palm Beach) (together with the City, the Entities) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Facility (ECR) in which each participating Entity has an equity interest. The ECR was created to receive, treat, and dispose of sewage generated within each participating municipality and the County (the Members). The initial term of the Agreement is for 30 years with a renewable term of 30 years. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among each Member, based on their reserve capacity as of the date of disposition.

The Agreement provides for the establishment of a Governing Board (the Board), comprised of one Member representative participating in the Agreement, to administer the ECR. In accordance with the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. The City of West Palm Beach operates and manages the ECR on behalf of the Board consistent with the terms of the Agreement. Annually, the Board establishes a schedule of wastewater flow charges to pass onto the Entities, so the ECR is self-sustaining. The Board shall not be authorized to create or distribute a profit or surplus to any Entity. In addition, the Board shall calculate an annual renewal and replacement fund contribution for the sole purpose of funding each Entity's pro-rata share of extraordinary expenses, renewal and improvements or replacement of capital assets or any other part thereof at the facility. The agreement may not be amended except upon the written agreement of the Entities holding a cumulative capacity allocation of 100%.

The City accounts for this Joint Venture using the equity method in accordance with GAAP. The City's investment in the joint venture at year end was \$29,277,111.

Reserve capacity percentages are estimated to be as follows at year end:

| Entity                   | Flow<br>Allocation<br>MGD | Reserve<br>Capacity<br>Percentage |
|--------------------------|---------------------------|-----------------------------------|
| Palm Beach County        | 24.0                      | 34.3%                             |
| City of West Palm Beach  | 20.5                      | 29.3%                             |
| City of Lake Worth Beach | 11.5                      | 16.4%                             |
| City of Riviera Beach    | 8.0                       | 11.4%                             |
| Town of Palm Beach       | 6.0                       | 8.6%                              |
|                          | <hr/>                     |                                   |
|                          | 70.0                      | 100.0%                            |

Complete audited financial statements for ECR may be obtained at the City of West Palm Beach Finance Department, 200 Second Street, West Palm Beach, Florida 33402.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended for governmental and business-type activities:

|                          | Beginning<br>Balance | Additions           | Reductions            | Ending<br>Balance    | Due Within<br>One Year |
|--------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental activities: |                      |                     |                       |                      |                        |
| Notes payable            | \$ 843,864           | \$ -                | \$ (843,864)          | \$ -                 | \$ -                   |
| Revenue bonds            | 51,206,367           | 760,000             | (785,000)             | 51,181,367           | 1,426,296              |
| Bond premium             | 1,830,051            | 125,699             | (83,129)              | 1,872,621            | -                      |
| Compensated absences     | 870,175              | 1,130,510           | (1,139,481)           | 861,204              | 61,318                 |
| Total long-term debt     | <u>\$ 54,750,457</u> | <u>\$ 2,016,209</u> | <u>\$ (2,851,474)</u> | <u>\$ 53,915,192</u> | <u>\$ 1,487,614</u>    |

|                           | Beginning<br>Balance | Additions             | Reductions             | Ending<br>Balance     | Due Within<br>One Year |
|---------------------------|----------------------|-----------------------|------------------------|-----------------------|------------------------|
| Business-type activities: |                      |                       |                        |                       |                        |
| Notes payable             | \$ 18,705,463        | \$ -                  | \$ (18,705,463)        | \$ -                  | \$ -                   |
| State revolving loans     | 12,601,124           | 3,045,927             | (720,732)              | 14,926,319            | 680,191                |
| Revenue bonds             | 44,203,633           | 88,170,000            | (32,995,000)           | 99,378,633            | 523,705                |
| Bond premium              | 741,790              | 13,580,224            | (452,040)              | 13,869,974            | -                      |
| Compensated absences      | 698,904              | 1,002,528             | (945,815)              | 755,617               | 38,799                 |
| Total long-term debt      | <u>\$ 76,950,914</u> | <u>\$ 105,798,679</u> | <u>\$ (53,819,050)</u> | <u>\$ 128,930,543</u> | <u>\$ 1,242,695</u>    |

For the governmental activities, compensated absences are generally liquidated by the General Fund.

**Governmental and Business-Type Activities Debt**

**Consolidated utility revenue bonds – Series 2020** – In November 2020, the City issued \$88,930,000 of Consolidated utility revenue bonds, Series 2020 for the purpose of: (i) financing the acquisition, construction and equipping of certain improvements and additions to the City’s consolidated electric, water and sewer utility system, (ii) repaying the then outstanding Utility System Refunding Revenue Bonds, Series 2013 and the Master Lease note payable agreement in connection with the energy savings project with Siemens Industry, Inc. in the amount of approximately \$29,000,000 and \$20,000,000 respectively, and (iii) paying the costs of issuance of the 2020 Bonds. The series 2020 Bonds mature in October 2051 with an interest rate ranging from 3.0% to 5.0%. The bonds are due in annual principal and interest installments secured by the City’s net revenues of its utility systems through October 1, 2051, and subject to redemption prior to maturity as provided in the bond agreement. As a result, the City recognized an accounting gain of \$358,558 and realized an economic gain (net present value of cash flow savings) of \$4,305,079.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2021, the principal amounts outstanding on the Series 2020 \$88,325,000.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Debt service requirements to maturity on the revenue bonds are as follows:

| Year(s)     | Governmental Activities |                   | Business-type Activities |                      | Total                |                      |
|-------------|-------------------------|-------------------|--------------------------|----------------------|----------------------|----------------------|
|             | Principal               | Interest          | Principal                | Interest             | Principal            | Interest             |
| 2022        | \$ -                    | \$ 17,785         | \$ -                     | \$ 1,760,666         | \$ -                 | \$ 1,778,451         |
| 2023        | 20,000                  | 29,800            | 610,000                  | 3,514,500            | 630,000              | 3,544,300            |
| 2024        | 25,000                  | 28,900            | 1,485,000                | 3,472,600            | 1,510,000            | 3,501,500            |
| 2025        | 25,000                  | 27,775            | 1,560,000                | 3,403,900            | 1,585,000            | 3,431,675            |
| 2026        | 25,000                  | 26,525            | 1,640,000                | 3,323,900            | 1,665,000            | 3,350,425            |
| 2027 - 2031 | 145,000                 | 112,625           | 9,545,000                | 15,268,375           | 9,690,000            | 15,381,000           |
| 2032 - 2036 | 180,000                 | 75,650            | 13,655,000               | 12,724,950           | 13,835,000           | 12,800,600           |
| 2037 - 2041 | 225,000                 | 36,775            | 16,785,000               | 9,818,125            | 17,010,000           | 9,854,900            |
| 2042 - 2046 | 95,000                  | 3,900             | 20,105,000               | 6,514,700            | 20,200,000           | 6,518,600            |
| 2047 - 2051 | -                       | -                 | 22,200,000               | 2,090,600            | 22,200,000           | 2,090,600            |
|             | <u>\$ 740,000</u>       | <u>\$ 359,735</u> | <u>\$ 87,585,000</u>     | <u>\$ 61,892,316</u> | <u>\$ 88,325,000</u> | <u>\$ 62,252,051</u> |

**Non-ad valorem revenue bonds, series 2020A and taxable series 2020B:** In August 2020, the City issued non-ad valorem revenue bonds, series 2020A and taxable series 2020B, in the amount of \$8,985,000 and \$ 16,800,000, respectively. The series 2020A proceeds are to be used to finance certain capital improvements, which include improvements to the City's public works facility, various roadway improvements and certain sewer improvements. The taxable series 2020B proceeds are to be used to refinance certain capital costs incurred in the past six years, which include certain transportation and other improvements. The series 2020A and taxable series 2020B mature in July 2035 and July 2040 with an interest rate ranging from 1.120% to 2.580% and 3.0% to 5.0%, respectively. The bonds are due in annual principal and interest installments secured by the City's non-ad valorem revenues through July 1, 2040, and subject to redemption prior to maturity as provided in the bond agreement.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2021, the principal amounts outstanding on the Series 2020A and 2020B bonds are \$8,985,000 and \$16,800,000, respectively, for a total of \$25,785,000.

Debt service requirements to maturity on the bonds are as follows:

| Year(s)     | Governmental Activities |                     | Business-type Activities |                     | Total                |                     |
|-------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|             | Principal               | Interest            | Principal                | Interest            | Principal            | Interest            |
| 2022        | \$ 621,296              | \$ 434,107          | \$ 523,705               | \$ 365,919          | \$ 1,145,001         | \$ 800,026          |
| 2023        | 1,077,094               | 409,255             | 907,906                  | 344,971             | 1,985,000            | 754,226             |
| 2024        | 1,112,364               | 372,033             | 937,636                  | 313,595             | 2,050,000            | 685,628             |
| 2025        | 1,153,060               | 332,216             | 971,940                  | 280,032             | 2,125,000            | 612,248             |
| 2026        | 1,196,469               | 290,342             | 1,008,531                | 244,735             | 2,205,000            | 535,077             |
| 2027 - 2031 | 3,101,054               | 1,067,835           | 2,613,946                | 900,102             | 5,715,000            | 1,967,937           |
| 2032 - 2036 | 3,350,657               | 627,039             | 2,824,343                | 528,545             | 6,175,000            | 1,155,584           |
| 2037 - 2040 | 2,379,373               | 180,413             | 2,005,626                | 152,075             | 4,384,999            | 332,488             |
|             | <u>\$ 13,991,367</u>    | <u>\$ 3,713,240</u> | <u>\$ 11,793,633</u>     | <u>\$ 3,129,974</u> | <u>\$ 25,785,000</u> | <u>\$ 6,843,214</u> |



**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Governmental Activities

**General Obligation Bonds, Series 2017 and 2018:** In November 2016, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding \$40 million for purposes of improving local roadways. In May 2017, the City issued General Obligation Bonds, Series 2017, in the principal amount of \$21,685,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 2.375% to 5.00%. In August 2018, the City issued an additional General Obligation Bonds, Series 2018, in the principal amount of \$17,295,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 3.00% to 5.00%. The City may issue up to the remaining \$1,020,000 authorized amount of general obligation bonds pursuant to the referendum described above. The current 2017 and 2018 GOB series bonds are due in annual principal and interest installments secured in by the City's ad-valorem taxes through July 1, 2048, and subject to redemption prior to maturity as provided in the Series 2017 and 2018 bond agreements. Under the terms of the authorizing resolution related to bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2021, the principal amounts outstanding on the GOB series 2017 and 2018 bonds are \$20,045,000 and \$16,405,000, respectively.

Debt service requirements to maturity on the bonds are as follows:

| GOB Bond Series 2017 |                      |                      | GOB Bond Series 2018 |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Year(s)              | Principal            | Interest             | Year(s)              | Principal            | Interest             |
| 2022                 | \$ 465,000           | \$ 710,125           | 2022                 | \$ 340,000           | \$ 639,213           |
| 2023                 | 490,000              | 686,875              | 2023                 | 360,000              | 622,213              |
| 2024                 | 510,000              | 662,375              | 2024                 | 375,000              | 604,213              |
| 2025                 | 540,000              | 636,875              | 2025                 | 395,000              | 585,463              |
| 2026                 | 565,000              | 609,875              | 2026                 | 415,000              | 565,713              |
| 2027 - 2031          | 3,190,000            | 2,686,544            | 2027 - 2031          | 2,390,000            | 2,515,413            |
| 2032 - 2036          | 3,695,000            | 2,171,906            | 2032 - 2036          | 2,835,000            | 2,066,394            |
| 2037 - 2041          | 4,330,000            | 1,542,688            | 2037 - 2041          | 3,380,000            | 1,528,150            |
| 2042 - 2046          | 5,125,000            | 749,000              | 2042 - 2046          | 4,060,000            | 842,063              |
| 2047 - 2049          | 1,135,000            | 39,725               | 2047 - 2049          | 1,855,000            | 108,500              |
|                      | <u>\$ 20,045,000</u> | <u>\$ 10,495,988</u> |                      | <u>\$ 16,405,000</u> | <u>\$ 10,077,335</u> |

Business-Type Activities

**State Revolving Loan Payable** – In connection with the City's Reverse Osmosis Treatment Plant, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$7,092,000 with interest rate ranging from 2.61% to 2.82%. The City is required to maintain rates and charges for the services furnished by the water system which will be sufficient to provide revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments (debt service). The loans are payable in semi-annual principal installments through October 2031. As of September 30, 2021, the principal outstanding on the notes was \$4,262,734.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 8. Long-Term Debt (Continued)**

In connection with the replacement of approximately 17 miles of 2-inch water lines which were corroded within the City's water distribution system, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$9,104,000 with interest rates ranging from 0.57% to 1.57%. The loans are payable in semi-annual installments of principal and interest through March 2048. As of September 30, 2021, the principal outstanding on the notes was \$8,417,430.

In connection with the water distribution replacement project for the Lake Osborne Estates Water Main Improvements, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loan was approximately \$3,034,000 with an interest rate of 0.50%. As of September 30, 2021, the principal outstanding on the notes was \$2,246,156. An amortization schedule will not be finalized until the final draw on the loan is made.

Debt service requirements to maturity on the loans are as follows:

| State Revolving Loans                       |               |              |
|---|---------------|--------------|
| Year(s)                                     | Principal     | Interest     |
| 2022  | \$ 680,191    | \$ 174,070   |
| 2023  | 750,813       | 161,787      |
| 2024  | 763,646       | 148,954      |
| 2025  | 776,765       | 135,835      |
| 2026  | 790,175       | 122,425      |
| 2027 - 2031                                 | 4,094,451     | 401,030      |
| 2032 - 2036                                 | 2,150,057     | 142,186      |
| 2037 - 2041                                 | 1,712,202     | 66,202       |
| 2042 - 2046                                 | 736,068       | 21,775       |
| 2047 - 2051                                 | 225,795       | 1,557        |
|   | 12,680,163    | \$ 1,375,821 |
| Loans with no<br>repayment yet<br>scheduled | 2,246,156     |              |
|   | \$ 14,926,319 |              |

Under the terms of loan agreements, should the City default in any of its obligations or covenants created by such agreements, the State Department of Environmental Protection may, in addition to any remedy set forth in such agreement by suit, action or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such agreements, and may enforce and compel the performance of all duties required by the agreements, or by any applicable statutes to be performed by the City or by any officer thereof. Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 8. Long-Term Debt (Continued)**

Discretely Presented Component Unit

The following is a summary of the changes in long-term debt for the Community Redevelopment Agency for the year ended:

|                | Beginning<br>Balance | Additions           | Reductions            | Ending<br>Balance   | Due Within<br>One Year |
|----------------|----------------------|---------------------|-----------------------|---------------------|------------------------|
| Notes payable  | \$ 3,131,250         | \$ 3,263,250        | \$ (3,131,250)        | \$ 3,263,250        | \$ 478,872             |
| Line of credit | 903,003              | -                   | (903,003)             | -                   | -                      |
| Total          | <u>\$ 4,034,253</u>  | <u>\$ 3,263,250</u> | <u>\$ (4,034,253)</u> | <u>\$ 3,263,250</u> | <u>\$ 478,872</u>      |

**Community Redevelopment Agency (CRA) Revenue Note, Series 2021** – In April 2021, the CRA Board of Directors approved the issuance of a revenue note, Series 2021 in an aggregate principal amount of \$3,263,250 to refinance the \$4,000,000 original principal amount of Lake Worth Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2016, the \$1,500,000 original principal amount of Lake Worth Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2018 and the \$903,000 Convertible Line of Credit dated January 9, 2020. The original principal amounts were for property acquisition and other improvements in the designated CRA area of the City. The revenue note Series 2021 is due in annual principal installments ranging from \$478,872 to \$582,485 from April 2022 through 2027 with an interest rate of 2.30%. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2021, the principal outstanding on the note is \$3,263,250.

In the event of default, the outstanding principal balance and accrued interest on the notes, together with any additional amounts payable may be accelerated and become immediately due and payable without demand or notice of any kind.

At September 30, 2021, debt service requirements on the Revenues Notes Series 2021 to maturity are as follows:

| CRA Revenue Note – Series 2021 |                     |                   |
|--------------------------------|---------------------|-------------------|
| Year(s)                        | Principal           | Interest          |
| 2022                           | \$ 478,872          | \$ 69,009         |
| 2023                           | 531,842             | 64,041            |
| 2024                           | 544,074             | 51,808            |
| 2025                           | 556,588             | 39,295            |
| 2026                           | 569,389             | 26,493            |
| 2027                           | 582,485             | 13,397            |
|                                | <u>\$ 3,263,250</u> | <u>\$ 264,043</u> |

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

**Debt Covenants** — The various bond indebtedness and note agreements provide for annual debt service requirements, provisions for the flow of monies through various restricted accounts and minimum amounts to be contained in various sinking funds. Additionally, the utility system revenue bonds include rate covenants and renewal and replacement fund requirements.

The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits. As of September 30, 2021, the City's debt limit is \$544,424,000.

**Pledged Revenues** – The City issues bonds and notes that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds and notes for the year ended are as follows:

|   | Primary Government      |                         |                             | Discretely Presented Component Unit |
|---|-------------------------|-------------------------|-----------------------------|-------------------------------------|
|   | Governmental Activities |                         | Business-Type Activities    |                                     |
|   | Ad Valorem Revenues     | Non-ad Valorem Revenues | Electric and Water Revenues |                                     |
| Sources of Revenue Pledged:                                 |                         |                         |                             | Tax Increment Revenues              |
| Current Revenue Pledged                                     | \$ 12,521,634           | \$ 16,057,347           | \$ 20,650,153               | \$ 3,814,619                        |
| Current Debt Service  | 2,558,095               | -                       | 4,215,045                   | 961,801                             |
| Total Future Revenues Pledged                               | 36,450,000              | 13,991,367              | 128,174,927                 | 3,263,250                           |
| Purpose of Debt   | Local Roadways          | Capital Improvements    | Utilities and Refunding     | Economic Development                |
| Term of Commitment  | 2018-2048               | 2020-2048               | 2021-2060                   | 2022-2027                           |
| Percentage of Debt Service to Current Year Pledged Revenues | 20.43%                  | 0.00%                   | 20.41%                      | 25.21%                              |

#### Note 9. Employee Retirement Systems

**General Information** – The City contributes to three single-employer retirement systems covering substantially all full-time employees. The General Employees' Retirement System, the Police Officers' Relief and Retirement System and the Firefighters' Pension Trust (collectively, the Pension Trust Funds) are defined benefit pension plans. Each plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information for the plan. The reports can be obtained by contacting the City's finance department.

#### Summary of Significant Accounting Policies

The Pension Trust Funds financial statements are prepared using the accrual basis of accounting. Contributions to the Pension Trust Funds are recognized as revenue at the time they are due. Benefit payments and refunds are recognized as expenses as they become payable and administrative expenses are recognized at the time the expense is incurred. Investments are reported at fair value. Interest and dividend income are recognized when earned. Gains and losses on sales and exchanges of securities are valued at the last reported sales price at current exchange rates.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 9. Employee Retirement Systems (Continued)

##### General Employees' Retirement System (GERS)

**Plan Description** – The GERS is a single-employer defined benefit plan covering all eligible employees. The Plan was established by the City effective October 1, 1996, under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 10, Article II. The Plan was amended October 1, 2010, under Ordinance No 2010-19.

The Plan is administered by a board of five trustees comprised of the mayor of the City, the City's finance director; one member appointed by the City Commission who must be a resident of the City and two persons elected by the members.

All regular full-time employees other than Police Officers or Firefighters participate in the Plan.

**Benefits Provided** – The Plan provides retirement, death, and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement for participants retiring before October 1, 2015, is 20 vesting credits or vesting credits plus years of age totaling 75 or more, provided the participant has at least 10 vesting credits. Normal retirement age for participants retiring after October 1, 2015, is 55 years of age and 30 vesting credits or 65 years of age and 10 vesting credits. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked through September 30, 2011. The normal retirement benefit for credits earned on or after October 1, 2010, will be 2% of average final compensation. The monthly benefits are increased annually by \$ 2.50 for each full year from the members' date of retirement. Participants retiring on or after October 1, 2010, will not be eligible for the annual adjustment.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the Deferred Retirement Option Plan (the DROP). Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so, elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2021 was \$1,655,875.

**Contributions** – All participants are required to contribute 7.8% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). Pursuant to Florida law, the City is ultimately responsible for the actuarially soundness of the Plan. Therefore, each year, the City must contribute an amount determined by the Trustees in conjunction with the Plan's actuary to be sufficient, along with the employee's contribution, to fund the defined benefits under the Plan.

##### Police Officers' Relief and Retirement System (PRS):

**Plan Description** – The PRS is a single-employer defined benefit plan covering all eligible police officers. The PRS was established by the City under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 16, Article IV Division I. The PRS was last amended July 1, 2014, under Ordinance No. 2014-21. The PRS is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes, and the Internal Revenue Code. Effective July 1, 2014, and in accordance with Ordinance 2014-31, Lake Worth Police Officer's Relief and Pension Fund, Division 2 Share Accounts, merged into the PRS.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 9. Employee Retirement Systems (Continued)**

The PRS is administered by a board of five trustees comprised of the mayor of the City, the City's finance director, one member appointed by the City Commission, that must be a resident of the City, and two police officers elected by the members.

The City transferred its police functions to the Palm Beach County Sheriff's Office effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former full-time sworn police officers are eligible to participate in the PRS.

**Benefits Provided** – The Plan provides retirement, death, and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service, completion of 20 years of credited services, regardless of age or when age plus service measured in months equals or exceeds 75 years, provided the member has at least 10 years of credited service. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked. The monthly benefits are increased annually by \$2.50 for each full year from the member's date of retirement.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the DROP. Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so, elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2021 was \$40,399.

**Contributions** – Police employees are required by an ordinance of the City to contribute 7.06% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the system, based on an amount determined by the plan's actuaries as of October 1st of each preceding year. The contribution requirements of plan members and the City are established and may be amended by the PRS Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2021, the City received payments from the State for the PRS in the amount of \$563,299. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 185 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

#### **Firefighters' Pension Trust (FPT):**

**Plan Description** – The FPT is a single-employer defined benefit plan covering all eligible firefighters. The FPT was established by the City in accordance with a City ordinance and state statutes.

The City transferred its fire operations to Palm Beach County effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former certified firefighters are eligible to participate in the FPT.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 9. Employee Retirement Systems (Continued)**

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service or completion of 20 years of credited service, regardless of age or when age plus service measured in months equals or exceeds 900. The Plan provides a normal retirement benefit equal to 3.75% of average final compensation for each year of credited service worked, including prior fire service and military service purchased by the member.

**Deferred Retirement Option Plan (the “DROP”)** – Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Eligibility is either 20 years of service or age 55 with 10 years of service. Each participant in the DROP has an account credited with benefits not received and investment earnings. The value of the DROP balance at September 30, 2021 was \$18,886,228.

**Contributions** – Firefighters are required by Lake Worth City Ordinance to contribute 11.25% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the Plan’s actuaries as of October 1st of each preceding year. The contribution requirements of Plan members and the City are established and may be amended by the FPT Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2021, the City received payments from the State for the FPT in the amount of \$38,308. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 175 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

At October 1, 2020, the following plan members were covered by the Plans:

|  | General<br>Employees’<br>Retirement<br>System | Police Officers’<br>Relief and<br>Retirement<br>System | Firefighters’<br>Pension Trust |
|--|---|--|--------------------------------|
| Active employees   | 295   | 10   | 4                              |
| Inactive plan members or beneficiaries<br>currently receiving benefits | 308   | 95   | 71                             |
| Inactive plan members entitled but not<br>yet receiving benefits       | 20  | -  | 1                              |
|  | <u>623</u>                                    | <u>105</u>   | <u>76</u>                      |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

Net Pension Liability of the City

The City's net pension liability was determined based on a measurement date of September 30, 2020. The components of the net pension liability of the City at September 30, 2021, were as follows:

|   | General<br>Employees'<br>Retirement<br>System | Police Officers'<br>Relief and<br>Retirement<br>System | Firefighters'<br>Pension Trust | Total                |
|---|---|--|--------------------------------|----------------------|
| Total pension liability   | \$ 109,353,313                                | \$ 54,410,147  | \$ 67,201,296                  | \$ 230,964,756       |
| Plan fiduciary net position   | 73,547,600                                    | 36,264,199   | 50,872,211                     | 160,684,010          |
| Net pension liability   | <u>\$ 35,805,713</u>                          | <u>\$ 18,145,948</u>                                   | <u>\$ 16,329,085</u>           | <u>\$ 70,280,746</u> |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 67.26%  | 66.65%   | 75.70%                         | 69.57%               |

**Actuarial Assumptions** – The total pension liability based on the measurement date of September 30, 2020 was determined by using actuarial valuations as of October 1, 2019, with update procedures used to roll forward the total pension liability. The actuarial valuations used the following actuarial assumptions:

|                           | General<br>Employees'<br>Retirement<br>System | Police Officers'<br>Relief and<br>Retirement<br>System | Firefighters'<br>Pension Trust |
|---------------------------|---|--|--------------------------------|
| Inflation                 | 2.50%   | 2.50%  | 2.50%                          |
| Salary increases          | 5.00% - 7.50% *                               | 6.50%  | 6.50%                          |
| Investment rate of return | 7.20%   | 7.00%  | 7.00%                          |

\* Depending on years of service, including inflation

For the GERS, PRS and FPT plans, mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.



City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

**Note 9. Employee Retirement Systems (Continued)**

**Investment Policy** –The GERS, PRS and FPT plans’ policy in regard to the allocation of invested assets is established and may be amended by their respective Boards. Plan assets are managed on a total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following are the Plans adopted asset allocations:

|                           | Target Allocations                   |   |                             |
|---------------------------|--------------------------------------|---|-----------------------------|
|                           | General Employees’ Retirement System | Police Officers’ Relief and Retirement System | Firefighters’ Pension Trust |
| Domestic equities         | 40 - 65%                             | 40 - 65%                                      | 40 - 60%                    |
| International equities    | 5 - 20%                              | 5 - 20%                                       | 5 - 20%                     |
| Fixed income              | 15 - 25%                             | 15 - 25%                                      | 20 - 40%                    |
| Real assets               | -                                    | -   | 0 -10%                      |
| Real estate               | 0 - 15%                              | 0 - 15%                                       | 0 - 10%                     |
| TIPS                      | 0 - 10%                              | 0 - 15%                                       | -                           |
| Cash and cash equivalents | Minimal                              | Minimal                                       | Minimal                     |

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

|                        | Long-Term Expected Real Rate of Return |   |                             |
|------------------------|--|---|-----------------------------|
|                        | General Employees’ Retirement System   | Police Officers’ Relief and Retirement System | Firefighters’ Pension Trust |
| Domestic equities      | 7.50%                                  | 7.50%   | 7.50%                       |
| International equities | 8.50%                                  | 8.50%   | 8.50%                       |
| Fixed income           | 2.50 - 3.50%                           | 2.50 - 3.50%                                  | 2.50 - 3.50%                |
| Real estate            | 4.50%                                  | 4.50%   | 4.50%                       |

**Rate of Return** – For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.03% for GERS, 18.60% for PRS, and 20.28% for FPT. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

**Discount Rate** – This discount rate used to measure the total pension liability was 7.20% for GERS, 7.0% for PRS and FPT. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates (statutorily required) and the member rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in the net pension liability for each plan follows:

|   | General Employee’s Retirement System |                                    |                                    |
|---|--------------------------------------|------------------------------------|------------------------------------|
|   | Increase (Decrease)                  |                                    |                                    |
|   | Total Pension Liability<br>(a)       | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balances as of September 30, 2020<br>Measurement date | \$ 108,714,231                       | \$ 71,483,084                      | \$ 37,231,147                      |
| Changes for the year:                                 |                                      |                                    |                                    |
| Service cost  | 1,490,960                            | -                                  | 1,490,960                          |
| Interest  | 7,681,848                            | -                                  | 7,681,848                          |
| Changes of benefit terms                              | -                                    | -                                  | -                                  |
| Difference between expected and actual experience     | 398,714                              | -                                  | 398,714                            |
| Changes in assumptions                                | 1,016,341                            | -                                  | 1,016,341                          |
| Contributions – employer                              | -                                    | 4,236,368                          | (4,236,368)                        |
| Contributions – employee                              | -                                    | 1,065,640                          | (1,065,640)                        |
| Net investment income                                 | -                                    | 6,858,745                          | (6,858,745)                        |
| Benefit payments                                      | (9,948,781)                          | (9,948,781)                        | -                                  |
| Administrative expenses                               | -                                    | (147,456)                          | 147,456                            |
| Net changes   | 639,082                              | 2,064,516                          | (1,425,434)                        |
| Balances as of September 30, 2021<br>Measurement date | \$ 109,353,313                       | \$ 73,547,600                      | \$ 35,805,713                      |

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 9. Employee Retirement Systems (Continued)

|   | Police Officers' Relief and Retirement System |                                    |                                    |
|---|---|------------------------------------|------------------------------------|
|   | Increase (Decrease)                           |                                    |                                    |
|   | Total Pension Liability<br>(a)                | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balances as of September 30, 2020<br>Measurement date | \$ 53,401,488                                 | \$ 33,305,790                      | \$ 20,095,698                      |
| Changes for the year:                                 |   |                                    |                                    |
| Service cost  | 233,461                                       | -                                  | 233,461                            |
| Interest  | 3,711,037                                     | -                                  | 3,711,037                          |
| Changes of benefit terms                              | -   | -                                  | -                                  |
| Difference between expected and actual experience     | (144,036)                                     | -                                  | (144,036)                          |
| Changes in assumptions                                | 672,851                                       | -                                  | 672,851                            |
| Other (addition to share plan accounts)               | 340,049                                       | -                                  | 340,049                            |
| Contributions – employer and state                    | -   | 3,647,981                          | (3,647,981)                        |
| Contributions – employee                              | -   | 75,013                             | (75,013)                           |
| Net investment income                                 | -   | 3,137,775                          | (3,137,775)                        |
| Benefit payments                                      | (3,804,703)                                   | (3,804,703)                        | -                                  |
| Administrative expenses                               | -   | (97,657)                           | 97,657                             |
| Net changes   | 1,008,659                                     | 2,958,409                          | (1,949,750)                        |
| Balances as of September 30, 2021<br>Measurement date | \$ 54,410,147                                 | \$ 36,264,199                      | \$ 18,145,948                      |
|   |   |                                    |                                    |
|   | Firefighters' Pension Trust                   |                                    |                                    |
|   | Increase (Decrease)                           |                                    |                                    |
|   | Total Pension Liability<br>(a)                | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balances as of September 30, 2020<br>Measurement date | \$ 67,131,107                                 | \$ 47,002,371                      | \$ 20,128,736                      |
| Changes for the year:                                 |   |                                    |                                    |
| Service cost  | 135,109                                       | -                                  | 135,109                            |
| Interest  | 4,637,539                                     | -                                  | 4,637,539                          |
| Changes of benefit terms                              | (856)   | -                                  | (856)                              |
| Difference between expected and actual experience     | (515,400)                                     | -                                  | (515,400)                          |
| Changes in assumptions                                | 624,869                                       | -                                  | 624,869                            |
| Other (addition to share plan accounts)               | -   | -                                  | -                                  |
| Contributions – employer and state                    | -   | 3,243,971                          | (3,243,971)                        |
| Contributions – employee                              | -   | 50,167                             | (50,167)                           |
| Net investment income                                 | -   | 5,476,803                          | (5,476,803)                        |
| Benefit payments                                      | (4,811,072)                                   | (4,811,072)                        | -                                  |
| Administrative expenses                               | -   | (90,029)                           | 90,029                             |
| Net changes   | 70,189  | 3,869,840                          | (3,799,651)                        |
| Balances as of September 30, 2021<br>Measurement date | \$ 67,201,296                                 | \$ 50,872,211                      | \$ 16,329,085                      |

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

**Note 9. Employee Retirement Systems (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City, calculated using the discount rate of 7.20% for GERS and 7.0% for PRS and FPTF, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate for each plan:

|   | 1%<br>Decrease<br>6.20% | Current<br>Discount Rate<br>7.20% | 1%<br>Increase<br>8.20% |
|---|-------------------------|-----------------------------------|-------------------------|
| General Employee’s Retirement System          | \$ 47,014,447           | \$ 35,805,713                     | \$ 26,376,935           |
|   | 1%<br>Decrease<br>6.00% | Current<br>Discount Rate<br>7.00% | 1%<br>Increase<br>8.00% |
| Police Officers’ Relief and Retirement System | \$ 23,127,569           | \$ 18,145,948                     | \$ 13,971,686           |
|   | 1%<br>Decrease<br>6.00% | Current<br>Discount Rate<br>7.00% | 1%<br>Increase<br>8.00% |
| Firefighters’ Pension Trust                   | \$ 20,951,546           | \$ 16,329,085                     | \$ 12,453,195           |

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2021, the City recognized pension expense as follows:

|                 | General<br>Employees’<br>Retirement<br>System | Police Officers’<br>Relief and<br>Retirement<br>System | Firefighters’<br>Pension Trust | Total        |
|-----------------|---|--|--------------------------------|--------------|
| Pension expense | \$ 3,703,089                                  | \$ 2,428,616   | \$ 988,561                     | \$ 7,120,266 |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

At year end the City reported deferred outflows of resources and deferred inflows of resources related to pensions as following:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| <b>General Employees' Retirement System</b>   |                                      |                                     |
| Differences between expected and actual experience                                  | \$ 317,630                           | \$ 332,431                          |
| Assumption changes  | 1,285,915                            | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | -                                    | 1,500,551                           |
| Total deferred amounts to be recognized in pension<br>expense in future periods     | 1,603,545                            | 1,832,982                           |
| Pension contributions made subsequent to the<br>measurement date                    | 4,422,607                            | -                                   |
| Total deferred amounts  | <u>\$ 6,026,152</u>                  | <u>\$ 1,832,982</u>                 |
| <b>Police Officers' Relief and Retirement System</b>                                |                                      |                                     |
| Net difference between projected and actual earnings<br>on pension plan investments | \$ -                                 | \$ 312,343                          |
| Total deferred amounts to be recognized in pension<br>expense in future periods     | -                                    | 312,343                             |
| Pension contributions made subsequent to the<br>measurement date                    | 3,834,596                            | -                                   |
| Total deferred amounts  | <u>\$ 3,834,596</u>                  | <u>\$ 312,343</u>                   |

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| <b>Firefighters' Pension Trust</b>   |                                      |                                     |
| Net difference between projected and actual earnings on pension plan investments | \$ -                                 | \$ 1,697,955                        |
| Total deferred amounts to be recognized in pension expense in future periods     | -                                    | 1,697,955                           |
| Pension contributions made subsequent to the measurement date                    | 3,419,118                            | -                                   |
| Total deferred amounts   | <u>\$ 3,419,118</u>                  | <u>\$ 1,697,955</u>                 |

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the subsequent year ending September 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Years Ending<br>September 30, | General<br>Employees'<br>Retirement<br>System | Police Officers'<br>Relief and<br>Retirement<br>System | Firefighters'<br>Pension Trust | Total                 |
|--------------------------------------|---|--|--------------------------------|-----------------------|
| 2022                                 | \$ (185,628)                                  | \$ (168,417)   | \$ (716,420)                   | \$ (1,070,465)        |
| 2023                                 | 190,313                                       | 12,512   | (449,260)                      | (246,435)             |
| 2024                                 | 142,789                                       | 6,090  | (83,698)                       | 65,181                |
| 2025                                 | (376,911)                                     | (162,528)  | (448,577)                      | (988,016)             |
| Total                                | <u>\$ (229,437)</u>                           | <u>\$ (312,343)</u>                                    | <u>\$ (1,697,955)</u>          | <u>\$ (2,239,735)</u> |

**Note 10. Deferred Compensation Plans**

The City offers its employees two deferred compensation plans in accordance with Internal Revenue Code Sections 401a and 457. The funds are administered by ICMA Retirement Corporation. All assets of the Plans are held in trust, custodial accounts or annuity contracts, for the exclusive benefit of the participants and their beneficiaries. Consequently, those Plan assets and liabilities are not recorded by the City. During fiscal year 2021, the City contributed approximately \$136,000 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contributions.

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

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**Note 11. Other Postemployment Benefits (OPEB)**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

Plan Description and Funding Policy. Employees who retire from the City and their dependents are eligible to continue to participate (single employer plan) in the City's health insurance plan currently offered through the City at the "blended" employee group rate, which is determined annually by the City. The benefits of the Plan conform to Florida Statutes, which are the legal authority for the Plan.

The following table provides a summary of the number of participants in the plan as of the measurement date:

|   |            |
|---|------------|
| Active employees  | 317        |
| Inactive plan members entitled but not yet receiving benefits | 448        |
|   | <u>765</u> |

Currently, the City's OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City's reporting of current year benefit costs and expenses have been contributed from the General Fund. Contribution rates are determined by the City. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

**Actuarial Methods and Assumptions:** The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB) (Continued)

The total OPEB liability at September 30, 2021, was based on an actuarial valuation dated September 30, 2019, with a measurement date of September 30, 2020, using the following actuarial assumptions:

|                             |  |
|-----------------------------|--|
| Actuarial cost method       | Entry age normal   |
| Inflation                   | 2.50%  |
| Discount rate               | 2.41%  |
| Salary increases            | For general employees, 7.5% – 5.0% depending on service, including inflation   |
| Retirement age              | Experience-based table of rates that are specific to the type of eligibility condition.  |
| Mortality                   | Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Healthcare cost trend rates | Based on the Getzen Model, with a trend rate of 6.5%, decreasing gradually to an ultimate trend rate of 3.99%.   |
| Aging factors               | Based on the 2013 study “Health Care Costs – From Birth to Death.”   |

Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

**Discount Rate:** The discount rate used to measure the total OPEB liability was 2.41%. Because the City’s OPEB costs are funded on a pay-as-you-go basis, a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability.

The City’s total OPEB liability at year-end follows:

|   |                            |
|---|----------------------------|
| Total OPEB liability:   |                            |
| Service cost  | \$ 30,431                  |
| Interest on total OPEB liability  | 56,531                     |
| Difference between expected and actual experience of the total OPEB liability | (182,151)                  |
| Changes of assumptions and other inputs                                       | 154,787                    |
| Benefit payments  | <u>(253,448)</u>           |
| Net change in total OPEB liability  | (193,850)                  |
| Total OPEB liability, beginning   | <u>2,151,968</u>           |
| Total OPEB liability, ending  | <u><u>\$ 1,958,118</u></u> |



City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

**Note 11. Other Postemployment Benefits (OPEB) (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following table presents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

|                      | 1%<br>Decrease<br>1.41% | Current<br>Discount Rate<br>2.41% | 1%<br>Increase<br>3.41% |
|----------------------|-------------------------|-----------------------------------|-------------------------|
| Total OPEB liability | \$ 2,114,208            | \$ 1,958,118                      | \$ 1,718,653            |

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

|                      | 1% Trend<br>Decrease<br>(a) | Trend Rate<br>Assumption<br>6% | 1% Trend<br>Increase<br>(b) |
|----------------------|-----------------------------|--------------------------------|-----------------------------|
| Total OPEB liability | \$ 1,812,711                | \$ 1,958,118                   | \$ 1,996,284                |

(a) 5%, gradually decreasing to an ultimate trend rate of 2.99% in 2028

(b) 7%, gradually decreasing to an ultimate trend rate of 4.99% in 2028

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended September 30, 2021, the City recognized OPEB expense of \$178,833 and deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience    | \$ 20,164                            | \$ 128,577                          |
| Assumption changes                                    | 185,080                              | -                                   |
|   | 205,244                              |                                     |
| Contributions made subsequent to the measurement date | 153,445                              | -                                   |
| Total deferred amounts                                | \$ 358,689                           | \$ -                                |

The balance of \$153,445 reported as deferred outflows of resources related to OPEB resulting from City contributions paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2022.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Years Ending<br>September 30, | OPEB<br>Plan     |
|--------------------------------------|------------------|
| 2022                                 | \$ 70,675        |
| 2023                                 | 9,210            |
| 2024                                 | (3,218)          |
| Total                                | <u>\$ 76,667</u> |

#### Note 12. Commitments and Contingencies

**Florida Municipal Power Agency (FMPA) Agreements** – The City’s electric utility operates pursuant to various power sales contracts with a number of other power producers, including Power Sales and Project Support Contracts with the FMPA for FMPA’s St. Lucie Project, Stanton Project, and Stanton II Project, and an All-Requirements Power Supply Project Contract (however, the City currently purchases no capacity or energy from the FMPA Stanton II and All-Requirements Power Supply Projects). FMPA owns an 8.806% undivided interest in Florida Power & Light Company’s St. Lucie Unit No. 2 (St. Lucie Unit No. 2), a nuclear-powered electric generating facility and a 25% interest in Orlando Utilities Commission’s Stanton Energy Center Coal Fired Unit No. 1 (Stanton Unit No. 1). The contracts with FMPA give the City and each of the other participants in the St. Lucie Project and the Stanton Project entitlement shares aggregating 100% of FMPA’s ownership interest in St. Lucie Unit No. 2 and Stanton Unit No. 1. FMPA also has a Reliability Exchange Agreement with Florida Power & Light Company that enables the St. Lucie Project to exchange 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from FPL’s St. Lucie Unit No. 1. Under the FMPA agreements, the City is to receive approximately 22 megawatts (mw) of power from the St. Lucie Project and 11.5 mw of power from the Stanton Project. Costs associated with power purchases under these agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned. Additionally, Lake Worth is a participant in the FMPA Solar Project with a 17.544% (10 MW) entitlement share. The Solar Project consists of FMPA’s purchase of 57 MW from Florida Renewable Partners, and is expected to be commercially operable in 2023. FMPA’s PPA for the Solar Project has a term of 20 years. Lake Worth is also a participant in the FMPA Solar II Project with a 49.580% (26.55 MW) entitlement share. The Solar II Project consists of FMPA’s purchase of 53.55 MW from Origins, and is expected to be commercially operable in 2023. FMPA’s PPA for the Solar II Project has an initial term of 20 years. Pursuant to the City’s agreement with the FMPA, the City was required to make a specified working capital contribution to the FMPA. The City satisfied part of this requirement during fiscal year 2003 by transferring certain fuel inventory. The City has recorded a long-term, restricted deposit of \$1,316,174 as a portion of the working capital deposit would be refundable to the City in the event that FMPA were to return All-Requirements Power Supply Project working capital to ARP Participants, or the City were to withdrawal from the ARP pursuant to section 29 of the All-Requirements Power Supply Project Contract, less any amounts owed by the City to FMPA at that time.

**Orlando Utility Commission (OUC) Agreement** – Effective January 1, 2019, the City entered into an agreement with Orlando Utilities Commission (OUC) for the purchase and sale of electric energy and capacity which supplements the City’s entitlements under afore mentioned FMPA Agreements. Approximately 50% of the Lake Worth Beach electric utility’s energy supply for calendar year 2021 was sourced under the OUC agreement. The agreement provides for OUC to provide electric energy and capacity to supplement City’s entitlements under FMPA Agreements using stipulated pricing formulas.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 12. Commitments and Contingencies (Continued)**

Costs associated with power purchases under this agreement are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned.

During the duration of the OUC Agreement City shall maintain a rating on senior unsecured debt securities of City, if any such securities are rated, by Standard and Poor's Corporation, Moody's Investors Service, Inc., Fitch IBCA, or another nationally recognized rating service reasonably acceptable to OUC of BBB+ or its equivalent, or a rating equivalent to OUC senior unsecured debt securities, whichever is lower. In the event that City issues any senior unsecured debt securities and the rating on such securities falls below such specified minimum rating and City fails to restore its credit rating to such specified minimum rating standing within 12 months after its rating has fallen below the rating described above, City shall within thirty (30) days of a written request by OUC therefor provide a Letter of Credit, cash or bond or other assurances reasonably sufficient to assure City's due performance of its purchase and payment obligations under this Agreement.

The Agreement with OUC is comprised of a four-year initial term beginning January 1, 2014, followed by two unilateral one-year extensions at City's option, followed by a mutual option to extended until December 31, 2025.

**Litigation, Claims and Assessments** – The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. However, in the opinion of the City's management, the ultimate outcome will not have a material adverse effect on the City's financial condition.

Amounts received and receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to not be material, except for amounts related to FEMA as discussed below.

**FEMA Grants** – The City worked with FEMA to finalize all of the claims filed by the City related to Hurricanes Jeanne, Frances, and Wilma in 2004 and 2005. Amounts received or receivable from FEMA are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The City received initial determination letters for all large projects (those with a cost of more than \$57,500) in late December of 2011. The net questioned costs for the three storms were approximately \$2.8 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec 206.206 Federal Regulations, which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2023.

The U.S. Department of Homeland Security, Office of Inspector General (DHSOIG) conducted an audit of FEMA Disaster Declarations Nos. 1545 (Hurricane Frances), 1561 (Hurricane Jeanne) and 1609 (Hurricane Wilma) between January and May 2012. The purpose of this was to review the findings of the FEMA/State of Florida closeout audits. DHSOIG issued reports to the FEMA Regional Director in November 2012 and December 2012. In July of 2013, the City was notified by the State that there were additional net questioned costs for the three storms which were approximately \$1.1 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec. 206.206 Federal Regulations which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2023.

At fiscal year-end September 30, 2021, the City recorded an estimated liability of \$3.6 million for amounts that may be due to FEMA (required to be repaid), in the event that the City's aforementioned appeals are unsuccessful.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 13. Self-Insurance Program

The City is subject to Florida State Statutes regarding civil actions to recover damages for covered claims under Florida Sovereign Immunity Laws, which effectively limits the amount of liability of municipalities to individual claims of \$200,000 or \$300,000, for all claims relating to the same incident.

Liabilities are recorded when a claim or loss has been reported. The City analyzes its losses and finances, both uninsured and insured risks. All insurance premiums and claims are charged to the appropriate Fund. The City is a member of a self-insured risk retention group for property coverage on all properties, other than Utilities. The approximately \$46 million of coverage is purchased with a shared limit of \$340,000,000. There is a \$5,000 all other peril deductible and a 5% windstorm deductible with a minimum of \$20,000. Utility property is insured with ACE American Insurance Company with a dedicated limit of approximately \$128 million. This is subject to a \$300,000 all other peril deductible and a 5% named windstorm deductible with a minimum of \$250,000. Due to risk limitations, the City's beach, pier, and lifeguard stands are considered uninsurable by the City's risk pool. Therefore, the cost of repair or replacement to these assets must be absorbed directly by the City unless reimbursement is provided by federal emergency funding.

The City is self-insured for workers' compensation and has a self-insured retention level of \$500,000 per claim, with statutory excess, and \$1,000,000 excess for employer's liability through PGIT. In the past 3 years all workers' compensation claims were within the limit of the policy. There were no significant reductions in coverage during the fiscal year compared to prior year. The City purchased a \$1,000,000 excess third-party liability limit over a \$100,000 self-insured retention per occurrence for general and professional liability and automobile liability. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. All funds of the City participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims, establish reserves for future claims and provide for administrative costs of the program. Interfund premiums are based upon the insured funds' number of employees and value of facilities. A liability for workers' compensation, general liability and property claims of approximately \$3,500,000 is reported in the fund at year end.

Changes in the balances of claims payable for 2021 and 2020, are as follows:

|                                   | Fiscal Year Ended   |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | 2021                | 2020                |
| Claims payable, beginning of year | \$ 3,349,943        | \$ 2,312,785        |
| Provision for claims              | 2,686,415           | 2,500,842           |
| Claims paid                       | (2,528,440)         | (1,463,684)         |
| Claims payable, end of year       | <u>\$ 3,507,918</u> | <u>\$ 3,349,943</u> |

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 14. Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. \*

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. \*

GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. \*

\*Effective dates represent postponement as per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.

**Note 14. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued June 2020. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. Except for the requirement of this Statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trust that meet the criteria in paragraph 30 of Statement 67 or paragraph 30 of Statement 74, respectively, are effective immediately.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

**Note 15. Subsequent Events**

In April 2022, the City Commission passed a resolution authorizing the issuance of Consolidated Utilities Revenue Bonds, Series 2022, in an aggregate principal amount not exceeding \$52 million for the purpose of financing and refinancing the acquisition and construction of certain capital improvements to the City's consolidated utility system consisting of various electric system, water system and wastewater system capital improvements (the "2022 Project").

**City of Lake Worth Beach, Florida**

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**REQUIRED SUPPLEMENTARY INFORMATION  
UNAUDITED**



City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2021**

|                                    | Budgeted Amounts  |                   | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|------------------------------------|-------------------|-------------------|-------------------|--|
|                                    | Original          | Final             |                   |  |
| <b>Revenues:</b>                   |                   |                   |                   |  |
| Taxes:                             |                   |                   |                   |  |
| Property taxes                     | \$ 11,373,373     | \$ 11,373,373     | \$ 11,598,587     | \$ 225,214   |
| Utility service taxes              | 4,075,372         | 4,075,372         | 4,360,973         | 285,601  |
| Gas tax                            | 880,000           | 880,000           | 891,977           | 11,977   |
| Franchise fees                     | 130,000           | 130,000           | 156,700           | 26,700   |
| <b>Total taxes</b>                 | <b>16,458,745</b> | <b>16,458,745</b> | <b>17,008,237</b> | <b>549,492</b>   |
| Licenses and permits:              |                   |                   |                   |  |
| Business                           | 1,000,000         | 1,000,000         | 956,021           | (43,979)   |
| Non-business                       | 119,069           | 119,069           | 116,134           | (2,935)  |
| <b>Total licenses and permits</b>  | <b>1,119,069</b>  | <b>1,119,069</b>  | <b>1,072,155</b>  | <b>(46,914)</b>  |
| Fines and forfeitures:             |                   |                   |                   |  |
| Public safety                      | 36,000            | 36,000            | 37,102            | 1,102  |
| Library fines                      | 5,300             | 5,300             | 2                 | (5,298)  |
| Violations of local ordinances     | 979,000           | 979,000           | 476,784           | (502,216)  |
| <b>Total fines and forfeitures</b> | <b>1,020,300</b>  | <b>1,020,300</b>  | <b>513,888</b>    | <b>(506,412)</b>   |
| Charges for services:              |                   |                   |                   |  |
| General government                 | 12,820,258        | 12,820,258        | 13,125,628        | 305,370  |
| Public safety                      | 371,575           | 371,575           | 275,486           | (96,089)   |
| Physical environment               | 843,000           | 843,000           | 937,788           | 94,788   |
| Transportation                     | 46,000            | 46,000            | 67,399            | 21,399   |
| Culture and recreation             | 137,145           | 137,145           | 82,264            | (54,881)   |
| <b>Total charges for services</b>  | <b>14,217,978</b> | <b>14,217,978</b> | <b>14,488,565</b> | <b>270,587</b>   |
| Intergovernmental:                 |                   |                   |                   |  |
| State and other shared revenues    | 5,178,100         | 5,178,100         | 5,532,535         | 354,435  |
| <b>Total intergovernmental</b>     | <b>5,178,100</b>  | <b>5,178,100</b>  | <b>5,532,535</b>  | <b>354,435</b>   |
| Other revenues:                    |                   |                   |                   |  |
| Investment income                  | 60,000            | 60,000            | 9,085             | (50,915)   |
| Rents and royalties                | 20,550            | 20,550            | 19,598            | (952)  |
| Miscellaneous                      | 30,000            | 30,000            | 727,419           | 697,419  |
| <b>Total other revenues</b>        | <b>110,550</b>    | <b>110,550</b>    | <b>756,102</b>    | <b>645,552</b>   |
| <b>Total revenues</b>              | <b>38,104,742</b> | <b>38,104,742</b> | <b>39,371,482</b> | <b>1,266,740</b>   |
| <b>Expenditures:</b>               |                   |                   |                   |  |
| General Government:                |                   |                   |                   |  |
| City commission                    | 444,077           | 442,577           | 421,310           | 21,267   |
| City manager                       | 657,358           | 653,331           | 700,364           | (47,033)   |
| City clerk                         | 555,738           | 554,238           | 658,357           | (104,119)  |
| Finance                            | 1,784,394         | 1,776,694         | 1,876,238         | (99,544)   |
| Personnel                          | 160,739           | 160,739           | 167,823           | (7,084)  |
| Community development              | 177,481           | 177,481           | 197,636           | (20,155)   |
| Business license                   | 717,806           | 717,806           | 370,802           | 347,004  |
| Building maintenance               | 3,436,237         | 3,434,481         | 3,418,019         | 16,462   |
| Cost of services                   | 370,688           | 370,688           | 648,305           | (277,617)  |
| <b>Total general government</b>    | <b>8,304,518</b>  | <b>8,288,035</b>  | <b>8,458,854</b>  | <b>(170,819)</b>   |

(Continued)

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund (Continued)  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts  |                   | Actual               | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|----------------------|--|
|  | Original          | Final             |                      |  |
| Public safety:   |                   |                   |                      |  |
| Police   | 17,166,257        | 17,166,257        | 17,481,651           | (315,394)  |
| Fire   | 3,466,020         | 3,466,020         | 3,461,643            | 4,377  |
| Building and zoning  | 825,670           | 815,389           | 718,465              | 96,924   |
| Code and administration  | 1,347,771         | 1,348,371         | 1,237,397            | 110,974  |
| <b>Total public safety</b>   | <b>22,805,718</b> | <b>22,796,037</b> | <b>22,899,156</b>    | <b>(103,119)</b>   |
| Physical environment:  |                   |                   |                      |  |
| Cemetery   | 260,545           | 260,545           | 190,729              | 69,816   |
| Grounds maintenance  | 2,136,053         | 2,136,053         | 2,021,151            | 114,902  |
| <b>Total physical environment</b>                                    | <b>2,396,598</b>  | <b>2,396,598</b>  | <b>2,211,880</b>     | <b>184,718</b>   |
| Transportation:  |                   |                   |                      |  |
| Administration   | 339,457           | 339,457           | 341,360              | (1,903)  |
| Streets, drains and sidewalks  | 1,033,603         | 1,033,603         | 1,065,733            | (32,130)   |
| <b>Total transportation</b>  | <b>1,373,060</b>  | <b>1,373,060</b>  | <b>1,407,093</b>     | <b>(34,033)</b>  |
| Culture and recreation:  |                   |                   |                      |  |
| Library  | 791,972           | 790,733           | 719,812              | 70,921   |
| Recreation   | 1,939,700         | 1,887,946         | 1,735,745            | 152,201  |
| <b>Total culture and recreation</b>                                  | <b>2,731,672</b>  | <b>2,678,679</b>  | <b>2,455,557</b>     | <b>223,122</b>   |
| Capital outlay   | 7,000             | 86,157            | 79,784               | 6,373  |
| Debt service:  |                   |                   |                      |  |
| Principal  | 397,170           | 397,170           | 863,864              | (466,694)  |
| Interest   | 28,099            | 28,099            | 264,276              | (236,177)  |
| <b>Total debt service</b>  | <b>425,269</b>    | <b>425,269</b>    | <b>1,128,140</b>     | <b>(702,871)</b>   |
| <b>Total expenditures</b>  | <b>38,043,835</b> | <b>38,043,835</b> | <b>38,640,464</b>    | <b>(596,629)</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>60,907</b>     | <b>60,907</b>     | <b>731,018</b>       | <b>670,111</b>   |
| Other financing sources (uses):                                      |                   |                   |                      |  |
| Proceeds from debt issuance, including premiums                      | -                 | -                 | 885,699              | 885,699  |
| Transfers out  | -                 | -                 | (1,840,000)          | (1,840,000)  |
| Appropriated fund balance  | 19,750            | 19,750            | -                    | (19,750)   |
| <b>Total other financing sources (uses)</b>                          | <b>19,750</b>     | <b>19,750</b>     | <b>(954,301)</b>     | <b>(974,051)</b>   |
| <b>Net change in fund balance</b>                                    | <b>\$ 80,657</b>  | <b>\$ 80,657</b>  | <b>(223,283)</b>     | <b>\$ (303,940)</b>  |
| Fund balance – beginning of year                                     |                   |                   | 11,915,994           |  |
| Fund balance – end of year   |                   |                   | <u>\$ 11,692,711</u> |  |

**City of Lake Worth Beach, Florida**

**Notes to Required Supplementary Information  
For the Fiscal Year Ended September 30, 2021**

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**Note 1. Budgets and Legal Compliance**

The City follows these procedures in establishing budgetary data:

- a. The City Manager submits to the City Commission a proposed operating budget for the General Fund for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.
- b. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.
- c. The budget is approved by the City Commission and becomes the basis for the millage levied by the City Commission.
- d. The City Manager is authorized to transfer budgeted amounts within any department; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Commission. The City Commission may amend the current year's budget appropriation by passage of a budget amendment resolution. Expenditures may not exceed legal appropriations at the department level. Encumbrances lapse at year-end. Encumbrances are re-appropriated in the following year's budget.
- e. Formal budgetary integration is employed as a management control device during the year.
- f. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent final authorized amounts. Therefore, the department level is the legal level of budgetary control. Budgeted amounts are as originally adopted or as amended.
- g. The City is not legally required to, and does not, adopt budgets for the Law Enforcement and Firefighters Education Fund and Law Enforcement Confiscated Property Fund.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Seven Fiscal Years**

| Fiscal Year:   | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Measurement Date:  | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           | 2014           |
| <b>Total pension liability:</b>  |                |                |                |                |                |                |                |
| Service cost   | \$ 1,490,960   | \$ 1,344,924   | \$ 1,276,370   | \$ 1,264,754   | \$ 1,026,628   | \$ 1,289,330   | \$ 1,269,805   |
| Interest   | 7,681,848      | 7,757,646      | 7,622,289      | 7,623,881      | 7,765,990      | 7,865,429      | 7,897,624      |
| Benefit changes  | -              | 512,928        | 2,327,011      | -              | -              | -              | -              |
| Differences between expected and actual experience                         | 398,714        | (807,331)      | 217,106        | 186,801        | (2,300,009)    | (967,020)      | (289,809)      |
| Changes of assumptions   | 1,016,341      | 993,106        | 957,440        | 2,876,644      | -              | -              | -              |
| Benefit payments, including refunds of member contributions                | (9,948,781)    | (9,150,336)    | (9,382,152)    | (8,029,499)    | (9,099,308)    | (9,316,942)    | (9,308,177)    |
| Net change in total pension liability                                      | 639,082        | 650,937        | 3,018,064      | 3,922,581      | (2,606,699)    | (1,129,203)    | (430,557)      |
| Total pension liability – beginning  | 108,714,231    | 108,063,294    | 105,045,230    | 101,122,649    | 103,729,348    | 104,858,551    | 105,289,108    |
| Total pension liability – ending (a)                                       | \$ 109,353,313 | \$ 108,714,231 | \$ 108,063,294 | \$ 105,045,230 | \$ 101,122,649 | \$ 103,729,348 | \$ 104,858,551 |
| <b>Plan fiduciary net position</b>   |                |                |                |                |                |                |                |
| Contributions – employer   | \$ 4,236,368   | \$ 4,205,995   | \$ 3,987,293   | \$ 4,086,164   | \$ 4,440,602   | \$ 4,614,165   | \$ 4,553,202   |
| Contributions – member   | 1,065,640      | 1,124,756      | 1,124,419      | 1,102,815      | 848,814        | 844,870        | 928,387        |
| Net investment income  | 6,858,745      | 3,351,987      | 6,162,213      | 7,822,485      | 4,307,428      | 508,074        | 7,515,916      |
| Benefit payments, including refunds of member contributions                | (9,948,781)    | (9,150,336)    | (9,382,152)    | (8,029,499)    | (9,099,308)    | (9,316,942)    | (9,308,177)    |
| Administrative expenses  | (147,456)      | (140,447)      | (141,352)      | (124,525)      | (142,750)      | (128,684)      | (126,863)      |
| Net change in plan fiduciary net position                                  | 2,064,516      | (608,045)      | 1,750,421      | 4,857,440      | 354,786        | (3,478,517)    | 3,562,465      |
| Plan fiduciary net position – beginning                                    | 71,483,084     | 72,091,129     | 70,340,708     | 65,483,268     | 65,128,482     | 68,606,999     | 65,044,534     |
| Plan fiduciary net position – ending (b)                                   | \$ 73,547,600  | \$ 71,483,084  | \$ 72,091,129  | \$ 70,340,708  | \$ 65,483,268  | \$ 65,128,482  | \$ 68,606,999  |
| City net pension liability – ending (a) - (b)                              | \$ 35,805,713  | \$ 37,231,147  | \$ 35,972,165  | \$ 34,704,522  | \$ 35,639,381  | \$ 38,600,866  | \$ 36,251,552  |
| Plan fiduciary net position as a percentage of the total pension liability | 67.26%         | 65.75%         | 66.71%         | 66.96%         | 64.76%         | 62.79%         | 65.43%         |
| Covered payroll  | \$ 15,837,827  | \$ 15,972,516  | \$ 14,415,632  | \$ 14,138,657  | \$ 10,882,231  | \$ 10,831,667  | \$ 11,902,397  |
| City net pension liability as percentage of covered payroll                | 226.08%        | 233.10%        | 249.54%        | 245.46%        | 327.50%        | 356.37%        | 304.57%        |

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2019, the investment return assumption was lowered from 7.30% to 7.20%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Seven Fiscal Years**

| Fiscal Year:   | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Measurement Date:  | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
| <b>Total pension liability:</b>  |               |               |               |               |               |               |               |
| Service cost   | \$ 233,461    | \$ 210,912    | \$ 193,882    | \$ 229,634    | \$ 255,209    | \$ 238,693    | \$ 280,511    |
| Interest   | 3,711,037     | 3,702,052     | 3,661,397     | 3,713,027     | 3,837,201     | 3,902,610     | 3,915,664     |
| Differences between expected and actual experience                         | (144,036)     | 24,508        | 434,141       | (97,978)      | (655,445)     | 287,033       | 115,847       |
| Changes of assumptions   | 672,851       | 666,720       | 656,642       | 266,889       | 635,049       | -             | -             |
| Benefit payments, including refunds of member contributions                | (3,804,703)   | (3,680,593)   | (3,678,987)   | (4,422,363)   | (5,427,902)   | (5,567,874)   | (3,923,670)   |
| Other  | 340,049       | 270,932       | 295,992       | 235,027       | 209,050       | 209,050       | 202,603       |
| Net change in total pension liability                                      | 1,008,659     | 1,194,531     | 1,563,067     | (75,764)      | (1,146,838)   | (930,488)     | 590,955       |
| Total pension liability – beginning  | 53,401,488    | 52,206,957    | 50,643,890    | 50,719,654    | 51,866,492    | 52,796,980    | 52,206,025    |
| Total pension liability – ending (a)                                       | \$ 54,410,147 | \$ 53,401,488 | \$ 52,206,957 | \$ 50,643,890 | \$ 50,719,654 | \$ 51,866,492 | \$ 52,796,980 |
| <b>Plan fiduciary net position</b>   |               |               |               |               |               |               |               |
| Contributions – employer and state   | \$ 3,647,981  | \$ 3,233,586  | \$ 3,119,402  | \$ 3,013,393  | \$ 2,882,783  | \$ 2,773,209  | \$ 2,543,956  |
| Contributions – member   | 75,013        | 73,571        | 68,521        | 73,533        | 169,346       | 102,916       | 208,801       |
| Net investment income  | 3,137,775     | 1,451,429     | 2,189,339     | 3,021,517     | 1,744,263     | 449,322       | 2,906,179     |
| Benefit payments, including refunds of member contributions                | (3,804,703)   | (3,680,593)   | (3,678,987)   | (4,422,363)   | (5,427,902)   | (5,567,874)   | (3,923,670)   |
| Administrative expenses  | (97,657)      | (100,691)     | (91,942)      | (91,961)      | (94,732)      | (89,064)      | (96,476)      |
| Net change in plan fiduciary net position                                  | 2,958,409     | 977,302       | 1,606,333     | 1,594,119     | (726,242)     | (2,331,491)   | 1,638,790     |
| Plan fiduciary net position – beginning                                    | 33,305,790    | 32,328,488    | 30,722,155    | 29,128,036    | 29,854,278    | 32,185,769    | 30,546,979    |
| Plan fiduciary net position – ending (b)                                   | \$ 36,264,199 | \$ 33,305,790 | \$ 32,328,488 | \$ 30,722,155 | \$ 29,128,036 | \$ 29,854,278 | \$ 32,185,769 |
| City net pension liability – ending (a) - (b)                              | \$ 18,145,948 | \$ 20,095,698 | \$ 19,878,469 | \$ 19,921,735 | \$ 21,591,618 | \$ 22,012,214 | \$ 20,611,211 |
| Plan fiduciary net position as a percentage of the total pension liability | 66.65%        | 62.37%        | 61.92%        | 60.66%        | 57.43%        | 57.56%        | 60.96%        |
| Covered payroll  | \$ 1,071,183  | \$ 1,042,087  | \$ 970,555    | \$ 1,041,543  | \$ 1,275,960  | \$ 1,250,989  | \$ 1,333,456  |
| City net pension liability as percentage of covered payroll                | 1694.01%      | 1928.41%      | 2048.15%      | 1912.71%      | 1692.19%      | 1759.58%      | 1545.70%      |

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2019, the investment return assumption was lowered from 7.15% to 7.0%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Firefighters' Pension Trust**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Seven Fiscal Years**

| Fiscal Year:   | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Measurement Date:  | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
| <b>Total pension liability:</b>  |               |               |               |               |               |               |               |
| Service cost   | \$ 135,109    | \$ 241,178    | \$ 260,076    | \$ 285,547    | \$ 302,838    | \$ 332,003    | \$ 297,315    |
| Interest   | 4,637,539     | 4,680,993     | 4,749,735     | 4,762,802     | 4,650,666     | 4,483,334     | 4,332,379     |
| Changes in benefit terms   | (856)         | -             | -             | -             | -             | -             | -             |
| Differences between expected and actual experience                         | (515,400)     | (61,252)      | (544,886)     | (322,397)     | 120,719       | 198,870       | (241,254)     |
| Changes of assumptions   | 624,869       | 621,002       | 613,640       | 185,206       | 608,377       | 978,453       | -             |
| Benefit payments, including refunds of member contributions                | (4,811,072)   | (4,563,512)   | (5,341,813)   | (4,213,072)   | (3,877,251)   | (3,184,398)   | (3,217,144)   |
| Other  | -             | 97,844        | 424,869       | 1,531,430     | 547,964       | 1,101,767     | 275,168       |
| Net change in total pension liability                                      | 70,189        | 1,016,253     | 161,621       | 2,229,516     | 2,353,313     | 3,910,029     | 1,446,464     |
| Total pension liability – beginning  | 67,131,107    | 66,114,854    | 65,953,233    | 63,723,717    | 61,370,404    | 57,460,375    | 56,013,911    |
| Total pension liability – ending (a)                                       | \$ 67,201,296 | \$ 67,131,107 | \$ 66,114,854 | \$ 65,953,233 | \$ 63,723,717 | \$ 61,370,404 | \$ 57,460,375 |
| <b>Plan fiduciary net position</b>   |               |               |               |               |               |               |               |
| Contributions – employer and state   | \$ 3,243,971  | \$ 2,872,622  | \$ 2,794,091  | \$ 2,811,277  | \$ 2,709,016  | \$ 2,550,030  | \$ 2,625,210  |
| Contributions – member   | 50,167        | 169,763       | 84,971        | 105,985       | 108,980       | 118,270       | 123,344       |
| Net investment income  | 5,476,803     | 1,487,404     | 4,981,565     | 4,306,470     | 2,748,904     | (828,763)     | 3,079,060     |
| Benefit payments, including refunds of member contributions                | (4,811,072)   | (4,563,512)   | (5,341,813)   | (4,213,072)   | (3,877,251)   | (3,184,398)   | (3,217,144)   |
| Administrative expenses  | (90,029)      | (86,312)      | (84,970)      | (70,801)      | (80,852)      | (92,510)      | (217,064)     |
| Rollover   | -             | -             | 424,869       | 1,531,430     | 547,964       | 1,101,767     | 275,168       |
| Net change in plan fiduciary net position                                  | 3,869,840     | (120,035)     | 2,858,713     | 4,471,289     | 2,156,761     | (335,604)     | 2,668,574     |
| Plan fiduciary net position – beginning                                    | 47,002,371    | 47,122,406    | 44,263,693    | 39,792,404    | 37,635,643    | 37,971,247    | 35,302,673    |
| Plan fiduciary net position – ending (b)                                   | \$ 50,872,211 | \$ 47,002,371 | \$ 47,122,406 | \$ 44,263,693 | \$ 39,792,404 | \$ 37,635,643 | \$ 37,971,247 |
| City net pension liability – ending (a) - (b)                              | \$ 16,329,085 | \$ 20,128,736 | \$ 18,992,448 | \$ 21,689,540 | \$ 23,931,313 | \$ 23,734,761 | \$ 19,489,128 |
| Plan fiduciary net position as a percentage of the total pension liability | 75.70%        | 70.02%        | 71.27%        | 67.11%        | 62.45%        | 61.33%        | 66.08%        |
| Covered payroll  | \$ 445,929    | \$ 639,283    | \$ 755,301    | \$ 942,090    | \$ 968,706    | \$ 1,050,059  | \$ 1,073,629  |
| City net pension liability as percentage of covered payroll                | 3661.81%      | 3148.64%      | 2514.55%      | 2302.28%      | 2470.44%      | 2260.33%      | 1815.26%      |

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2019, the investment return assumption was lowered from 7.15% to 7.00%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

| Fiscal Year | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|---------------------|----------------------------------|-----------------|--|
| 2021        | \$ 4,601,944                        | \$ 4,601,944        | \$ -                             | \$ 17,230,100   | 26.7%  |
| 2020        | 4,236,368                           | 4,236,368           | -                                | 15,834,827      | 26.8%  |
| 2019        | 4,205,995                           | 4,205,995           | -                                | 15,972,516      | 26.3%  |
| 2018        | 3,987,293                           | 3,987,293           | -                                | 14,415,632      | 27.7%  |
| 2017        | 4,086,164                           | 4,086,164           | -                                | 14,138,657      | 28.9%  |
| 2016        | 4,440,602                           | 4,440,602           | -                                | 10,882,231      | 40.8%  |
| 2015        | 4,614,165                           | 4,614,165           | -                                | 10,831,667      | 42.6%  |
| 2014        | 4,553,202                           | 4,553,202           | -                                | 11,902,397      | 38.3%  |
| 2013        | 3,982,877                           | 3,982,877           | -                                | 11,547,885      | 34.5%  |
| 2012        | 3,293,953                           | 3,293,953           | -                                | 11,916,382      | 27.6%  |

Notes to Schedule:

Valuation date: October 1, 2019

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level dollar, closed   |
| Remaining amortization period | 19 years (single equivalent amortization period)   |
| Asset valuation method        | 5-year smoothed market   |
| Inflation                     | 2.50%  |
| Salary increases              | 5.0%-7.5%, depending on years of service, including inflation  |
| Investment rate of return     | 7.20%  |
| Mortality                     | RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Non-Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 Actuarial Valuation. Florida Statutes Chapter 112.63 mandates the use of the same mortality assumptions used by FRS in either of the two most recently published FRS actuarial valuation reports. |

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

| Fiscal Year | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|---------------------|----------------------------------|-----------------|--|
| 2021        | \$ 3,935,466                        | \$ 3,935,466        | \$ -                             | \$ 966,547      | 407.2%   |
| 2020        | 3,307,932                           | 3,307,932           | -                                | 1,071,183       | 308.8%   |
| 2019        | 3,233,586                           | 3,233,586           | -                                | 1,042,087       | 310.3%   |
| 2018        | 2,742,005                           | 2,823,410           | (81,405)                         | 970,555         | 290.9%   |
| 2017        | 2,696,961                           | 2,778,366           | (81,405)                         | 1,041,543       | 266.8%   |
| 2016        | 2,615,683                           | 2,673,733           | (58,050)                         | 1,275,960       | 209.5%   |
| 2015        | 2,548,833                           | 2,564,159           | (15,326)                         | 1,250,989       | 205.0%   |
| 2014        | 2,341,353                           | 2,341,353           | -                                | 1,333,456       | 175.6%   |
| 2013        | 2,071,189                           | 2,071,189           | -                                | 1,445,490       | 143.3%   |
| 2012        | 1,733,395                           | 1,733,395           | -                                | 1,460,425       | 118.7%   |

Notes to Schedule:

Valuation date: October 1, 2019

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age normal  |
| Amortization method           | Level dollar, closed  |
| Remaining amortization period | 10 years  |
| Asset valuation method        | 5-year smoothed market  |
| Inflation                     | 2.50%   |
| Salary increases              | 6.5%, including inflation   |
| Investment rate of return     | 7.00%   |
| Mortality                     | RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 actuarial valuation, as mandated by Florida Statutes Chapter 112.63. |



City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)  
Firefighters' Pension Trust – Schedule of Contributions  
Last Ten Fiscal Years**

| Fiscal Year | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a Percentage<br>of Covered<br>Payroll |
|-------------|---|------------------------|--|--------------------|---|
| 2021        | \$ 3,457,426                              | \$ 3,457,426           | \$ -                                   | \$ 284,938         | 1213.4%   |
| 2020        | 3,243,971                                 | 3,243,971              | -                                      | 445,929            | 727.5%  |
| 2019        | 2,872,622                                 | 2,872,622              | -                                      | 639,283            | 449.4%  |
| 2018        | 2,794,091                                 | 2,794,091              | -                                      | 755,301            | 369.9%  |
| 2017        | 2,811,277                                 | 2,811,277              | -                                      | 942,090            | 298.4%  |
| 2016        | 2,709,016                                 | 2,709,016              | -                                      | 968,706            | 279.7%  |
| 2015        | 2,550,030                                 | 2,550,030              | -                                      | 1,050,059          | 242.8%  |
| 2014        | 2,625,210                                 | 2,625,210              | -                                      | 1,073,629          | 244.5%  |
| 2013        | 2,332,795                                 | 2,332,795              | -                                      | 994,538            | 234.6%  |
| 2012        | 1,845,288                                 | 1,845,288              | -                                      | 1,073,889          | 171.8%  |

Notes to Schedule:

Valuation date: October 1, 2019

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age normal  |
| Amortization method           | Level dollar, closed  |
| Remaining amortization period | 10 years  |
| Asset valuation method        | 5-year smoothed market  |
| Inflation                     | 2.50%   |
| Salary increases              | 6.50%   |
| Investment rate of return     | 7.00%   |
| Mortality                     | RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 actuarial valuation, as mandated by Florida Statutes Chapter 112.63. |

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Pension Trust Funds – Schedule of Investment Returns**  
**Last Ten Fiscal Years**

| Fiscal Year | Annual Money-Weighted Rate of Return, Net of Investment Expenses |   |                             |
|-------------|--|---|-----------------------------|
|             | General Employees' Retirement System                             | Police Officers' Relief and Retirement System | Firefighters' Pension Trust |
| 2021        | 19.03 %  | 18.60 %                                       | 20.28 %                     |
| 2020        | 10.54  | 10.38   | 11.54                       |
| 2019        | 4.91   | 4.98  | 3.46                        |
| 2018        | 9.63   | 8.15  | 11.92                       |
| 2017        | 12.84  | 11.44   | 11.14                       |
| 2016        | 7.30   | 6.76  | 7.51                        |
| 2015        | 0.43   | 1.48  | (2.16)                      |
| 2014        | 12.19  | 10.14   | 9.03                        |
| 2013        | 16.25  | 15.44   | 13.81                       |
| 2012        | 19.43  | 19.80   | 20.64                       |

**City of Lake Worth Beach, Florida**

**Required Supplementary Information (unaudited)  
 City of Lake Worth Beach OPEB Plan  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Last Four Fiscal Years**

| Fiscal year ending September 30:                      | 2021                | 2020                | 2019                | 2018                |
|---|---------------------|---------------------|---------------------|---------------------|
| Measurement date September 30:                        | 2020                | 2019                | 2018                | 2017                |
| Total pension liability:                              |                     |                     |                     |                     |
| Service cost  | \$ 30,431           | \$ 28,506           | \$ 21,674           | \$ 21,929           |
| Interest on total OPEB liability                      | 56,531              | 76,947              | 63,806              | 62,760              |
| Changes in benefit terms                              | -                   | -                   | 184,337             | -                   |
| Differences between expected and actual experience    | (182,151)           | -                   | 141,142             | -                   |
| Changes of assumptions                                | 154,787             | 189,844             | 7,230               | (63,321)            |
| Benefit payments                                      | (253,448)           | (247,744)           | (230,272)           | (214,928)           |
| Net change in total OPEB liability                    | (193,850)           | 47,553              | 187,917             | (193,560)           |
| Total OPEB liability – beginning                      | 2,151,968           | 2,104,415           | 1,916,498           | 2,110,058           |
| Total OPEB liability – ending                         | <u>\$ 1,958,118</u> | <u>\$ 2,151,968</u> | <u>\$ 2,104,415</u> | <u>\$ 1,916,498</u> |
| Covered payroll                                       | \$ 19,192,059       | \$ 19,767,821       | \$ 19,192,059       | \$ 19,430,154       |
| Total OPEB liability as percentage of covered payroll | 10.20%              | 10.89%              | 10.97%              | 9.86%               |

**Notes to schedule:**

Schedule is intended to show information for ten years. Additional years will be presented as they become available.

The discount rate was changed from 2.75% to 2.41% for fiscal year 2021.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**THE FOLLOWING COMBINING STATEMENTS INCLUDE THE NONMAJOR GOVERNMENTAL FUNDS, NON- MAJOR ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUNDS AND THE DISCRETELY PRESENTED COMPONENT UNITS. IN ADDITION, BUDGET - TO- ACTUAL SCHEDULES ARE PRESENTED.**

## City of Lake Worth Beach, Florida

### Nonmajor Governmental Funds

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#### **Special Revenue Funds**

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

##### **Beach Fund**

To account for revenues and expenditures associated with the services provided by the beach, pier, pool, beach parking and casino building.

##### **Building Permit Fund**

To account for revenues and expenditures associated with the services provided by the building department.

##### **Golf Fund**

This fund accounts for the operations and rental payments of City-owned golf courses.

##### **Parking Improvement Fund**

Was established by the City Commission to segregate funds and accumulate funds from development assessments on downtown-area properties. These funds are to be used for parking lot maintenance, striping and the possible installation of parking meters to control downtown parking use.

##### **Code Remediation Fund**

To account for the transactions from code compliance liens placed on city properties which have been vacated and the properties acquired through foreclosures.

##### **Grants Fund**

To account for certain revenues and expenditures related to federal, state, and local grants awarded to the City.

##### **Tree Beautification Fund**

Accounts for the collection of tree removal fees and donations that are to be used for the preservation, maintenance, relocation, or restoration of tree ecosystems on public or private land within the City limits.

##### **Utility Conservation Fund**

To account for the receipt and disbursement of funds collected from surcharges (Resolution 48-2009) for Energy Conservation programs.

##### **Simpkin Trust Fund**

To account for the receipt and disbursement of donated monies for the library.

##### **Library Trust Fund**

To account for the receipt and disbursement of monies for the library.

##### **Law Enforcement and Firefighters Education Fund**

To account for state contributions for police and firefighter education and the expenditures incurred.

##### **Law Enforcement Confiscated Property Fund**

To account for the receipt of monies from the sale of confiscated property and disbursement for special law enforcement activities in accordance with Florida statutes and federal regulations.

## **City of Lake Worth Beach, Florida**

### **Nonmajor Governmental Funds**

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#### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

#### **General Obligation Bond (GOB) 2018 Fund**

To account for principal and interest costs on the GOB series 2018 which is funded by property taxes.

#### **Capital Projects Funds**

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

#### **Park of Commerce Fund**

To account for the construction costs of the Park of Commerce Project, funded by City funds, grants, and other financing.

#### **Discretionary Sales Tax Fund**

To account for the "Palm Beach County District Schools, Cities and County Government Infrastructure One-Cent Sales Surtax" for the acquisition or construction of major capital facilities and the purchase of capital items.

#### **Capital Projects Fund**

To account for the acquisition or construction of major capital facilities and the purchase of capital items other than those financed by proprietary fund operations.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2021

|  | Nonmajor<br>Special Revenue<br>Funds | Nonmajor<br>Debt Service<br>Fund<br>GOB 2018 | Nonmajor<br>Capital Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------------|--|---------------------------------------|--|
| <b>Assets</b>                              |                                      |  |                                       |  |
| Cash and cash equivalents                  | \$ 4,117,739                         | \$ 165,278                                   | \$ 8,625,721                          | \$ 12,908,738                              |
| Investments                                | 6,393,698                            | -  | 8,842,729                             | 15,236,427                                 |
| Accounts receivable, net                   | 143,627                              | -  | 621,927                               | 765,554                                    |
| Accrued interest receivable                | 376                                  | -  | 3,684                                 | 4,060                                      |
| Inventories                                | 11,298                               | -  | -                                     | 11,298                                     |
| Land held for resale                       | 111,589                              | -  | -                                     | 111,589                                    |
| Prepaid items                              | 24,289                               | -  | -                                     | 24,289                                     |
| Restricted assets:                         |                                      |  |                                       |  |
| Cash and cash equivalents                  | 425,000                              | -  | -                                     | 425,000                                    |
| <b>Total assets</b>                        | <b>\$ 11,227,616</b>                 | <b>\$ 165,278</b>                            | <b>\$ 18,094,061</b>                  | <b>\$ 29,486,955</b>                       |
| <b>Liabilities</b>                         |                                      |  |                                       |  |
| Accounts and contracts payable             | \$ 68,846                            | \$ -   | \$ 327,609                            | \$ 396,455                                 |
| Accrued liabilities                        | 101,813                              | -  | -                                     | 101,813                                    |
| Due to other funds                         | 69,390                               | -  | 47,595                                | 116,985                                    |
| Unearned revenue                           | 60,751                               | -  | -                                     | 60,751                                     |
| <b>Total liabilities</b>                   | <b>300,800</b>                       | <b>-</b>                                     | <b>375,204</b>                        | <b>676,004</b>                             |
| Fund balances:                             |                                      |  |                                       |  |
| Nonspendable:                              |                                      |  |                                       |  |
| Prepaid items                              | 24,289                               | -  | -                                     | 24,289                                     |
| Inventories                                | 11,298                               | -  | -                                     | 11,298                                     |
| Land held for resale                       | 111,589                              | -  | -                                     | 111,589                                    |
| Restricted for:                            |                                      |  |                                       |  |
| Debt service                               | -                                    | 165,278                                      | -                                     | 165,278                                    |
| Public safety                              | 9,331,147                            | -  | -                                     | 9,331,147                                  |
| Grants                                     | 393,731                              | -  | -                                     | 393,731                                    |
| Capital projects                           | 425,000                              | -  | 10,089,612                            | 10,514,612                                 |
| Parking improvements                       | 69,336                               | -  | -                                     | 69,336                                     |
| Public safety                              | -                                    | -  | -                                     | -  |
| Tree preservation                          | 19,606                               | -  | -                                     | 19,606                                     |
| Energy conservation                        | 178,123                              | -  | -                                     | 178,123                                    |
| Culture and recreation                     | 362,697                              | -  | -                                     | 362,697                                    |
| Assigned to:                               |                                      |  |                                       |  |
| Capital projects                           | -                                    | -  | 7,629,245                             | 7,629,245                                  |
| <b>Total fund balances</b>                 | <b>10,926,816</b>                    | <b>165,278</b>                               | <b>17,718,857</b>                     | <b>28,810,951</b>                          |
| <b>Total liabilities and fund balances</b> | <b>\$ 11,227,616</b>                 | <b>\$ 165,278</b>                            | <b>\$ 18,094,061</b>                  | <b>\$ 29,486,955</b>                       |

City of Lake Worth Beach, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2021**

|  | Nonmajor<br>Special Revenue<br>Funds | Nonmajor<br>Debt Service<br>Fund<br>GOB 2018 | Nonmajor<br>Capital Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------------|--|---------------------------------------|--|
| <b>Revenues:</b>   |                                      |  |                                       |  |
| Property taxes   | \$ -                                 | \$ 2,334,299                                 | \$ -                                  | \$ 2,334,299                               |
| Utility and other taxes  | -                                    | -  | 532,181                               | 532,181                                    |
| Licenses and permits   | 1,555,716                            | -  | -                                     | 1,555,716                                  |
| Fines and forfeitures  | 984,744                              | -  | -                                     | 984,744                                    |
| Charges for services   | 4,989,477                            | -  | -                                     | 4,989,477                                  |
| Intergovernmental  | 252,657                              | -  | 5,795,051                             | 6,047,708                                  |
| Investment income  | 1,603                                | -  | 822                                   | 2,425                                      |
| Miscellaneous  | 245,479                              | -  | 182,000                               | 427,479                                    |
| <b>Total revenues</b>  | <b>8,029,676</b>                     | <b>2,334,299</b>                             | <b>6,510,054</b>                      | <b>16,874,029</b>                          |
| <b>Expenditures:</b>   |                                      |  |                                       |  |
| <b>Current:</b>  |                                      |  |                                       |  |
| General government   | 83,739                               | -  | 4,157                                 | 87,896                                     |
| Public safety  | 1,516,025                            | -  | -                                     | 1,516,025                                  |
| Transportation   | 759,397                              | -  | 12,979                                | 772,376                                    |
| Culture and recreation   | 3,967,678                            | -  | -                                     | 3,967,678                                  |
| Capital outlay   | 55,005                               | -  | 3,870,366                             | 3,925,371                                  |
| <b>Debt service:</b>   |                                      |  |                                       |  |
| Principal  | -                                    | 765,000                                      | -                                     | 765,000                                    |
| Interest   | 171,909                              | 1,387,588                                    | -                                     | 1,559,497                                  |
| <b>Total expenditures</b>  | <b>6,553,753</b>                     | <b>2,152,588</b>                             | <b>3,887,502</b>                      | <b>12,593,843</b>                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,475,923</b>                     | <b>181,711</b>                               | <b>2,622,552</b>                      | <b>4,280,186</b>                           |
| <b>Other financing sources (uses):</b>                               |                                      |  |                                       |  |
| Transfers in   | -                                    | -  | 2,120,000                             | 2,120,000                                  |
| Transfers out  | (280,000)                            | -  | -                                     | (280,000)                                  |
| <b>Total other financing sources</b>                                 | <b>(280,000)</b>                     | <b>-</b>                                     | <b>2,120,000</b>                      | <b>1,840,000</b>                           |
| <b>Net change in fund balance (deficit)</b>                          | <b>1,195,923</b>                     | <b>181,711</b>                               | <b>4,742,552</b>                      | <b>6,120,186</b>                           |
| Fund balances (deficit), beginning of year                           | 9,730,893                            | (16,433)                                     | 12,976,305                            | 22,690,765                                 |
| Fund balances, end of year   | \$ 10,926,816                        | \$ 165,278                                   | \$ 17,718,857                         | \$ 28,810,951                              |



City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 September 30, 2021

|  | Beach<br>Fund       | Building<br>Permit  | Golf              | Parking<br>Improvement | Code<br>Remediation | Grants            | Tree<br>Beautification | Utility<br>Conservation | Simpkin<br>Trust  | Library<br>Trust | Law<br>Enforcement<br>and<br>Firefighters<br>Education | Law<br>Enforcement<br>Confiscated<br>Property | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|---------------------|---------------------|-------------------|------------------------|---------------------|-------------------|------------------------|-------------------------|-------------------|------------------|--|---|--|
| <b>Assets:</b>                             |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Cash and cash equivalents                  | \$ 2,225,231        | \$ 943,034          | \$ 275,649        | \$ 24,676              | \$ 55,825           | \$ 393,731        | \$ 19,606              | \$ -                    | \$ 17,717         | \$ 54,021        | \$ 95,487  | \$ 12,762                                     | \$ 4,117,739                                     |
| Investments                                | 1,713,849           | 3,838,988           | -                 | 44,657                 | 445,659             | -                 | -                      | 247,700                 | 94,041            | -                | -  | 8,804   | 6,393,698  |
| Accounts receivable, net                   | 126,134             | -                   | -                 | -                      | 17,493              | -                 | -                      | -                       | -                 | -                | -  | -   | 143,627  |
| Accrued interest receivable                | 20                  | 250                 | -                 | 3                      | 101                 | -                 | -                      | -                       | -                 | -                | -  | 2   | 376  |
| Inventories                                | -                   | -                   | 11,298            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 11,298   |
| Land held for resale                       | -                   | -                   | -                 | -                      | 111,589             | -                 | -                      | -                       | -                 | -                | -  | -   | 111,589  |
| Prepaid items                              | 5,076               | -                   | 19,213            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 24,289   |
| Restricted assets:                         |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Cash and cash equivalents                  | 400,000             | -                   | 25,000            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 425,000  |
| <b>Total assets</b>                        | <b>\$ 4,470,310</b> | <b>\$ 4,782,272</b> | <b>\$ 331,160</b> | <b>\$ 69,336</b>       | <b>\$ 630,667</b>   | <b>\$ 393,731</b> | <b>\$ 19,606</b>       | <b>\$ 247,700</b>       | <b>\$ 111,758</b> | <b>\$ 54,021</b> | <b>\$ 95,487</b>                                       | <b>\$ 21,568</b>                              | <b>\$ 11,227,616</b>                             |
| <b>Liabilities:</b>                        |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Accounts and contracts payable             | \$ 43,494           | \$ 14,703           | \$ 6,280          | \$ -                   | \$ 4,182            | \$ -              | \$ -                   | \$ 187                  | \$ -              | \$ -             | \$ -   | \$ -  | \$ 68,846  |
| Accrued liabilities                        | 46,512              | 43,601              | 11,700            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 101,813  |
| Due to other funds                         | -                   | -                   | -                 | -                      | -                   | -                 | -                      | 69,390                  | -                 | -                | -  | -   | 69,390   |
| Unearned revenue                           | -                   | -                   | 60,751            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 60,751   |
| <b>Total liabilities</b>                   | <b>90,006</b>       | <b>58,304</b>       | <b>78,731</b>     | <b>-</b>               | <b>4,182</b>        | <b>-</b>          | <b>-</b>               | <b>69,577</b>           | <b>-</b>          | <b>-</b>         | <b>-</b>   | <b>-</b>                                      | <b>300,800</b>                                   |
| <b>Fund balances:</b>                      |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Nonspendable:                              |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Prepaid items                              | 5,076               | -                   | 19,213            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 24,289   |
| Inventories                                | -                   | -                   | 11,298            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 11,298   |
| Land held for resale                       | -                   | -                   | -                 | -                      | 111,589             | -                 | -                      | -                       | -                 | -                | -  | -   | 111,589  |
| Restricted for:                            |                     |                     |                   |                        |                     |                   |                        |                         |                   |                  |  |   |  |
| Public safety                              | 3,975,228           | 4,723,968           | -                 | -                      | 514,896             | -                 | -                      | -                       | -                 | -                | 95,487   | 21,568  | 9,331,147  |
| Grants                                     | -                   | -                   | -                 | -                      | -                   | 393,731           | -                      | -                       | -                 | -                | -  | -   | 393,731  |
| Capital projects                           | 400,000             | -                   | 25,000            | -                      | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 425,000  |
| Parking improvements                       | -                   | -                   | -                 | 69,336                 | -                   | -                 | -                      | -                       | -                 | -                | -  | -   | 69,336   |
| Tree preservation                          | -                   | -                   | -                 | -                      | -                   | -                 | 19,606                 | -                       | -                 | -                | -  | -   | 19,606   |
| Energy conservation                        | -                   | -                   | -                 | -                      | -                   | -                 | -                      | 178,123                 | -                 | -                | -  | -   | 178,123  |
| Culture and recreation                     | -                   | -                   | 196,918           | -                      | -                   | -                 | -                      | -                       | 111,758           | 54,021           | -  | -   | 362,697  |
| <b>Total fund balances</b>                 | <b>4,380,304</b>    | <b>4,723,968</b>    | <b>252,429</b>    | <b>69,336</b>          | <b>626,485</b>      | <b>393,731</b>    | <b>19,606</b>          | <b>178,123</b>          | <b>111,758</b>    | <b>54,021</b>    | <b>95,487</b>  | <b>21,568</b>                                 | <b>10,926,816</b>                                |
| <b>Total liabilities and fund balances</b> | <b>\$ 4,470,310</b> | <b>\$ 4,782,272</b> | <b>\$ 331,160</b> | <b>\$ 69,336</b>       | <b>\$ 630,667</b>   | <b>\$ 393,731</b> | <b>\$ 19,606</b>       | <b>\$ 247,700</b>       | <b>\$ 111,758</b> | <b>\$ 54,021</b> | <b>\$ 95,487</b>                                       | <b>\$ 21,568</b>                              | <b>\$ 11,227,616</b>                             |

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Fiscal Year Ended September 30, 2021

|  | Beach<br>Fund    | Building<br>Permit | Golf             | Parking<br>Improvement | Code<br>Remediation | Grants         | Tree<br>Beautification | Utility<br>Conservation | Simpkin<br>Trust | Library<br>Trust | Law<br>Enforcement<br>and<br>Firefighters<br>Education | Law<br>Enforcement<br>Confiscated<br>Property | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds |
|--|------------------|--------------------|------------------|------------------------|---------------------|----------------|------------------------|-------------------------|------------------|------------------|--|---|--|
| <b>Revenues:</b>   |                  |                    |                  |                        |                     |                |                        |                         |                  |                  |  |   |  |
| Licenses and permits   | \$ -             | \$ 1,555,716       | \$ -             | \$ -                   | \$ -                | \$ -           | \$ -                   | \$ -                    | \$ -             | \$ -             | \$ -   | \$ -  | \$ 1,555,716                                     |
| Fines and forfeitures  | 984,744          | -                  | -                | -                      | -                   | -              | -                      | -                       | -                | -                | -  | -   | 984,744  |
| Charges for services   | 3,510,763        | 8,740              | 1,469,974        | -                      | -                   | -              | -                      | -                       | -                | -                | -  | -   | 4,989,477  |
| Intergovernmental  | -                | -                  | -                | -                      | -                   | 247,866        | -                      | -                       | -                | -                | 4,791  | -   | 252,657  |
| Investment income  | 506              | 883                | -                | 10                     | 15                  | -              | -                      | 159                     | 30               | -                | -  | -   | 1,603  |
| Miscellaneous  | 55,526           | -                  | 29,198           | -                      | 160,755             | -              | -                      | -                       | -                | -                | -  | -   | 245,479  |
| <b>Total revenues</b>  | <b>4,551,539</b> | <b>1,565,339</b>   | <b>1,499,172</b> | <b>10</b>              | <b>160,770</b>      | <b>247,866</b> | <b>-</b>               | <b>159</b>              | <b>30</b>        | <b>-</b>         | <b>4,791</b>   | <b>-</b>                                      | <b>8,029,676</b>                                 |
| <b>Expenditures:</b>   |                  |                    |                  |                        |                     |                |                        |                         |                  |                  |  |   |  |
| <b>Current:</b>  |                  |                    |                  |                        |                     |                |                        |                         |                  |                  |  |   |  |
| General government   | -                | 40,892             | -                | -                      | -                   | -              | -                      | 42,847                  | -                | -                | -  | -   | 83,739   |
| Public safety  | -                | 1,274,296          | -                | -                      | 241,177             | 550            | -                      | -                       | -                | -                | -  | 2   | 1,516,025  |
| Transportation   | 759,385          | -                  | -                | 12                     | -                   | -              | -                      | -                       | -                | -                | -  | -   | 759,397  |
| Culture and recreation   | 2,698,636        | -                  | 1,269,016        | -                      | -                   | -              | -                      | -                       | 26               | -                | -  | -   | 3,967,678  |
| Capital outlay   | 21,176           | 10,354             | -                | -                      | 23,475              | -              | -                      | -                       | -                | -                | -  | -   | 55,005   |
| <b>Debt service:</b>   |                  |                    |                  |                        |                     |                |                        |                         |                  |                  |  |   |  |
| Interest and other costs   | 170,021          | -                  | 1,888            | -                      | -                   | -              | -                      | -                       | -                | -                | -  | -   | 171,909  |
| <b>Total expenditures</b>  | <b>3,649,218</b> | <b>1,325,542</b>   | <b>1,270,904</b> | <b>12</b>              | <b>264,652</b>      | <b>550</b>     | <b>-</b>               | <b>42,847</b>           | <b>26</b>        | <b>-</b>         | <b>-</b>   | <b>2</b>                                      | <b>6,553,753</b>                                 |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>902,321</b>   | <b>239,797</b>     | <b>228,268</b>   | <b>(2)</b>             | <b>(103,882)</b>    | <b>247,316</b> | <b>-</b>               | <b>(42,688)</b>         | <b>4</b>         | <b>-</b>         | <b>4,791</b>   | <b>(2)</b>                                    | <b>1,475,923</b>                                 |
| <b>Other financing uses:</b>   |                  |                    |                  |                        |                     |                |                        |                         |                  |                  |  |   |  |
| Transfers out  | (230,000)        | -                  | (50,000)         | -                      | -                   | -              | -                      | -                       | -                | -                | -  | -   | (280,000)  |
| <b>Net change in fund balances</b>                                   | <b>672,321</b>   | <b>239,797</b>     | <b>178,268</b>   | <b>(2)</b>             | <b>(103,882)</b>    | <b>247,316</b> | <b>-</b>               | <b>(42,688)</b>         | <b>4</b>         | <b>-</b>         | <b>4,791</b>   | <b>(2)</b>                                    | <b>1,195,923</b>                                 |
| Fund balances (deficit), beginning of year                           | 3,707,983        | 4,484,171          | 74,161           | 69,338                 | 730,367             | 146,415        | 19,606                 | 220,811                 | 111,754          | 54,021           | 90,696   | 21,570  | 9,730,893  |
| Fund balances, end of year   | \$ 4,380,304     | \$ 4,723,968       | \$ 252,429       | \$ 69,336              | \$ 626,485          | \$ 393,731     | \$ 19,606              | \$ 178,123              | \$ 111,758       | \$ 54,021        | \$ 95,487  | \$ 21,568                                     | \$ 10,926,816                                    |

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 September 30, 2021

|  | Park of<br>Commerce | Discretionary<br>Sales Tax | Capital<br>Projects | Total<br>Nonmajor<br>Capital<br>Projects<br>Funds |
|--|---------------------|----------------------------|---------------------|---|
| <b>Assets</b>                                  |                     |                            |                     |   |
| Cash and cash equivalents                      | \$ 82,257           | \$ 5,798,237               | \$ 2,745,227        | \$ 8,625,721                                      |
| Investments                                    | 4,164,141           | 3,738,554                  | 940,034             | 8,842,729   |
| Accounts receivable, net                       | -                   | 551,089                    | 70,838              | 621,927   |
| Accrued interest receivable                    | 1,591               | 1,732                      | 361                 | 3,684   |
| <b>Total assets</b>                            | <b>\$ 4,247,989</b> | <b>\$ 10,089,612</b>       | <b>\$ 3,756,460</b> | <b>\$ 18,094,061</b>                              |
| <b>Liabilities</b>                             |                     |                            |                     |   |
| Accounts and contracts payable                 | \$ 244,328          | \$ -                       | \$ 83,281           | \$ 327,609  |
| Due to other funds                             | -                   | -                          | 47,595              | 47,595  |
| <b>Total liabilities</b>                       | <b>244,328</b>      | <b>-</b>                   | <b>130,876</b>      | <b>375,204</b>                                    |
| Fund balances:                                 |                     |                            |                     |   |
| Restricted for:                                |                     |                            |                     |   |
| Capital Projects                               | -                   | 10,089,612                 | -                   | 10,089,612  |
| Assigned to:                                   |                     |                            |                     |   |
| Capital projects                               | 4,003,661           | -                          | 3,625,584           | 7,629,245   |
| <b>Total fund balances</b>                     | <b>4,003,661</b>    | <b>10,089,612</b>          | <b>3,625,584</b>    | <b>17,718,857</b>                                 |
| <b>Total liabilities and fund<br/>balances</b> | <b>\$ 4,247,989</b> | <b>\$ 10,089,612</b>       | <b>\$ 3,756,460</b> | <b>\$ 18,094,061</b>                              |

City of Lake Worth Beach, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended September 30, 2021**

|  | Park of<br>Commerce | Discretionary<br>Sales Tax | Capital<br>Projects | Total<br>Nonmajor<br>Capital<br>Projects<br>Funds |
|--|---------------------|----------------------------|---------------------|---|
| <b>Revenues:</b>   |                     |                            |                     |   |
| Utility and other taxes  | \$ -                | \$ -                       | \$ 532,181          | \$ 532,181  |
| Intergovernmental  | 2,679,433           | 3,115,618                  | -                   | 5,795,051   |
| Investment income  | -                   | 822                        | -                   | 822   |
| Miscellaneous  | -                   | -                          | 182,000             | 182,000   |
| <b>Total revenues</b>  | <b>2,679,433</b>    | <b>3,116,440</b>           | <b>714,181</b>      | <b>6,510,054</b>                                  |
| <b>Expenditures:</b>   |                     |                            |                     |   |
| Current:   |                     |                            |                     |   |
| General government   | 1,500               | 746                        | 1,911               | 4,157   |
| Transportation   | -                   | 12,979                     | -                   | 12,979  |
| Capital outlay   | 2,666,989           | -                          | 1,203,377           | 3,870,366   |
| <b>Total expenditures</b>  | <b>2,668,489</b>    | <b>13,725</b>              | <b>1,205,288</b>    | <b>3,887,502</b>                                  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>10,944</b>       | <b>3,102,715</b>           | <b>(491,107)</b>    | <b>2,622,552</b>                                  |
| <b>Other financing sources:</b>                                      |                     |                            |                     |   |
| Transfers in   | -                   | -                          | 2,120,000           | 2,120,000   |
| <b>Net change in fund balances</b>                                   | <b>10,944</b>       | <b>3,102,715</b>           | <b>1,628,893</b>    | <b>4,742,552</b>                                  |
| Fund balances, beginning of year                                     | 3,992,717           | 6,986,897                  | 1,996,691           | 12,976,305  |
| Fund balances, end of year   | \$ 4,003,661        | \$ 10,089,612              | \$ 3,625,584        | \$ 17,718,857                                     |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Beach Fund  
 For the Fiscal Year Ended September 30, 2021

|   | Budgeted Amounts |                  | Actual              | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|---------------------|--|
|   | Original         | Final            |                     |  |
| <b>Revenues:</b>                            |                  |                  |                     |  |
| Charges for services                        | \$ 3,450,408     | \$ 3,450,408     | \$ 3,510,763        | \$ 60,355  |
| Fines and forfeitures                       | 217,200          | 217,200          | 984,744             | 767,544  |
| Investment income                           | 13,000           | 13,000           | 506                 | (12,494)   |
| Miscellaneous                               | 25,850           | 25,850           | 55,526              | 29,676   |
| <b>Total revenues</b>                       | <b>3,706,458</b> | <b>3,706,458</b> | <b>4,551,539</b>    | <b>845,081</b>   |
| <b>Expenditures:</b>                        |                  |                  |                     |  |
| Current:                                    |                  |                  |                     |  |
| Transportation                              | 872,960          | 872,960          | 759,385             | 113,575  |
| Culture and recreation                      | 2,740,364        | 2,724,164        | 2,698,636           | 25,528   |
| Capital outlay                              | 5,000            | 21,200           | 21,176              | 24   |
| Debt service:                               |                  |                  |                     |  |
| Interest                                    | -                | -                | 170,021             | (170,021)  |
| <b>Total expenditures</b>                   | <b>3,618,324</b> | <b>3,618,324</b> | <b>3,649,218</b>    | <b>(30,894)</b>  |
| <b>Excess of revenues over expenditures</b> | <b>88,134</b>    | <b>88,134</b>    | <b>902,321</b>      | <b>814,187</b>   |
| <b>Other financing uses:</b>                |                  |                  |                     |  |
| Transfers out                               | -                | -                | (230,000)           | 230,000  |
| Appropriated fund balance                   | (88,134)         | (88,134)         | -                   | 88,134   |
| <b>Total other financing uses</b>           | <b>(88,134)</b>  | <b>(88,134)</b>  | <b>(230,000)</b>    | <b>318,134</b>   |
| <b>Net change in fund balance</b>           | <b>\$ -</b>      | <b>\$ -</b>      | <b>672,321</b>      | <b>\$ 1,132,321</b>  |
| Fund balance, beginning of year             |                  |                  | <u>3,707,983</u>    |  |
| Fund balance, end of year                   |                  |                  | <u>\$ 4,380,304</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Building Permit Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |                  | Actual                     | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|----------------------------|--|
|  | Original         | Final            |                            |  |
| Revenues:  |                  |                  |                            |  |
| Licenses and permits   | \$ 1,117,000     | \$ 1,117,000     | \$ 1,555,716               | \$ 438,716   |
| Charges for services   | 15,150           | 15,150           | 8,740                      | (6,410)  |
| Investment income  | -                | -                | 883                        | 883  |
| <b>Total revenues</b>  | <b>1,132,150</b> | <b>1,132,150</b> | <b>1,565,339</b>           | <b>433,189</b>   |
| Expenditures:  |                  |                  |                            |  |
| Current:   |                  |                  |                            |  |
| General government   | 40,892           | 40,892           | 40,892                     | -  |
| Public safety  | 1,331,372        | 1,331,372        | 1,274,296                  | 57,076   |
| Capital outlay   | 555,000          | 555,000          | 10,354                     | 544,646  |
| <b>Total expenditures</b>  | <b>1,927,264</b> | <b>1,927,264</b> | <b>1,325,542</b>           | <b>601,722</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(795,114)</b> | <b>(795,114)</b> | <b>239,797</b>             | <b>1,034,911</b>   |
| Other financing sources:   |                  |                  |                            |  |
| Appropriated fund balance  | 795,114          | 795,114          | -                          | (795,114)  |
| <b>Total other financing sources</b>                                 | <b>795,114</b>   | <b>795,114</b>   | <b>-</b>                   | <b>(795,114)</b>   |
| <b>Net change in fund balance</b>                                    | <b>\$ -</b>      | <b>\$ -</b>      | <b>239,797</b>             | <b>\$ 239,797</b>  |
| Fund balance, beginning of year                                      |                  |                  | <u>4,484,171</u>           |  |
| Fund balance, end of year  |                  |                  | <u><u>\$ 4,723,968</u></u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Golf Fund  
 For the Fiscal Year Ended September 30, 2021

|   | Budgeted Amounts |                  | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|--|
|   | Original         | Final            |                   |  |
| Revenues:                                   |                  |                  |                   |  |
| Charges for services                        | \$ 1,269,500     | \$ 1,269,500     | \$ 1,469,974      | \$ 200,474   |
| Miscellaneous                               | 10,000           | 10,000           | 29,198            | 19,198   |
| <b>Total revenues</b>                       | <b>1,279,500</b> | <b>1,279,500</b> | <b>1,499,172</b>  | <b>219,672</b>   |
| Expenditures:                               |                  |                  |                   |  |
| Current:                                    |                  |                  |                   |  |
| Culture and recreation                      | 1,278,874        | 1,278,874        | 1,269,016         | 9,858  |
| Debt service:                               |                  |                  |                   |  |
| Interest                                    | -                | -                | 1,888             | (1,888)  |
| <b>Total expenditures</b>                   | <b>1,278,874</b> | <b>1,278,874</b> | <b>1,270,904</b>  | <b>7,970</b>   |
| <b>Excess of revenues over expenditures</b> | <b>626</b>       | <b>626</b>       | <b>228,268</b>    | <b>227,642</b>   |
| Other financing sources (uses):             |                  |                  |                   |  |
| Non operating sources                       | 50,000           | 50,000           | -                 | (50,000)   |
| Transfers out                               | -                | -                | (50,000)          | (50,000)   |
| Appropriated fund balance                   | (50,626)         | (50,626)         | -                 | 50,626   |
| <b>Total other financing sources (uses)</b> | <b>(626)</b>     | <b>(626)</b>     | <b>(50,000)</b>   | <b>(49,374)</b>  |
| <b>Net change in fund balance</b>           | <b>\$ -</b>      | <b>\$ -</b>      | <b>178,268</b>    | <b>\$ 178,268</b>  |
| Fund balance (deficit), beginning of year   |                  |                  | 74,161            |  |
| Fund balance, end of year                   |                  |                  | <u>\$ 252,429</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Parking Improvement Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |             | Actual           | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|------------------|--|
|  | Original         | Final       |                  |  |
| Revenues:  |                  |             |                  |  |
| Investment income  | \$ -             | \$ -        | \$ 10            | \$ 10  |
| Expenditures:  |                  |             |                  |  |
| Transportation   | -                | -           | 12               | (12)   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>-</u>         | <u>-</u>    | <u>(2)</u>       | <u>(2)</u>   |
| Other financing sources (uses):                                      |                  |             |                  |  |
| Appropriated fund balance  | -                | -           | -                | -  |
| <b>Total other financing sources (uses)</b>                          | <u>-</u>         | <u>-</u>    | <u>-</u>         | <u>-</u>   |
| <b>Net change in fund balance</b>                                    | <u>\$ -</u>      | <u>\$ -</u> | <u>(2)</u>       | <u>\$ (2)</u>  |
| Fund balance, beginning of year                                      |                  |             | <u>69,338</u>    |  |
| Fund balance, end of year  |                  |             | <u>\$ 69,336</u> |  |



City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Code Remediation Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |                 | Actual           | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|------------------|--|
|  | Original         | Final           |                  |  |
| Revenues:  |                  |                 |                  |  |
| Investment income  | \$ 4,000         | \$ 4,000        | \$ 15            | \$ (3,985)   |
| Miscellaneous  | 365,000          | 365,000         | 160,755          | (204,245)  |
| <b>Total revenues</b>  | <b>369,000</b>   | <b>369,000</b>  | <b>160,770</b>   | <b>(208,230)</b>   |
| Expenditures:  |                  |                 |                  |  |
| Current:   |                  |                 |                  |  |
| Public safety  | 286,525          | 289,525         | 241,177          | 48,348   |
| Capital outlay   | 23,475           | 23,475          | 23,475           | -  |
| <b>Total expenditures</b>  | <b>310,000</b>   | <b>313,000</b>  | <b>264,652</b>   | <b>48,348</b>  |
| <b>Excess (deficiency) of revenues<br/>        over (under) expenditures</b> | <b>59,000</b>    | <b>56,000</b>   | <b>(103,882)</b> | <b>(256,578)</b>   |
| Other financing sources:   |                  |                 |                  |  |
| Appropriated fund balance  | (59,000)         | (56,000)        | -                | 56,000   |
| <b>Total other financing sources</b>   | <b>(59,000)</b>  | <b>(56,000)</b> | <b>-</b>         | <b>56,000</b>  |
| <b>Net change in fund balance</b>  | <b>\$ -</b>      | <b>\$ -</b>     | <b>(103,882)</b> | <b>\$ (200,578)</b>  |
| Fund balance, beginning of year  |                  |                 | 730,367          |  |
| Fund balance, end of year  |                  |                 | \$ 626,485       |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual

Grants Fund

For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |                  | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|--|
|  | Original         | Final            |                   |  |
| Revenues:  |                  |                  |                   |  |
| Intergovernmental  | \$ 608,679       | \$ 608,679       | \$ 247,866        | \$ (360,813)   |
| <b>Total revenues</b>  | <b>608,679</b>   | <b>608,679</b>   | <b>247,866</b>    | <b>(360,813)</b>   |
| Expenditures:  |                  |                  |                   |  |
| Current:   |                  |                  |                   |  |
| Public safety  | 759,896          | 759,896          | 550               | 759,346  |
| <b>Total expenditures</b>  | <b>759,896</b>   | <b>759,896</b>   | <b>550</b>        | <b>759,346</b>   |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | <b>(151,217)</b> | <b>(151,217)</b> | <b>247,316</b>    | <b>398,533</b>   |
| Other financing sources (uses):  |                  |                  |                   |  |
| Transfers in   | 115,881          | 115,881          | -                 | (115,881)  |
| Appropriated fund balance  | 35,336           | 35,336           | -                 | (35,336)   |
| <b>Total other financing sources (uses)</b>                              | <b>151,217</b>   | <b>151,217</b>   | <b>-</b>          | <b>(151,217)</b>   |
| <b>Net change in fund balance</b>  | <b>\$ -</b>      | <b>\$ -</b>      | <b>247,316</b>    | <b>\$ 247,316</b>  |
| Fund balance, beginning of year  |                  |                  | 146,415           |  |
| Fund balance, end of year  |                  |                  | <u>\$ 393,731</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Tree Beautification Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |             | Actual           | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|------------------|--|
|  | Original         | Final       |                  |  |
| <b>Revenues:</b>   |                  |             |                  |  |
| Miscellaneous  | \$ -             | \$ -        | \$ -             | \$ -   |
| <b>Total revenues</b>  | -                | -           | -                | -  |
| <b>Expenditures:</b>   |                  |             |                  |  |
| Current:   |                  |             |                  |  |
| Physical environment   | -                | -           | -                | -  |
| <b>Total expenditures</b>  | -                | -           | -                | -  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                | -           | -                | -  |
| <b>Net change in fund balance</b>                                    | <u>\$ -</u>      | <u>\$ -</u> | -                | <u>\$ -</u>  |
| Fund balance, beginning of year                                      |                  |             | <u>19,606</u>    |  |
| Fund balance, end of year  |                  |             | <u>\$ 19,606</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Utility Conservation Fund  
 For the Fiscal Year Ended September 30, 2021

|   | Budgeted Amounts |                  | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|--|
|   | Original         | Final            |                   |  |
| Revenues:                                       |                  |                  |                   |  |
| Investment income                               | \$ -             | \$ -             | \$ 159            | \$ 159   |
| Miscellaneous                                   | -                | -                | -                 | -  |
| <b>Total revenues</b>                           | <b>-</b>         | <b>-</b>         | <b>159</b>        | <b>159</b>   |
| Expenditures:                                   |                  |                  |                   |  |
| Current:  |                  |                  |                   |  |
| General government                              | 174,777          | 174,777          | 42,847            | 131,930  |
| <b>Total expenditures</b>                       | <b>174,777</b>   | <b>174,777</b>   | <b>42,847</b>     | <b>131,930</b>   |
| <b>Deficiency of revenues over expenditures</b> | <b>(174,777)</b> | <b>(174,777)</b> | <b>(42,688)</b>   | <b>132,089</b>   |
| Other financing sources (uses):                 |                  |                  |                   |  |
| Appropriated fund balance                       | 174,777          | 174,777          | -                 | (174,777)  |
| <b>Total other financing sources (uses)</b>     | <b>174,777</b>   | <b>174,777</b>   | <b>-</b>          | <b>(174,777)</b>   |
| <b>Net change in fund balance</b>               | <b>\$ -</b>      | <b>\$ -</b>      | <b>(42,688)</b>   | <b>\$ (42,688)</b>   |
| Fund balance, beginning of year                 |                  |                  | 220,811           |  |
| Fund balance, end of year                       |                  |                  | <u>\$ 178,123</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Simpkin Trust Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |              | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|--------------|-------------------|--|
|  | Original         | Final        |                   |  |
| Revenues:  |                  |              |                   |  |
| Investment income  | \$ 500           | \$ 500       | \$ 30             | \$ (470)   |
| <b>Total revenues</b>  | <b>500</b>       | <b>500</b>   | <b>30</b>         | <b>(470)</b>   |
| Expenditures:  |                  |              |                   |  |
| Current:   |                  |              |                   |  |
| Culture and recreation   | -                | -            | 26                | (26)   |
| <b>Total expenditures</b>  | <b>-</b>         | <b>-</b>     | <b>26</b>         | <b>(26)</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>500</b>       | <b>500</b>   | <b>4</b>          | <b>(496)</b>   |
| Other financing sources (uses):                                      |                  |              |                   |  |
| Transfers out  | (30,000)         | (30,000)     | -                 | 30,000   |
| Appropriated fund balance  | 29,500           | 29,500       | -                 | (29,500)   |
| <b>Total other financing sources (uses)</b>                          | <b>(500)</b>     | <b>(500)</b> | <b>-</b>          | <b>500</b>   |
| <b>Net change in fund balance</b>                                    | <b>\$ -</b>      | <b>\$ -</b>  | <b>4</b>          | <b>\$ 4</b>  |
| Fund balance, beginning of year                                      |                  |              | 111,754           |  |
| Fund balance, end of year  |                  |              | <u>\$ 111,758</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Library Trust Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |              | Actual    | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|--------------|-----------|--|
|  | Original         | Final Budget |           |  |
| Revenues:  |                  |              |           |  |
| Miscellaneous  | \$ -             | \$ -         | \$ -      | \$ -   |
| <b>Total revenues</b>  | <b>-</b>         | <b>-</b>     | <b>-</b>  | <b>-</b>   |
| Expenditures   |                  |              |           |  |
| <b>Total expenditures</b>  | <b>-</b>         | <b>-</b>     | <b>-</b>  | <b>-</b>   |
| <b>Excess (deficiency) of revenues<br/>    over (under) expenditures</b> | <b>-</b>         | <b>-</b>     | <b>-</b>  | <b>-</b>   |
| Other financing sources (uses):  |                  |              |           |  |
| Appropriated fund balance  | -                | -            | -         | -  |
| <b>Total other financing sources (uses)</b>                              | <b>-</b>         | <b>-</b>     | <b>-</b>  | <b>-</b>   |
| <b>Net change in fund balance</b>  | <b>\$ -</b>      | <b>\$ -</b>  | <b>-</b>  | <b>\$ -</b>  |
| Fund balance, beginning of year  |                  |              | 54,021    |  |
| Fund balance, end of year  |                  |              | \$ 54,021 |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Neighborhood Road Program Fund  
 For the Fiscal Year Ended September 30, 2021

|   | Budgeted Amounts   |                    | Actual              | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---------------------|--|
|   | Original           | Final              |                     |  |
| <b>Revenues:</b>                                |                    |                    |                     |  |
| Investment income                               | \$ -               | \$ -               | \$ 12,034           | \$ 12,034  |
| <b>Total revenues</b>                           | <b>-</b>           | <b>-</b>           | <b>12,034</b>       | <b>12,034</b>  |
| <b>Expenditures:</b>                            |                    |                    |                     |  |
| Capital outlay                                  | 7,981,401          | 7,981,401          | 3,523,937           | 4,457,464  |
| <b>Total expenditures</b>                       | <b>7,981,401</b>   | <b>7,981,401</b>   | <b>3,523,937</b>    | <b>4,457,464</b>   |
| <b>Deficiency of revenues over expenditures</b> | <b>(7,981,401)</b> | <b>(7,981,401)</b> | <b>(3,511,903)</b>  | <b>4,469,498</b>   |
| <b>Other financing sources (uses):</b>          |                    |                    |                     |  |
| Appropriated fund balance                       | 7,981,401          | 7,981,401          | -                   | (7,981,401)  |
| <b>Total other financing sources (uses)</b>     | <b>7,981,401</b>   | <b>7,981,401</b>   | <b>-</b>            | <b>(7,981,401)</b>   |
| <b>Net change in fund balance</b>               | <b>\$ -</b>        | <b>\$ -</b>        | <b>(3,511,903)</b>  | <b>\$ (3,511,903)</b>                                      |
| Fund balance, beginning of year                 |                    |                    | 6,481,249           |  |
| Fund balance, end of year                       |                    |                    | <u>\$ 2,969,346</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Law Enforcement and Firefighters Education Fund  
 For the Fiscal Year Ended September 30, 2021

|                                   | Budgeted Amounts |              | Actual                  | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|--------------|-------------------------|--|
|                                   | Original         | Final Budget |                         |  |
| Revenues:                         |                  |              |                         |  |
| Intergovernmental                 | \$ -             | \$ -         | \$ 4,791                | \$ 4,791   |
| <b>Total revenues</b>             | -                | -            | 4,791                   | 4,791  |
| Expenditures:                     |                  |              |                         |  |
| Public safety                     | -                | -            | -                       | -  |
| <b>Total expenditures</b>         | -                | -            | -                       | -  |
| <b>Net change in fund balance</b> | <u>\$ -</u>      | <u>\$ -</u>  | 4,791                   | <u>\$ 4,791</u>  |
| Fund balance, beginning of year   |                  |              | <u>90,696</u>           |  |
| Fund balance, end of year         |                  |              | <u><u>\$ 95,487</u></u> |  |



City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Law Enforcement Confiscated Property Fund  
 For the Fiscal Year Ended September 30, 2021

|                                   | Budgeted Amounts |              | Actual           | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|-----------------------------------|------------------|--------------|------------------|--|
|                                   | Original         | Final Budget |                  |  |
| Revenues:                         |                  |              |                  |  |
| Intergovernmental                 | \$ -             | \$ -         | \$ -             | \$ -   |
| <b>Total revenues</b>             | <b>-</b>         | <b>-</b>     | <b>-</b>         | <b>-</b>   |
| Expenditures:                     |                  |              |                  |  |
| Public safety                     | -                | -            | 2                | (2)  |
| <b>Total expenditures</b>         | <b>-</b>         | <b>-</b>     | <b>2</b>         | <b>(2)</b>   |
| <b>Net change in fund balance</b> | <b>\$ -</b>      | <b>\$ -</b>  | <b>(2)</b>       | <b>\$ (2)</b>  |
| Fund balance, beginning of year   |                  |              | 21,570           |  |
| Fund balance, end of year         |                  |              | <u>\$ 21,568</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Government Obligation Bond 2018  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |                  | Actual            | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|--|
|  | Original         | Final Budget     |                   |  |
| Revenues:  |                  |                  |                   |  |
| Property taxes   | \$ 2,152,587     | \$ 2,152,587     | \$ 2,334,299      | \$ 181,712   |
| <b>Total revenues</b>  | <u>2,152,587</u> | <u>2,152,587</u> | <u>2,334,299</u>  | <u>181,712</u>   |
| Current:   |                  |                  |                   |  |
| Debt service:  |                  |                  |                   |  |
| Principal  | 765,000          | 765,000          | 765,000           | -  |
| Interest   | 1,387,588        | 1,387,588        | 1,387,588         | -  |
| <b>Total expenditures</b>  | <u>2,152,588</u> | <u>2,152,588</u> | <u>2,152,588</u>  | <u>-</u>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>(1)</u>       | <u>(1)</u>       | <u>181,711</u>    | <u>181,712</u>   |
| Other financing sources (uses):                                      |                  |                  |                   |  |
| Appropriated fund balance  | 1                | 1                | -                 | (1)  |
| <b>Total other financing sources (uses)</b>                          | <u>1</u>         | <u>1</u>         | <u>-</u>          | <u>(1)</u>   |
| <b>Net change in fund balance</b>                                    | <u>\$ -</u>      | <u>\$ -</u>      | <u>181,711</u>    | <u>\$ 181,711</u>  |
| Fund balance (deficit), beginning of year                            |                  |                  | \$ (16,433)       |  |
| Fund balance (deficit), end of year                                  |                  |                  | <u>\$ 165,278</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Park of Commerce Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |                  | Actual              | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|--|
|  | Original         | Final Budget     |                     |  |
| Revenues:  |                  |                  |                     |  |
| Intergovernmental  | \$ -             | \$ 2,404,275     | \$ 2,679,433        | \$ 275,158   |
| <b>Total revenues</b>  | <b>-</b>         | <b>2,404,275</b> | <b>2,679,433</b>    | <b>275,158</b>   |
| Expenditures:  |                  |                  |                     |  |
| Current:   |                  |                  |                     |  |
| General government   | -                | -                | 1,500               | (1,500)  |
| Capital outlay   | 817,000          | 3,221,275        | 2,666,989           | 554,286  |
| <b>Total expenditures</b>  | <b>817,000</b>   | <b>3,221,275</b> | <b>2,668,489</b>    | <b>552,786</b>   |
| <b>Excess (deficiency) of revenues<br/>        over (under) expenditures</b> | <b>(817,000)</b> | <b>(817,000)</b> | <b>10,944</b>       | <b>827,944</b>   |
| Other financing sources:   |                  |                  |                     |  |
| Appropriated fund balance  | 817,000          | 817,000          | -                   | (817,000)  |
| <b>Total other financing sources</b>   | <b>817,000</b>   | <b>817,000</b>   | <b>-</b>            | <b>(817,000)</b>   |
| <b>Net change in fund balance</b>  | <b>\$ -</b>      | <b>\$ -</b>      | <b>10,944</b>       | <b>\$ 10,944</b>   |
| Fund balance, beginning of year  |                  |                  | 3,992,717           |  |
| Fund balance, end of year  |                  |                  | <u>\$ 4,003,661</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Discretionary Sales Tax Fund  
 For the Fiscal Year Ended September 30, 2021

|  | Budgeted Amounts |              | Actual               | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|--|------------------|--------------|----------------------|--|
|  | Original         | Final Budget |                      |  |
| <b>Revenues:</b>   |                  |              |                      |  |
| Sales tax  | \$ -             | \$ -         | \$ 3,115,618         | \$ 3,115,618   |
| Investment income  | -                | -            | 822                  | 822  |
| <b>Total revenues</b>  | -                | -            | 3,116,440            | 3,116,440  |
| <b>Expenditures:</b>   |                  |              |                      |  |
| Current:   |                  |              |                      |  |
| General government   | -                | -            | 746                  | (746)  |
| Transportation   | -                | 16,423       | 12,979               | 3,444  |
| Capital outlay   | -                | -            | -                    | -  |
| <b>Total expenditures</b>  | -                | 16,423       | 13,725               | 2,698  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                | (16,423)     | 3,102,715            | 3,119,138  |
| <b>Other financing sources:</b>                                      |                  |              |                      |  |
| Appropriated fund balance  | -                | 16,423       | -                    | (16,423)   |
| <b>Net change in fund balance</b>                                    | <u>\$ -</u>      | <u>\$ -</u>  | 3,102,715            | <u>\$ 3,102,715</u>  |
| Fund balance, beginning of year                                      |                  |              | <u>6,986,897</u>     |  |
| Fund balance, end of year  |                  |              | <u>\$ 10,089,612</u> |  |

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Capital Projects Fund  
 For the Fiscal Year Ended September 30, 2021

|   | Budgeted Amounts   |                    | Actual              | Variance<br>with Final<br>Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---------------------|--|
|   | Original           | Final Budget       |                     |  |
| <b>Revenues:</b>                                |                    |                    |                     |  |
| Utility and other taxes                         | \$ -               | \$ -               | \$ 532,181          | \$ 532,181   |
| Miscellaneous                                   | -                  | -                  | 182,000             | 182,000  |
| <b>Total revenues</b>                           | <b>-</b>           | <b>-</b>           | <b>714,181</b>      | <b>714,181</b>   |
| <b>Expenditures:</b>                            |                    |                    |                     |  |
| Current:  |                    |                    |                     |  |
| General government                              | 1,117              | 1,117              | 1,911               | (794)  |
| Capital outlay                                  | 1,313,504          | 1,313,504          | 1,203,377           | 110,127  |
| <b>Total expenditures</b>                       | <b>1,314,621</b>   | <b>1,314,621</b>   | <b>1,205,288</b>    | <b>109,333</b>   |
| <b>Deficiency of revenues over expenditures</b> | <b>(1,314,621)</b> | <b>(1,314,621)</b> | <b>(491,107)</b>    | <b>823,514</b>   |
| <b>Other financing sources (uses):</b>          |                    |                    |                     |  |
| Transfers in                                    | -                  | -                  | 2,120,000           | 2,120,000  |
| Appropriated fund balance                       | 1,314,621          | 1,314,621          | -                   | (1,314,621)  |
| <b>Total other financing sources (uses)</b>     | <b>1,314,621</b>   | <b>1,314,621</b>   | <b>2,120,000</b>    | <b>805,379</b>   |
| <b>Net change in fund balance</b>               | <b>\$ -</b>        | <b>\$ -</b>        | <b>1,628,893</b>    | <b>\$ 1,628,893</b>  |
| Fund balance, beginning of year                 |                    |                    | 1,996,691           |  |
| Fund balance, end of year                       |                    |                    | <u>\$ 3,625,584</u> |  |

## City of Lake Worth Beach, Florida

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### Nonmajor Enterprise Funds

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.

#### **Stormwater Utility Fund**

This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.

#### **Refuse Collection and Disposal Fund**

To account for the provision of solid waste removal for the residents of the service area. All activities to provide such service are accounted for, including collection and disposal.

City of Lake Worth Beach, Florida  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
September 30, 2021

|   | Stormwater<br>Utility | Refuse<br>Collection<br>and<br>Disposal | Total<br>Nonmajor<br>Enterprise<br>Funds |
|---|-----------------------|---|--|
| <b>Assets</b>                               |                       |   |  |
| Current assets:                             |                       |   |  |
| Cash and cash equivalents                   | \$ 405,185            | \$ 1,548,189                            | \$ 1,953,374                             |
| Investments                                 | 3,679,055             | 7,043,928                               | 10,722,983                               |
| Accounts receivable, net                    | -                     | 496,861                                 | 496,861                                  |
| Accrued interest receivable                 | -                     | 80                                      | 80                                       |
| <b>Total current assets</b>                 | <b>4,084,240</b>      | <b>9,089,058</b>                        | <b>13,173,298</b>                        |
| Non-current assets:                         |                       |   |  |
| Restricted assets:                          |                       |   |  |
| Cash and cash equivalents                   | 2,372,000             | 525,000                                 | 2,897,000                                |
| Capital assets:                             |                       |   |  |
| Land  | 138,346               | 593,700                                 | 732,046                                  |
| Construction in progress                    | 2,096,810             | -                                       | 2,096,810                                |
| Land improvements                           | 241,637               | -                                       | 241,637                                  |
| Buildings and structures                    | -                     | 296,994                                 | 296,994                                  |
| Infrastructure                              | 6,860,440             | -                                       | 6,860,440                                |
| Machinery and equipment                     | 449,553               | 231,739                                 | 681,292                                  |
| Vehicles                                    | 380,233               | 3,743,271                               | 4,123,504                                |
| Accumulated depreciation                    | (3,422,801)           | (2,923,586)                             | (6,346,387)                              |
| <b>Total non-current assets</b>             | <b>9,116,218</b>      | <b>2,467,118</b>                        | <b>11,583,336</b>                        |
| <b>Total assets</b>                         | <b>13,200,458</b>     | <b>11,556,176</b>                       | <b>24,756,634</b>                        |
| Deferred outflows of resources:             |                       |   |  |
| Deferred outflows relating to pensions      | 130,483               | 477,377                                 | 607,860                                  |
| Deferred outflows relating to OPEB          | 7,458                 | 36,572                                  | 44,030                                   |
| <b>Total deferred outflows of resources</b> | <b>137,941</b>        | <b>513,949</b>                          | <b>651,890</b>                           |
| <b>Liabilities</b>                          |                       |   |  |
| Current liabilities:                        |                       |   |  |
| Accounts and contracts payable              | \$ 289,482            | \$ 103,009                              | \$ 392,491                               |
| Accrued liabilities                         | 19,636                | 50,639                                  | 70,275                                   |
| Bonds payable                               | 157,019               | 19,449                                  | 176,468                                  |
| Compensated absences                        | -                     | 8,307                                   | 8,307                                    |
| <b>Total current liabilities</b>            | <b>466,137</b>        | <b>181,404</b>                          | <b>647,541</b>                           |
| Non-current liabilities:                    |                       |   |  |
| Compensated absences                        | 11,823                | 80,068                                  | 91,891                                   |
| Bonds payable                               | 3,755,320             | 501,200                                 | 4,256,520                                |
| OPEB liability                              | 41,223                | 197,636                                 | 238,859                                  |
| Net pension liability                       | 898,544               | 2,945,138                               | 3,843,682                                |
| <b>Total non-current liabilities</b>        | <b>4,706,910</b>      | <b>3,724,042</b>                        | <b>8,430,952</b>                         |
| <b>Total liabilities</b>                    | <b>5,173,047</b>      | <b>3,905,446</b>                        | <b>9,078,493</b>                         |
| Deferred inflows of resources:              |                       |   |  |
| Deferred inflows relating to pensions       | 41,358                | 137,615                                 | 178,973                                  |
| Deferred inflows relating to OPEB           | 2,944                 | 12,032                                  | 14,976                                   |
| <b>Total deferred inflows of resources</b>  | <b>44,302</b>         | <b>149,647</b>                          | <b>193,949</b>                           |
| Net position:                               |                       |   |  |
| Net investment in capital assets            | 5,120,130             | 1,946,469                               | 7,066,599                                |
| Restricted for:                             |                       |   |  |
| Debt service                                | 157,019               | 19,449                                  | 176,468                                  |
| Unrestricted                                | 2,843,901             | 6,049,114                               | 8,893,015                                |
| <b>Total net position</b>                   | <b>8,121,050</b>      | <b>8,015,032</b>                        | <b>16,136,082</b>                        |

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 For the Fiscal Year Ended September 30, 2021

|  | Stormwater<br>Utility | Refuse<br>Collection<br>and<br>Disposal | Total<br>Nonmajor<br>Enterprise<br>Funds |
|--|-----------------------|---|--|
| Operating revenues:                            |                       |   |  |
| Charges for services                           | \$ 1,936,696          | \$ 6,954,673                            | \$ 8,891,369                             |
| Operating expenses:                            |                       |   |  |
| Cost of services                               | 1,085,548             | 4,458,295                               | 5,543,843                                |
| General and administrative                     | 279,320               | 885,339                                 | 1,164,659                                |
| Depreciation                                   | 279,501               | 600,716                                 | 880,217                                  |
| <b>Total operating expenses</b>                | <b>1,644,369</b>      | <b>5,944,350</b>                        | <b>7,588,719</b>                         |
| <b>Operating income</b>                        | <b>292,327</b>        | <b>1,010,323</b>                        | <b>1,302,650</b>                         |
| Non-operating revenues (expenses):             |                       |   |  |
| Investment income                              | 2,933                 | 2,076                                   | 5,009                                    |
| Interest and fiscal charges                    | (74,971)              | (7,389)                                 | (82,360)                                 |
| Other  | 39,851                | 71,531                                  | 111,382                                  |
| <b>Total non-operating revenues (expenses)</b> | <b>(32,187)</b>       | <b>66,218</b>                           | <b>34,031</b>                            |
| <b>Change in net position</b>                  | <b>260,140</b>        | <b>1,076,541</b>                        | <b>1,336,681</b>                         |
| Net position, beginning of year                | 7,860,910             | 6,938,491                               | 14,799,401                               |
| Net position, end of year                      | <b>\$ 8,121,050</b>   | <b>\$ 8,015,032</b>                     | <b>\$ 16,136,082</b>                     |



City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
 Nonmajor Enterprise Funds  
 For the Fiscal Year Ended September 30, 2021

|  | Stormwater<br>Utility | Refuse<br>Collection<br>and<br>Disposal | Total<br>Nonmajor<br>Enterprise<br>Funds |
|--|-----------------------|---|--|
| Cash flows from operating activities:  |                       |   |  |
| Receipts from customers  | \$ 1,936,696          | \$ 6,859,621                            | \$ 8,796,317                             |
| Payments to suppliers  | (326,987)             | (2,775,735)                             | (3,102,722)                              |
| Payments to employees  | (500,036)             | (1,629,277)                             | (2,129,313)                              |
| Payments for interfund services received   | (394,315)             | (1,267,438)                             | (1,661,753)                              |
| <b>Net cash provided by (used in)<br/>operating activities</b>                     | <b>715,358</b>        | <b>1,187,171</b>                        | <b>1,902,529</b>                         |
| Cash flows from non-capital financing activities:                                  |                       |   |  |
| Other receipts   | 39,851                | 71,531                                  | 111,382                                  |
| <b>Net cash provided by (used in)<br/>non-capital financing activities</b>         | <b>39,851</b>         | <b>71,531</b>                           | <b>111,382</b>                           |
| Cash flows from capital and related financing activities:                          |                       |   |  |
| Acquisition and construction of capital asset, net                                 | (1,249,803)           | (155,053)                               | (1,404,856)                              |
| Interest and other fiscal charges  | (94,778)              | (11,740)                                | (106,518)                                |
| <b>Net cash provided by (used in) capital<br/>and related financing activities</b> | <b>(1,344,581)</b>    | <b>(166,793)</b>                        | <b>(1,511,374)</b>                       |
| Cash flows from investing activities:  |                       |   |  |
| Purchase of investments  | (50,000)              | (90,000)                                | (140,000)                                |
| Interest and gains or losses on investments  | 51,262                | 91,927                                  | 143,189                                  |
| <b>Net cash provided by (used in)<br/>investing activities</b>                     | <b>1,262</b>          | <b>1,927</b>                            | <b>3,189</b>                             |
| <b>Net change in cash and cash equivalents</b>                                     | <b>(588,110)</b>      | <b>1,093,836</b>                        | <b>505,726</b>                           |
| Cash and cash equivalents, beginning   | 3,365,295             | 979,353                                 | 4,344,648                                |
| Cash and cash equivalents, ending  | \$ 2,777,185          | \$ 2,073,189                            | \$ 4,850,374                             |

(Continued)

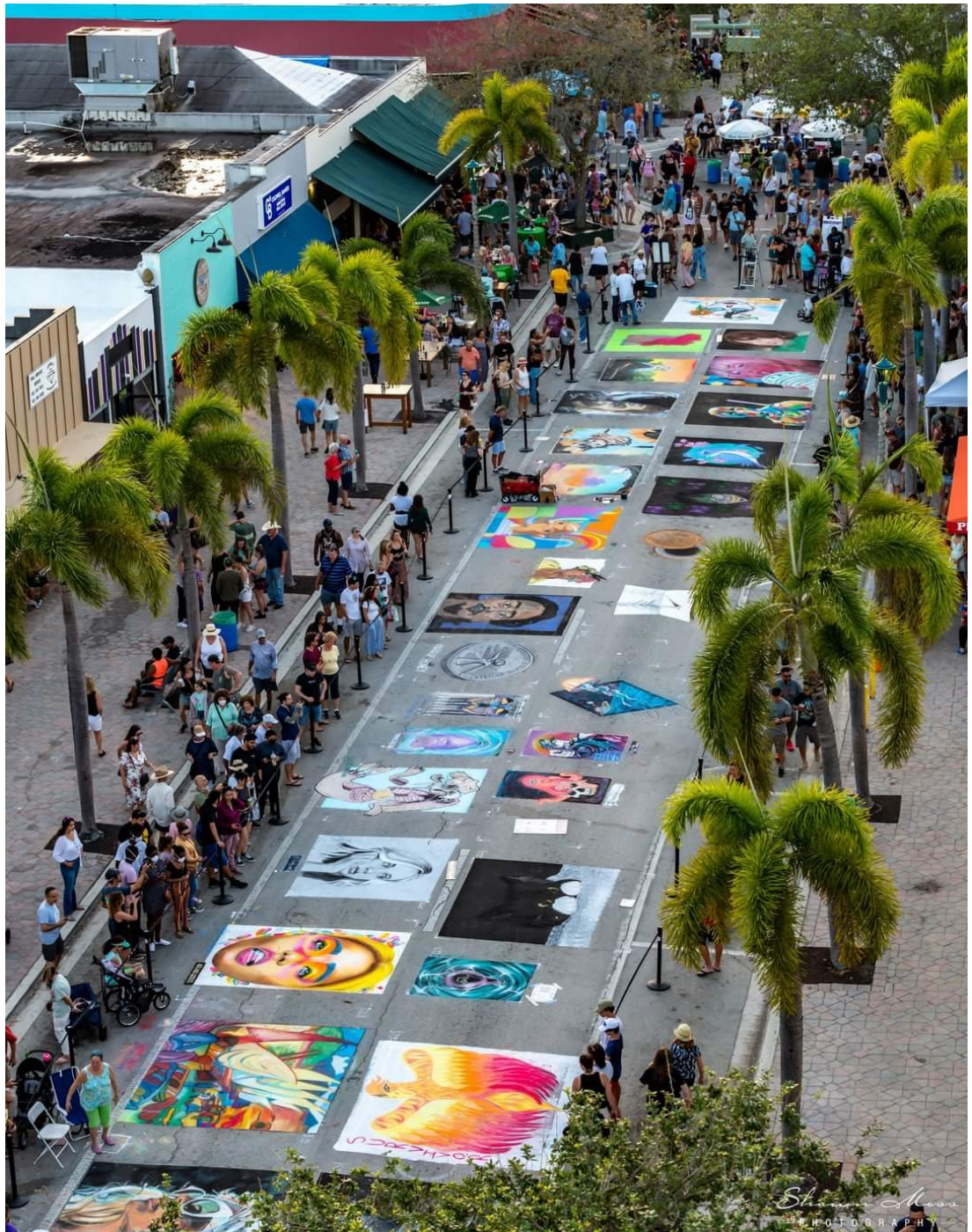
City of Lake Worth Beach, Florida

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds (Continued)  
For the Fiscal Year Ended September 30, 2021**

|   | <b>Stormwater<br/>Utility</b> | <b>Refuse<br/>Collection<br/>and<br/>Disposal</b> | <b>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</b> |
|---|-------------------------------|---|--|
| Reconciliation of operating income (loss)<br>to net cash provided by (used in)<br>operating activities:     |                               |   |  |
| Operating income (loss)   | \$ 292,327                    | \$ 1,010,323                                      | \$ 1,302,650                                       |
| Adjustments to reconcile operating income (loss) to net cash<br>provided by (used in) operating activities: |                               |   |  |
| Depreciation  | 279,501                       | 600,716   | 880,217  |
| Decrease (increase) in assets and deferred outflows:  |                               |   |  |
| Accounts receivable   | -                             | (95,052)  | (95,052)   |
| Deferred outflows relating to pensions  | 8,704                         | 29,107  | 37,811   |
| Deferred outflows relating to OPEB  | 540                           | 2,207   | 2,747  |
| Increase (decrease) in liabilities and deferred inflows:  |                               |   |  |
| Accounts and contracts payable  | 222,258                       | (74,605)  | 147,653  |
| Accrued liabilities   | 4,594                         | 4,876   | 9,470  |
| Compensated absences  | (23)                          | 14,748  | 14,725   |
| Net OPEB liability  | 2,918                         | 11,921  | 14,839   |
| Net pension liability   | (116,519)                     | (389,688)   | (506,207)  |
| Deferred inflows relating to OPEB   | 2,944                         | 12,032  | 14,976   |
| Deferred inflows relating to pensions   | 18,114                        | 60,586  | 78,700   |
| <b>Total adjustments</b>  | <b>423,031</b>                | <b>176,848</b>                                    | <b>599,879</b>                                     |
| <b>Net cash provided by operating activities</b>  | <b>\$ 715,358</b>             | <b>\$ 1,187,171</b>                               | <b>\$ 1,902,529</b>                                |
| Supplemental disclosure of investing activities:  |                               |   |  |
| Unrealized gains on investments   | \$ (1,086)                    | \$ (1,333)  | \$ (2,419)   |

**City of Lake Worth Beach, Florida**

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## **City of Lake Worth Beach, Florida**

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### **Internal Service Funds**

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Internal Service Funds are used to account for activity that provides goods or services to other funds or departments of the primary government and its component units on a cost reimbursement basis.

#### **Information Technology**

The fund was established to centralize oversight, management, and funding of the City's computer network, telephone, and internet communication system.

#### **Insurance Fund**

This fund was established to enable centralized oversight, management, and funding of the City's insurance coverage, deductibles, and uninsured risks.

#### **City Garage Fund**

This fund was established to centralize oversight, management, and funding of maintaining the City's vehicles.

#### **Employee Benefits**

This fund was established to enable centralized oversight, management and funding of the City's employee benefits.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Internal Service Funds  
September 30, 2021

|   | Information<br>Technology | Insurance           | City Garage         | Employee<br>Benefits | Total<br>Internal<br>Service<br>Funds |
|---|---------------------------|---------------------|---------------------|----------------------|---------------------------------------|
| <b>Assets</b>                             |                           |                     |                     |                      |                                       |
| Current assets:                           |                           |                     |                     |                      |                                       |
| Cash and cash equivalents                 | \$ 109,616                | \$ 548,115          | \$ 334,791          | \$ 188,769           | \$ 1,181,291                          |
| Investments                               | -                         | 6,644,529           | 1,059,968           | 1,595,513            | 9,300,010                             |
| Accrued interest receivable               | -                         | 1,479               | -                   | 17                   | 1,496                                 |
| Due from other governments                | -                         | 1,422,310           | -                   | -                    | 1,422,310                             |
| Inventories                               | -                         | -                   | 26,867              | -                    | 26,867                                |
| <b>Total current assets</b>               | <b>109,616</b>            | <b>8,616,433</b>    | <b>1,421,626</b>    | <b>1,784,299</b>     | <b>11,931,974</b>                     |
| Non-current assets:                       |                           |                     |                     |                      |                                       |
| Restricted assets:                        |                           |                     |                     |                      |                                       |
| Cash and cash equivalents                 | 350,000                   | -                   | 1,500,000           | -                    | 1,850,000                             |
| Construction in progress                  | -                         | -                   | 146,945             | -                    | 146,945                               |
| Machinery and equipment                   | 1,936,916                 | 59,010              | -                   | -                    | 1,995,926                             |
| Vehicles                                  | 36,064                    | -                   | 3,856,451           | -                    | 3,892,515                             |
| Accumulated depreciation                  | (1,773,728)               | (23,698)            | (3,405,613)         | -                    | (5,203,039)                           |
| <b>Total non-current assets</b>           | <b>549,252</b>            | <b>35,312</b>       | <b>2,097,783</b>    | <b>-</b>             | <b>2,682,347</b>                      |
| <b>Total assets</b>                       | <b>\$ 658,868</b>         | <b>\$ 8,651,745</b> | <b>\$ 3,519,409</b> | <b>\$ 1,784,299</b>  | <b>\$ 14,614,321</b>                  |
| <b>Liabilities</b>                        |                           |                     |                     |                      |                                       |
| Current liabilities:                      |                           |                     |                     |                      |                                       |
| Accounts and contracts payable            | \$ 20,921                 | \$ 39,007           | \$ 37,799           | \$ 164,671           | \$ 262,398                            |
| Accrued liabilities                       | 23,254                    | 3,627,143           | 16,606              | 227,257              | 3,894,260                             |
| Due from other funds                      | -                         | -                   | -                   | 710,890              | 710,890                               |
| Bonds payable                             | 15,542                    | -                   | 66,608              | -                    | 82,150                                |
| Compensated absences                      | 1,743                     | -                   | 1,496               | -                    | 3,239                                 |
| <b>Total current liabilities</b>          | <b>61,460</b>             | <b>3,666,150</b>    | <b>122,509</b>      | <b>1,102,818</b>     | <b>4,952,937</b>                      |
| Non-current liabilities:                  |                           |                     |                     |                      |                                       |
| Insurance claims payable                  | -                         | 3,507,918           | -                   | -                    | 3,507,918                             |
| Compensated absences                      | 40,048                    | -                   | 15,858              | -                    | 55,906                                |
| Bonds payable                             | 334,458                   | -                   | 1,433,392           | -                    | 1,767,850                             |
| <b>Total non-current liabilities</b>      | <b>374,506</b>            | <b>3,507,918</b>    | <b>1,449,250</b>    | <b>-</b>             | <b>5,331,674</b>                      |
| <b>Total liabilities</b>                  | <b>435,966</b>            | <b>7,174,068</b>    | <b>1,571,759</b>    | <b>1,102,818</b>     | <b>10,284,611</b>                     |
| Net position:                             |                           |                     |                     |                      |                                       |
| Net investment in capital assets          | 199,252                   | 35,312              | 597,783             | -                    | 832,347                               |
| Unrestricted                              | 23,650                    | 1,442,365           | 1,349,867           | 681,481              | 3,497,363                             |
| <b>Total net position</b>                 | <b>222,902</b>            | <b>1,477,677</b>    | <b>1,947,650</b>    | <b>681,481</b>       | <b>4,329,710</b>                      |
| <b>Total liabilities and net position</b> | <b>\$ 658,868</b>         | <b>\$ 8,651,745</b> | <b>\$ 3,519,409</b> | <b>\$ 1,784,299</b>  | <b>\$ 14,614,321</b>                  |

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2021

|   | Information<br>Technology | Insurance        | City Garage      | Employee<br>Benefits | Total<br>Internal<br>Service<br>Funds |
|---|---------------------------|------------------|------------------|----------------------|---------------------------------------|
| Operating revenues:   |                           |                  |                  |                      |                                       |
| Charges for services  | \$ 2,149,299              | \$ 3,031,551     | \$ 1,134,396     | \$ 9,304,720         | \$ 15,619,966                         |
| <b>Total operating revenues</b>                             | <b>2,149,299</b>          | <b>3,031,551</b> | <b>1,134,396</b> | <b>9,304,720</b>     | <b>15,619,966</b>                     |
| Operating expenses:   |                           |                  |                  |                      |                                       |
| Cost of services  | 1,899,529                 | 2,902,058        | 1,122,384        | 9,754,494            | 15,678,465                            |
| Depreciation  | 266,673                   | 6,183            | 337,140          | -                    | 609,996                               |
| <b>Total operating expenses</b>                             | <b>2,166,202</b>          | <b>2,908,241</b> | <b>1,459,524</b> | <b>9,754,494</b>     | <b>16,288,461</b>                     |
| <b>Operating income (loss)</b>                              | <b>(16,903)</b>           | <b>123,310</b>   | <b>(325,128)</b> | <b>(449,774)</b>     | <b>(668,495)</b>                      |
| Non-operating revenues (expenses):                          |                           |                  |                  |                      |                                       |
| Investment income (loss)                                    | -                         | 280              | 433              | 471                  | 1,184                                 |
| Interest and fiscal charges                                 | (9,382)                   | -                | (40,206)         | -                    | (49,588)                              |
| Other   | 7,283                     | 85,910           | 48,093           | 84,971               | 226,257                               |
| <b>Total non-operating revenues<br/>(expenses)</b>          | <b>(2,099)</b>            | <b>86,190</b>    | <b>8,320</b>     | <b>85,442</b>        | <b>177,853</b>                        |
| <b>Income (loss) before transfers<br/>and contributions</b> | <b>(19,002)</b>           | <b>209,500</b>   | <b>(316,808)</b> | <b>(364,332)</b>     | <b>(490,642)</b>                      |
| Capital contributions                                       | -                         | -                | 233,328          | -                    | 233,328                               |
| <b>Change in net position</b>                               | <b>(19,002)</b>           | <b>209,500</b>   | <b>(83,480)</b>  | <b>(364,332)</b>     | <b>(257,314)</b>                      |
| Net position, beginning of year                             | 241,904                   | 1,268,177        | 2,031,130        | 1,045,813            | 4,587,024                             |
| Net position, end of year                                   | \$ 222,902                | \$ 1,477,677     | \$ 1,947,650     | \$ 681,481           | \$ 4,329,710                          |

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2021

|  | Information<br>Technology | Insurance      | City Garage    | Employee<br>Benefits | Total<br>Internal<br>Service<br>Funds |
|--|---------------------------|----------------|----------------|----------------------|---------------------------------------|
| Cash flows from operating activities:                                  |                           |                |                |                      |                                       |
| Receipts from interfund charges  | \$ 2,149,299              | \$ 3,101,793   | \$ 1,134,804   | \$ 9,313,910         | \$ 15,699,806                         |
| Payments to suppliers  | (1,379,401)               | (2,400,527)    | (721,869)      | (14,430,685)         | (18,932,482)                          |
| Payments to employees  | (584,261)                 | (246,703)      | (346,699)      | (117,738)            | (1,295,401)                           |
| <b>Net cash (used in) provided by operating activities</b>             | <b>185,637</b>            | <b>454,563</b> | <b>66,236</b>  | <b>(5,234,513)</b>   | <b>(4,528,077)</b>                    |
| Cash flows from non-capital financing activities:                      |                           |                |                |                      |                                       |
| Other receipts   | 7,283                     | 85,910         | 48,093         | 84,971               | 226,257                               |
| Payments received from other funds                                     | -                         | -              | -              | 710,890              | 710,890                               |
| <b>Net cash provided by (used in) non-capital financing activities</b> | <b>7,283</b>              | <b>85,910</b>  | <b>48,093</b>  | <b>795,861</b>       | <b>937,147</b>                        |
| Cash flows from capital and related financing activities:              |                           |                |                |                      |                                       |
| Acquisition and construction of capital assets, net                    | (78,458)                  | -              | (146,945)      | -                    | (225,403)                             |
| Contributed capital, cash transactions                                 | -                         | -              | 233,328        | -                    | 233,328                               |
| Interest and other fiscal charges                                      | (9,382)                   | -              | (40,206)       | -                    | (49,588)                              |
| <b>Net cash provided by capital and related financing activities</b>   | <b>(87,840)</b>           | <b>-</b>       | <b>46,177</b>  | <b>-</b>             | <b>(41,663)</b>                       |
| Cash flows from investing activities:                                  |                           |                |                |                      |                                       |
| Purchase of investments  | -                         | (90,000)       | (15,000)       | (25,000)             | (130,000)                             |
| on investments   | -                         | 91,586         | 15,306         | 25,438               | 132,330                               |
| <b>Net cash provided by investing activities</b>                       | <b>-</b>                  | <b>1,586</b>   | <b>306</b>     | <b>438</b>           | <b>2,330</b>                          |
| <b>Net change in cash and cash equivalents</b>                         | <b>105,080</b>            | <b>542,059</b> | <b>160,812</b> | <b>(4,438,214)</b>   | <b>(3,630,263)</b>                    |
| Cash and cash equivalents, beginning                                   | 354,536                   | 6,056          | 1,673,979      | 4,626,983            | 6,661,554                             |
| Cash and cash equivalents, ending                                      | \$ 459,616                | \$ 548,115     | \$ 1,834,791   | \$ 188,769           | \$ 3,031,291                          |

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds (Continued)  
For the Fiscal Year Ended September 30, 2021

|   | Information<br>Technology | Insurance         | City Garage      | Employee<br>Benefits  | Total<br>Internal<br>Service<br>Funds |
|---|---------------------------|-------------------|------------------|-----------------------|---------------------------------------|
| Reconciliation of operating income (loss) to net cash<br>(used in) provided by operating activities:                        |                           |                   |                  |                       |                                       |
| Operating income (loss)   | (16,903)                  | 123,310           | (325,128)        | (449,774)             | (668,495)                             |
| Adjustments to reconcile operating income<br>(loss) to net cash provided by (used in)<br>by (used in) operating activities: |                           |                   |                  |                       |                                       |
| Depreciation  | 266,673                   | 6,183             | 337,140          | -                     | 609,996                               |
| Decrease (increase) in assets:  |                           |                   |                  |                       |                                       |
| Accounts receivable, net  | -                         | -                 | 408              | 9,190                 | 9,598                                 |
| Due from other governments  | -                         | 70,242            | -                | -                     | 70,242                                |
| Prepaid items   | -                         | -                 | 76,433           | -                     | 76,433                                |
| Increase (decrease) in liabilities:   |                           |                   |                  |                       |                                       |
| Accounts and contracts payable  | (74,808)                  | 22,795            | (29,750)         | (14,020)              | (95,783)                              |
| Accrued liabilities   | 5,287                     | 74,058            | 5,293            | (4,779,909)           | (4,695,271)                           |
| Insurance claims payable  | -                         | 157,975           | -                | -                     | 157,975                               |
| Compensated absences  | 5,388                     | -                 | 1,840            | -                     | 7,228                                 |
| <b>Total adjustments</b>  | <b>202,540</b>            | <b>331,253</b>    | <b>391,364</b>   | <b>(4,784,739)</b>    | <b>(3,859,582)</b>                    |
| <b>Net cash (used in) provided by<br/>operating activities</b>  | <b>\$ 185,637</b>         | <b>\$ 454,563</b> | <b>\$ 66,236</b> | <b>\$ (5,234,513)</b> | <b>\$ (4,528,077)</b>                 |
| Supplemental disclosure of noncash investing<br>and non-capital financing activities:                                       |                           |                   |                  |                       |                                       |
| Due from other governments  | \$ -                      | \$ 1,492,552      | \$ -             | \$ -                  | \$ 1,492,552                          |
| Unrealized gains on investments   | \$ -                      | \$ (904)          | \$ (226)         | \$ (302)              | \$ (1,432)                            |



*City of Lake Worth Beach, Florida*

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## City of Lake Worth Beach, Florida

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### Fiduciary Funds

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

### Pension Trust Funds

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#### **General Employees' Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits of all employees at appropriate amounts and times in the future. Resources are provided by employee and employer contributions, determined by an actuarial study, and investment earnings.

#### **Police Officers' Relief and Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits for police officers. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

#### **Firefighters' Pension Trust Fund**

To account for the accumulation of resources to be used for retirement benefits for firefighters. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Pension Trust Funds  
September 30, 2021

|   | General<br>Employees'<br>Retirement<br>System | Police Officers'<br>Relief and<br>Retirement<br>System | Firefighters'<br>Pension<br>Trust | Total<br>Pension<br>Trust<br>Funds |
|---|---|--|-----------------------------------|------------------------------------|
| <b>Assets:</b>  |   |  |                                   |                                    |
| Cash and cash equivalents                                   | \$ 2,581,165                                  | \$ 1,392,519   | \$ 1,478,198                      | \$ 5,451,882                       |
| Investments at fair value:                                  |   |  |                                   |                                    |
| U.S. government and agency funds                            | 6,094,938                                     | 3,859,715  | 11,078,832                        | 21,033,485                         |
| Corporate bonds   | 5,885,947                                     | 3,643,799  | 3,772,092                         | 13,301,838                         |
| Common stocks   | 55,816,465                                    | 27,168,376   | 36,190,501                        | 119,175,342                        |
| Real estate   | 10,989,188                                    | 5,324,765  | 4,517,620                         | 20,831,573                         |
| Mutual funds  | 1,512,917                                     | 687,632  | 2,346,609                         | 4,547,158                          |
| Accrued interest, dividends and<br>contributions receivable | 287,323                                       | 70,949   | 140,283                           | 498,555                            |
| Prepaid items   | 2,597   | 6,649  | -                                 | 9,246                              |
| <b>Total assets</b>   | <b>83,170,540</b>                             | <b>42,154,404</b>                                      | <b>59,524,135</b>                 | <b>184,849,079</b>                 |
| <b>Liabilities:</b>   |   |  |                                   |                                    |
| Accounts payable  | 72,806  | 32,024   | 574,405                           | 679,235                            |
| <b>Deferred inflows:</b>                                    |   |  |                                   |                                    |
| Advacne contributions from employer                         | -   | 577,367  | -                                 | 577,367                            |
| <b>Net position restricted<br/>for pension benefits</b>     | <b>\$ 83,097,734</b>                          | <b>\$ 41,545,013</b>                                   | <b>\$ 58,949,730</b>              | <b>\$ 183,592,477</b>              |

City of Lake Worth Beach, Florida

**Combining Statement of Changes in Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2021**

|   | General<br>Employees'<br>Retirement<br>System | Police Officers'<br>Relief and<br>Retirement<br>System | Firefighters'<br>Pension<br>Trust | Total<br>Pension<br>Trust<br>Funds |
|---|---|--|-----------------------------------|------------------------------------|
| Additions:                              |   |  |                                   |                                    |
| Contributions:                          |   |  |                                   |                                    |
| Employer                                | \$ 4,601,944                                  | \$ 3,652,061   | \$ 3,800,678                      | \$ 12,054,683                      |
| Chapter 175/185                         | -   | -  | 38,308                            | 38,308                             |
| Plan members                            | 1,179,217                                     | 128,159  | 31,675                            | 1,339,051                          |
| State                                   | -   | 563,299  | -                                 | 563,299                            |
| <b>Total contributions</b>              | <b>5,781,161</b>                              | <b>4,343,519</b>                                       | <b>3,870,661</b>                  | <b>13,995,341</b>                  |
| Investment income:                      |   |  |                                   |                                    |
| Interest and dividends                  | 2,188,758                                     | 1,445,928  | 1,017,911                         | 4,652,597                          |
| Net change in fair value of investments | 10,989,645                                    | 4,793,591  | 8,749,051                         | 24,532,287                         |
| Other income                            | 4,464   | 1,134  | 161                               | 5,759                              |
| <b>Total investment income</b>          | <b>13,182,867</b>                             | <b>6,240,653</b>                                       | <b>9,767,123</b>                  | <b>29,190,643</b>                  |
| Less investment expenses                | (360,142)                                     | (167,243)  | (112,016)                         | (639,401)                          |
| Net investment income                   | 12,822,725                                    | 6,073,410  | 9,655,107                         | 28,551,242                         |
| <b>Total additions</b>                  | <b>18,603,886</b>                             | <b>10,416,929</b>                                      | <b>13,525,768</b>                 | <b>42,546,583</b>                  |
| Deductions:                             |   |  |                                   |                                    |
| Pension benefits                        | 8,929,498                                     | 5,038,595  | 5,356,076                         | 19,324,169                         |
| Administrative expenses                 | 124,254                                       | 97,520   | 92,173                            | 313,947                            |
| <b>Total deductions</b>                 | <b>9,053,752</b>                              | <b>5,136,115</b>                                       | <b>5,448,249</b>                  | <b>19,638,116</b>                  |
| <b>Change in net position</b>           | <b>9,550,134</b>                              | <b>5,280,814</b>                                       | <b>8,077,519</b>                  | <b>22,908,467</b>                  |
| Net position, beginning of year         | 73,547,600                                    | 36,264,199   | 50,872,211                        | 160,684,010                        |
| Net position, end of year               | \$ 83,097,734                                 | \$ 41,545,013  | \$ 58,949,730                     | \$ 183,592,477                     |

## ***City of Lake Worth Beach, Florida***

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### **Discretely Presented Component Unit**

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#### **Community Redevelopment Agency Trust Fund**

To account for receipt and disbursements of general funds used for physical and economic redevelopment of targeted areas within the City.

#### **NSP2 Fund**

To account for the receipt and disbursements of governmental grant money (NSP) used for purchasing and rehabilitating foreclosed and abandoned properties of targeted areas within the City.

#### **CRA Capital Projects Fund**

To account for the acquisition or construction of major capital projects used for physical and economic redevelopment of targeted areas within the City.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
 Discretely Presented Component Unit  
 For the Fiscal Year Ended September 30, 2021

|  | Community Redevelopment Agency             |                     |                         | Total<br>Component<br>Unit |
|--|--|---------------------|-------------------------|----------------------------|
|  | Community<br>Redevelopment<br>Agency Trust | NSP2                | CRA Capital<br>Projects |                            |
| <b>Assets:</b>                             |  |                     |                         |                            |
| Cash and cash equivalents                  | \$ 1,840,861                               | \$ 188,790          | \$ 435,028              | \$ 2,464,679               |
| Investments                                | 1,074,118                                  | -                   | 106,255                 | 1,180,373                  |
| Accounts receivable, net                   | 239  | -                   | -                       | 239                        |
| Due from other governments                 | 590  | -                   | -                       | 590                        |
| Land held for resale                       | -  | 849,622             | 9,197,897               | 10,047,519                 |
| Prepaid items                              | 7,558                                      | -                   | 6,772                   | 14,330                     |
| <b>Total assets</b>                        | <b>\$ 2,923,366</b>                        | <b>\$ 1,038,412</b> | <b>\$ 9,745,952</b>     | <b>\$ 13,707,730</b>       |
| <b>Liabilities:</b>                        |  |                     |                         |                            |
| Accounts and contracts payable             | \$ 17,523                                  | \$ -                | \$ 4,750                | \$ 22,273                  |
| Accrued liabilities                        | 28,027                                     | -                   | -                       | 28,027                     |
| Unearned revenue                           | 40,000                                     | -                   | 54,400                  | 94,400                     |
| <b>Total liabilities</b>                   | <b>85,550</b>                              | <b>-</b>            | <b>59,150</b>           | <b>144,700</b>             |
| <b>Fund balances:</b>                      |  |                     |                         |                            |
| Restricted for:                            |  |                     |                         |                            |
| Community redevelopment                    | 2,837,816                                  | 1,038,412           | 9,686,802               | 13,563,030                 |
| <b>Total fund balances</b>                 | <b>2,837,816</b>                           | <b>1,038,412</b>    | <b>9,686,802</b>        | <b>13,563,030</b>          |
| <b>Total liabilities and fund balances</b> | <b>\$ 2,923,366</b>                        | <b>\$ 1,038,412</b> | <b>\$ 9,745,952</b>     | <b>\$ 13,707,730</b>       |

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Discretely Presented Component Unit  
For the Fiscal Year Ended September 30, 2021

|  | Community Redevelopment Agency             |                  |                         | Total<br>Component<br>Unit |
|--|--|------------------|-------------------------|----------------------------|
|  | Community<br>Redevelopment<br>Agency Trust | NSP2             | CRA Capital<br>Projects |                            |
| <b>Revenues:</b>   |  |                  |                         |                            |
| Property taxes   | \$ 3,814,619                               | \$ -             | \$ -                    | \$ 3,814,619               |
| Investment income  | 231  | -                | 900                     | 1,131                      |
| Miscellaneous  | 25,775                                     | 51,712           | 207                     | 77,694                     |
| <b>Total revenues</b>  | <b>3,840,625</b>                           | <b>51,712</b>    | <b>1,107</b>            | <b>3,893,444</b>           |
| <b>Expenditures:</b>   |  |                  |                         |                            |
| Current:   |  |                  |                         |                            |
| Community redevelopment  | 1,322,847                                  | 207,227          | 463,353                 | 1,993,427                  |
| Debt service:  |  |                  |                         |                            |
| Principal  | 4,034,253                                  | -                | -                       | 4,034,253                  |
| Interest   | 190,798                                    | -                | -                       | 190,798                    |
| <b>Total expenditures</b>  | <b>5,547,898</b>                           | <b>207,227</b>   | <b>463,353</b>          | <b>6,218,478</b>           |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,707,273)</b>                         | <b>(155,515)</b> | <b>(462,246)</b>        | <b>(2,325,034)</b>         |
| <b>Other financing sources (uses):</b>                               |  |                  |                         |                            |
| Proceeds from issuance of debt                                       | -  | -                | 3,263,250               | 3,263,250                  |
| Transfers in   | 3,263,250                                  | -                | 810,000                 | 4,073,250                  |
| Transfers out  | (810,000)                                  | -                | (3,263,250)             | (4,073,250)                |
| <b>Total other financing sources (uses)</b>                          | <b>2,453,250</b>                           | <b>-</b>         | <b>810,000</b>          | <b>3,263,250</b>           |
| <b>Net change in fund balances</b>                                   | <b>745,977</b>                             | <b>(155,515)</b> | <b>347,754</b>          | <b>938,216</b>             |
| Fund balances -<br>beginning of year, as restated (Note 14)          | 2,091,839                                  | 1,193,927        | 9,339,048               | 12,624,814                 |
| Fund balances, end of year   | \$ 2,837,816                               | \$ 1,038,412     | \$ 9,686,802            | \$ 13,563,030              |





**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

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|  |           |
|--|-----------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   | 120 - 129 |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.   | 130 – 134 |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | 135 – 141 |
| <b>Economic and Demographic Information</b><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 142 – 144 |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 145 - 147 |

**Sources Note:**

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

## City of Lake Worth Beach, Florida

### NET POSITION BY COMPONENT (UNAUDITED) LAST TEN FISCAL YEARS (accrual basis of accounting)

|   | 2012           | 2013           | 2014           | 2015           |
|---|----------------|----------------|----------------|----------------|
| <b>Governmental Activities:</b>             |                |                |                |                |
| Net investment in capital assets            | \$ 63,132,112  | \$ 63,660,538  | \$ 59,907,246  | \$ 58,548,019  |
| Restricted                                  | 6,374,614      | 1,631,956      | 1,803,743      | 2,159,736      |
| Unrestricted (deficit)                      | 2,624,576      | 6,055,185      | (45,102,488)   | (42,865,854)   |
| Total governmental activities net position  | 72,131,302     | 71,347,679     | 16,608,501     | 17,841,901     |
| <b>Business-Type Activities:</b>            |                |                |                |                |
| Net investment in capital assets            | 60,153,130     | 66,248,211     | 65,053,346     | 67,396,574     |
| Restricted                                  | 22,390,764     | 2,803,258      | 4,330,029      | 3,954,649      |
| Unrestricted                                | 68,980,999     | 79,507,888     | 59,487,552     | 64,875,277     |
| Total business-type activities net position | 151,524,893    | 148,559,357    | 128,870,927    | 136,226,500    |
| <b>Total Government:</b>                    |                |                |                |                |
| Net investment in capital assets            | 123,285,242    | 129,908,749    | 124,960,592    | 125,944,593    |
| Restricted                                  | 28,765,378     | 4,435,214      | 6,133,772      | 6,114,385      |
| Unrestricted                                | 71,605,575     | 85,563,073     | 14,385,064     | 22,009,423     |
| Total government net position               | \$ 223,656,195 | \$ 219,907,036 | \$ 145,479,428 | \$ 154,068,401 |

NOTE: The City implemented GASB statement No. 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015. Information for fiscal year 2014 has been restated.

NOTE: The City implemented GASB statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. Information for fiscal year 2017 has been restated.

|    | <b>2016</b>  | <b>2017</b>    | <b>2018</b>    | <b>2019</b>    | <b>2020</b>    | <b>2021</b>    |
|----|--------------|----------------|----------------|----------------|----------------|----------------|
| \$ | 56,328,679   | \$ 55,276,904  | \$ 57,137,390  | \$ 55,217,776  | \$ 38,366,100  | \$ 38,748,868  |
|    | 2,882,658    | 23,188,479     | 3,620,665      | 4,501,754      | 12,750,283     | 20,955,066     |
|    | (42,528,582) | (63,480,001)   | (42,749,218)   | (38,108,305)   | (28,126,765)   | (28,343,982)   |
|    | 16,682,755   | 14,985,382     | 18,008,837     | 21,611,225     | 22,989,618     | 31,359,952     |
|    | 74,381,420   | 83,094,062     | 90,093,724     | 95,692,038     | 95,049,432     | 100,838,508    |
|    | 4,023,055    | 5,084,192      | 8,797,790      | 8,877,209      | 8,670,291      | 7,932,254      |
|    | 71,056,620   | 64,199,523     | 48,072,470     | 46,249,865     | 50,052,179     | 50,971,119     |
|    | 149,461,095  | 152,377,777    | 146,963,984    | 150,819,112    | 153,771,902    | 159,741,881    |
|    | 130,710,099  | 138,370,966    | 147,231,114    | 150,909,814    | 133,415,532    | 139,587,376    |
|    | 6,905,713    | 28,272,671     | 12,418,455     | 13,378,963     | 21,420,574     | 28,887,320     |
|    | 28,528,038   | 719,522        | 5,323,252      | 8,141,560      | 21,925,414     | 22,627,137     |
| \$ | 166,143,850  | \$ 167,363,159 | \$ 164,972,821 | \$ 172,430,337 | \$ 176,761,520 | \$ 191,101,833 |

# City of Lake Worth Beach, Florida

## CHANGES IN NET POSITION (UNAUDITED) LAST TEN FISCAL YEARS (accrual basis of accounting)

|   | 2012           | 2013           | 2014           | 2015           |
|---|----------------|----------------|----------------|----------------|
| <b>Expenses:</b>                                |                |                |                |                |
| Governmental Activities:                        |                |                |                |                |
| General Government                              | \$ 2,625,404   | \$ 2,326,955   | \$ 2,297,354   | \$ 2,422,314   |
| Public Safety                                   | 18,516,774     | 19,624,339     | 19,971,563     | 18,613,494     |
| Physical Environment                            | 2,021,308      | 1,841,328      | 1,709,220      | 2,684,500      |
| Transportation                                  | 3,388,138      | 3,923,414      | 3,775,229      | 3,798,644      |
| Culture and Recreation                          | 4,480,875      | 6,666,221      | 4,219,879      | 4,102,901      |
| Interest on Long-Term Debt                      | 21,401         | 24,000         | -              | -              |
| Total Governmental Activities Expenses          | 31,053,900     | 34,406,257     | 31,973,245     | 31,621,853     |
| <b>Business-Type Activities:</b>                |                |                |                |                |
| Electric  | 52,552,814     | 51,377,436     | 50,529,559     | 48,719,483     |
| Water   | 10,569,901     | 10,790,441     | 10,218,577     | 9,541,300      |
| Local Sewer                                     | 6,239,262      | 5,304,658      | 6,522,133      | 6,523,547      |
| Regional Sewer                                  | 6,070,749      | 11,061,208     | 5,827,196      | 7,360,670      |
| Stormwater Utility                              | 2,075,984      | 1,340,812      | 1,365,026      | 1,160,138      |
| Refuse Collection and Disposal                  | 3,954,656      | 3,956,006      | 4,880,048      | 4,231,967      |
| Total Business-Type Activities Expenses         | 81,463,366     | 83,830,561     | 79,342,539     | 77,537,105     |
| Total Primary Government Expenses               | \$ 112,517,266 | \$ 118,236,818 | \$ 111,315,784 | \$ 109,158,958 |
| <b>Program Revenues:</b>                        |                |                |                |                |
| Governmental Activities:                        |                |                |                |                |
| Charges for Services:                           |                |                |                |                |
| General Government                              | \$ 2,062,610   | \$ 2,229,910   | \$ 1,791,964   | \$ 2,709,695   |
| Public Safety                                   | 526,601        | 572,064        | 934,486        | 1,283,169      |
| Physical Environment                            | 25,250         | 22,200         | 15,420         | 11,350         |
| Transportation                                  | 650,724        | 1,021,207      | 1,425,139      | 1,565,500      |
| Culture and Recreation                          | 1,543,131      | 1,799,711      | 1,936,822      | 2,229,513      |
| Operating Grants and Contributions              | 940,072        | 1,275,649      | 809,270        | 1,033,222      |
| Capital Grants and Contributions                | 3,533,795      | 2,913,927      | 559,996        | 292,129        |
| Total Governmental Activities Program Revenues  | 9,282,183      | 9,834,668      | 7,473,097      | 9,124,578      |
| <b>Business-Type Activities:</b>                |                |                |                |                |
| Charges for Services:                           |                |                |                |                |
| Electric  | 53,885,218     | 51,062,159     | 54,537,479     | 54,269,092     |
| Water   | 11,731,448     | 11,487,086     | 12,005,357     | 13,053,300     |
| Local Sewer                                     | 7,705,072      | 7,222,939      | 6,322,018      | 7,228,749      |
| Regional Sewer                                  | 6,586,821      | 5,231,267      | 4,657,237      | 6,137,326      |
| Stormwater Utility                              | 1,936,918      | 1,865,303      | 1,811,731      | 1,807,513      |
| Refuse Collection and Disposal                  | 5,491,867      | 5,587,032      | 5,840,137      | 5,905,283      |
| Capital Grants and Contributions                | -              | 677,280        | 398,574        | 824,131        |
| Total Business-Type Activities Program Revenues | 87,337,344     | 83,133,066     | 85,572,533     | 89,225,394     |
| Total Primary Program Revenues                  | \$ 96,619,527  | \$ 92,967,734  | \$ 93,045,630  | \$ 98,349,972  |

|    | 2016        | 2017           | 2018           | 2019           | 2020           | 2021           |
|----|-------------|----------------|----------------|----------------|----------------|----------------|
| \$ | 3,059,477   | \$ 4,090,775   | \$ 3,962,157   | \$ 6,230,789   | \$ 4,402,551   | \$ 4,227,216   |
|    | 21,521,291  | 21,020,172     | 20,375,323     | 21,711,159     | 22,422,289     | 21,210,213     |
|    | 1,791,681   | 2,118,859      | 2,432,633      | 3,618,684      | 3,282,429      | 2,391,933      |
|    | 4,224,006   | 4,462,603      | 4,343,667      | 5,652,177      | 5,372,627      | 5,489,348      |
|    | 5,672,028   | 6,605,043      | 6,892,253      | 6,652,731      | 6,491,360      | 7,836,192      |
|    | -           | 328,454        | 1,298,123      | 1,412,098      | 1,450,715      | 1,803,968      |
|    | 36,268,483  | 38,625,906     | 39,304,156     | 45,277,638     | 43,421,971     | 42,958,870     |
|    | 47,510,501  | 54,793,486     | 56,923,415     | 52,460,343     | 52,993,465     | 54,964,184     |
|    | 10,173,782  | 11,754,509     | 11,663,352     | 12,713,290     | 15,805,291     | 15,987,210     |
|    | 6,819,673   | 7,356,239      | 8,892,409      | 8,885,400      | 10,047,624     | 9,902,290      |
|    | 5,084,878   | 4,868,053      | 6,535,365      | 4,804,777      | 7,963,192      | 8,651,434      |
|    | 1,109,596   | 1,183,318      | 1,382,758      | 1,452,752      | 1,838,722      | 1,722,339      |
|    | 4,308,118   | 4,884,890      | 4,615,148      | 5,150,043      | 6,579,918      | 5,967,285      |
|    | 75,006,548  | 84,840,495     | 90,012,447     | 85,466,605     | 95,228,212     | 97,194,742     |
| \$ | 111,275,031 | \$ 123,466,401 | \$ 129,316,603 | \$ 130,744,243 | \$ 138,650,183 | \$ 140,153,612 |
| \$ | 2,888,193   | \$ 2,483,748   | \$ 2,972,515   | \$ 3,286,187   | \$ 10,709,621  | \$ 11,317,341  |
|    | 1,562,712   | 1,374,166      | 1,290,577      | 1,564,369      | 1,545,925      | 1,806,106      |
|    | 16,250      | 19,125         | 19,700         | 20,175         | 25,150         | 26,725         |
|    | 1,675,853   | 1,881,827      | 1,907,733      | 2,347,327      | 1,837,134      | 2,721,033      |
|    | 2,069,347   | 2,160,482      | 2,185,279      | 2,616,295      | 2,274,234      | 2,405,908      |
|    | 1,267,255   | 878,208        | 543,186        | 45,135         | 48,206         | 68,415         |
|    | 51,440      | 18,850         | 657,045        | 1,029,905      | 982,181        | 2,823,576      |
|    | 9,531,050   | 8,816,406      | 9,576,035      | 10,909,393     | 17,422,451     | 21,169,104     |
|    | 57,011,403  | 55,850,044     | 54,280,835     | 55,128,532     | 53,508,982     | 57,265,178     |
|    | 13,960,788  | 14,652,277     | 13,990,442     | 15,121,045     | 14,691,895     | 15,612,994     |
|    | 7,694,525   | 7,183,903      | 7,083,494      | 7,770,255      | 8,827,767      | 9,991,750      |
|    | 6,543,368   | 6,981,203      | 8,037,738      | 9,056,597      | 10,607,742     | 9,532,063      |
|    | 1,853,597   | 1,839,490      | 1,877,395      | 1,892,168      | 1,930,639      | 1,936,696      |
|    | 5,859,424   | 5,937,437      | 6,029,714      | 6,443,982      | 6,586,508      | 6,954,673      |
|    | 668,015     | 937,910        | 620,434        | 907,493        | 1,196,278      | 832,469        |
|    | 93,591,120  | 93,382,264     | 91,920,052     | 96,320,072     | 97,349,811     | 102,125,823    |
| \$ | 103,122,170 | \$ 102,198,670 | \$ 101,496,087 | \$ 107,229,465 | \$ 114,772,262 | \$ 123,294,927 |

## City of Lake Worth Beach, Florida

### CHANGES IN NET POSITION (UNAUDITED) LAST TEN FISCAL YEARS (accrual basis of accounting) (continued)

|  | 2012                 | 2013                  | 2014                 | 2015                 |
|--|----------------------|-----------------------|----------------------|----------------------|
| <b>Net (Expense) / Revenue:</b>                  |                      |                       |                      |                      |
| Governmental Activities                          | \$ (21,771,717)      | \$ (24,571,589)       | \$ (24,500,148)      | \$ (22,497,275)      |
| Business-Type Activities                         | 5,873,978            | (697,495)             | 6,229,994            | 11,688,289           |
| <b>Total Primary Government Net Expenses</b>     | <b>(15,897,739)</b>  | <b>(25,269,084)</b>   | <b>(18,270,154)</b>  | <b>(10,808,986)</b>  |
| <b>General Revenues:</b>                         |                      |                       |                      |                      |
| Governmental Activities:                         |                      |                       |                      |                      |
| Taxes:   |                      |                       |                      |                      |
| Property Taxes                                   | 6,256,979            | 6,530,263             | 7,016,336            | 7,016,336            |
| Franchise Taxes                                  | 54,068               | 36,127                | 39,358               | 39,358               |
| Utility Taxes                                    | 5,020,040            | 5,118,045             | 5,040,381            | 5,040,381            |
| Gas Taxes and Shared Revenues                    | 3,288,619            | 3,488,545             | 3,731,994            | 3,731,994            |
| Intergovernmental – Unrestricted                 | 1,262,112            | 661,551               | 1,469,121            | 1,469,121            |
| Investment Income – Unrestricted                 | 50,884               | 72,073                | 84,656               | 84,656               |
| Miscellaneous                                    | 479,396              | 104,778               | 202,581              | 202,581              |
| Transfers  | 7,270,342            | 5,949,062             | 6,146,248            | 6,146,248            |
| <b>Total Governmental Activities Revenues</b>    | <b>23,682,440</b>    | <b>21,960,444</b>     | <b>23,730,675</b>    | <b>23,730,675</b>    |
| Business-Type Activities:                        |                      |                       |                      |                      |
| Investment Income – Unrestricted                 | 228,997              | 293,379               | 638,789              | 638,789              |
| Miscellaneous                                    | 4,352,763            | 1,794,210             | 731,768              | 731,768              |
| Transfers  | (7,270,342)          | (5,949,062)           | (6,146,248)          | (6,146,248)          |
| <b>Total Business-Type Activities Revenues</b>   | <b>(2,688,582)</b>   | <b>(3,861,473)</b>    | <b>(4,775,691)</b>   | <b>(4,775,691)</b>   |
| <b>Total Primary Government General Revenues</b> | <b>\$ 20,993,858</b> | <b>\$ 18,098,971</b>  | <b>\$ 18,954,984</b> | <b>\$ 18,954,984</b> |
| <b>Change in Net Position:</b>                   |                      |                       |                      |                      |
| Governmental Activities                          | \$ 1,910,723         | \$ (2,611,145)        | \$ (769,473)         | \$ 1,233,400         |
| Business-type Activities                         | 3,185,396            | (4,558,968)           | 1,454,303            | 6,912,598            |
| <b>Total Primary Government</b>                  | <b>\$ 5,096,119</b>  | <b>\$ (7,170,113)</b> | <b>\$ 684,830</b>    | <b>\$ 8,145,998</b>  |

| 2016            | 2017            | 2018            | 2019            | 2020            | 2021            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ (26,737,433) | \$ (29,809,500) | \$ (29,728,121) | \$ (34,368,245) | \$ (25,999,520) | \$ (21,789,766) |
| 18,584,572      | 8,541,769       | 1,907,605       | 10,853,467      | 2,121,599       | 4,931,081       |
| (8,152,861)     | (21,267,731)    | (27,820,516)    | (23,514,778)    | (23,877,921)    | (16,858,685)    |
| 7,933,054       | 8,501,004       | 10,446,929      | 12,236,801      | 13,044,494      | 14,234,595      |
| 40,559          | 57,146          | 149,379         | 130,486         | 138,871         | 156,700         |
| 5,249,541       | 5,323,406       | 5,157,559       | 5,378,990       | 5,473,291       | 5,802,645       |
| 3,913,702       | 5,866,094       | 6,780,214       | 6,914,217       | 6,444,705       | 7,471,341       |
| 1,528,273       | 1,669,080       | 1,647,276       | 1,689,341       | 1,534,497       | 1,764,666       |
| 73,088          | 96,906          | 399,621         | 1,076,109       | 485,389         | 28,179          |
| 79,538          | 176,950         | 294,959         | 209,266         | 218,393         | 701,974         |
| 6,760,532       | 6,991,921       | 7,875,639       | 10,335,423      | 352,000         | -               |
| 25,578,287      | 28,682,507      | 32,751,576      | 37,970,633      | 27,691,640      | 30,160,100      |
| 584,317         | 371,686         | 580,489         | 1,379,774       | 505,611         | 11,746          |
| 826,238         | 959,846         | 1,343,752       | 1,057,737       | 410,438         | 1,027,152       |
| (6,760,532)     | (6,991,921)     | (9,245,639)     | (10,335,423)    | (352,000)       | -               |
| (5,349,977)     | (5,660,389)     | (7,321,398)     | (7,897,912)     | 564,049         | 1,038,898       |
| \$ 20,228,310   | \$ 23,022,118   | \$ 25,430,178   | \$ 30,072,721   | \$ 28,255,689   | \$ 31,198,998   |
| \$ (1,159,146)  | \$ (1,126,993)  | \$ 3,023,455    | \$ 3,602,388    | \$ 1,692,120    | \$ 8,370,334    |
| 13,234,595      | 2,881,380       | (5,413,793)     | 2,955,555       | 2,685,648       | 5,969,979       |
| \$ 12,075,449   | \$ 1,754,387    | \$ (2,390,338)  | \$ 6,557,943    | \$ 4,377,768    | \$ 14,340,313   |

# City of Lake Worth Beach, Florida

**FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED)**  
**LAST TEN FISCAL YEARS (modified accrual basis of accounting)**

|                                      | 2012                 | 2013                | 2014                | 2015                |
|--------------------------------------|----------------------|---------------------|---------------------|---------------------|
| <b>General Fund:</b>                 |                      |                     |                     |                     |
| Nonspendable                         | \$ 1,551,899         | \$ 26,438           | \$ 22,256           | \$ 18,703           |
| Restricted                           | -                    | -                   | -                   | -                   |
| Assigned                             | 8,435                | 9,462               | 9,267               | 78,156              |
| Unassigned                           | 3,823,324            | 4,237,941           | 4,359,619           | 4,867,733           |
| Total General Fund                   | <u>\$ 5,383,658</u>  | <u>\$ 4,273,841</u> | <u>\$ 4,391,142</u> | <u>\$ 4,964,592</u> |
| <b>All Other Governmental Funds:</b> |                      |                     |                     |                     |
| Nonspendable                         | 3,697                | 16,722              | 15,327              | 74,520              |
| Restricted                           | 1,318,521            | 1,631,956           | 1,803,743           | 2,159,736           |
| Committed                            | 2,709,902            | 2,068,146           | 2,021,065           | 1,692,430           |
| Assigned                             | 5,427,177            | 5,404,534           | 3,601,203           | 2,926,266           |
| Unassigned (deficit)                 | (1,996,104)          | (6,475,512)         | (5,602,675)         | (4,823,306)         |
| Total All Other Governmental Funds   | <u>7,463,193</u>     | <u>2,645,846</u>    | <u>1,838,663</u>    | <u>2,029,646</u>    |
| Total Governmental Funds             | <u>\$ 12,846,851</u> | <u>\$ 6,919,687</u> | <u>\$ 6,229,805</u> | <u>\$ 6,994,238</u> |

NOTE: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Information for fiscal years 2005-2010 have not been restated.



|    | 2016        | 2017          | 2018          | 2019          | 2020          | 2021          |
|----|-------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 11,352      | \$ 13,245     | \$ 27,397     | \$ 20,856     | \$ 27,558     | \$ 1,116      |
|    | -           | -             | -             | -             | -             | 1,626,000     |
|    | 374,534     | 435,487       | 739,511       | 9,267         | 9,267         | 9,267         |
|    | 5,596,137   | 4,406,420     | 3,883,141     | 4,852,376     | 11,879,169    | 10,056,328    |
| \$ | 5,982,023   | \$ 4,855,152  | \$ 4,650,049  | \$ 4,882,499  | \$ 11,915,994 | \$ 11,692,711 |
|    | 8,534       | 8,321         | 13,052        | 12,347        | 259,524       | 147,176       |
|    | 2,882,658   | 22,764,757    | 26,574,399    | 18,717,321    | 18,991,532    | 24,003,876    |
|    | 1,463,513   | 1,459,827     | 1,468,669     | 1,417,849     | -             | -             |
|    | 2,476,999   | 4,284,028     | 6,585,253     | 10,232,006    | 9,937,392     | 7,629,245     |
|    | (4,291,069) | (3,909,745)   | (3,777,022)   | (3,352,766)   | (16,433)      | -             |
|    | 2,540,635   | 24,607,188    | 30,864,351    | 27,026,757    | 29,172,015    | 31,780,297    |
| \$ | 8,522,658   | \$ 29,462,340 | \$ 35,514,400 | \$ 31,909,256 | \$ 41,088,009 | \$ 43,473,008 |

# City of Lake Worth Beach, Florida

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (UNAUDITED) LAST TEN FISCAL YEARS (modified accrual basis of accounting)

|   | 2012                  | 2013              | 2014                | 2015              |
|---|-----------------------|-------------------|---------------------|-------------------|
| <b>Revenues:</b>  |                       |                   |                     |                   |
| Property Taxes  | \$ 5,879,132          | \$ 5,646,125      | \$ 5,762,505        | \$ 6,316,354      |
| Utility and Other Taxes                                     | 6,192,834             | 5,882,323         | 5,311,296           | 5,237,870         |
| Licenses and Permits  | 1,311,181             | 1,909,015         | 1,374,635           | 2,306,549         |
| Fines and Forfeitures                                       | 253,858               | 209,517           | 507,709             | 990,180           |
| Charges for Services  | 7,326,862             | 6,977,890         | 8,309,647           | 8,113,998         |
| Intergovernmental   | 8,621,673             | 8,144,808         | 6,145,110           | 6,324,240         |
| Investment Income   | 85,908                | 50,884            | 72,073              | 99,182            |
| Rents and Royalties   | 811                   | 22,874            | 21,921              | 21,099            |
| Miscellaneous   | 281,729               | 311,550           | 165,899             | 299,088           |
| <b>Total Revenues</b>                                       | <b>29,953,988</b>     | <b>29,154,986</b> | <b>27,670,795</b>   | <b>29,708,560</b> |
| <b>Expenditures:</b>  |                       |                   |                     |                   |
| Current:  |                       |                   |                     |                   |
| General Government  | 6,805,608             | 5,923,710         | 5,751,549           | 5,634,202         |
| Public Safety   | 18,293,122            | 19,482,378        | 19,773,044          | 20,326,650        |
| Physical Environment  | 2,006,693             | 1,837,574         | 1,683,387           | 1,755,019         |
| Transportation  | 875,626               | 1,244,226         | 1,129,732           | 1,284,203         |
| Culture and Recreation                                      | 3,938,839             | 4,102,093         | 4,252,002           | 4,370,469         |
| Community Redevelopment                                     | -                     | -                 | -                   | -                 |
| Capital Outlay  | 8,338,374             | 4,073,029         | 1,825,165           | 1,719,832         |
| Debt Service:   |                       |                   |                     |                   |
| Principal   | -                     | -                 | -                   | -                 |
| Interest and Other Fiscal Charges                           | 21,401                | -                 | -                   | -                 |
| Cost of Issuance  | -                     | -                 | -                   | -                 |
| <b>Total Expenditures</b>                                   | <b>40,279,663</b>     | <b>36,663,010</b> | <b>34,414,879</b>   | <b>35,090,375</b> |
| Excess (Deficiency) of Revenues<br>Over Expenditures        | (10,325,675)          | (7,508,024)       | (6,744,084)         | (5,381,815)       |
| <b>Other Financing Sources (Uses):</b>                      |                       |                   |                     |                   |
| Transfers In  | 9,338,075             | 8,845,314         | 9,083,001           | 7,503,308         |
| Transfers Out   | (7,027,852)           | (1,574,972)       | (3,133,939)         | (1,357,060)       |
| Advances Forgiven   | -                     | 238,278           | -                   | -                 |
| Proceeds from debt issuance                                 | -                     | -                 | -                   | -                 |
| Proceeds from bond premiums                                 | -                     | -                 | -                   | -                 |
| <b>Total Other Financing<br/>Sources (Uses)</b>             | <b>2,310,223</b>      | <b>7,508,620</b>  | <b>5,949,062</b>    | <b>6,146,248</b>  |
| <b>Net Change in Fund Balances</b>                          | <b>\$ (8,015,452)</b> | <b>\$ 596</b>     | <b>\$ (795,022)</b> | <b>\$ 764,433</b> |
| Debt Service as a Percentage of<br>Non-Capital Expenditures |                       |                   |                     |                   |
|   | 0.07%                 | 0.00%             | 0.00%               | 0.00%             |

|    | 2016        | 2017          | 2018         | 2019           | 2020          | 2021          |
|----|-------------|---------------|--------------|----------------|---------------|---------------|
| \$ | 7,217,524   | \$ 7,902,965  | \$ 9,903,427 | \$ 11,698,612  | \$ 12,763,120 | \$ 13,932,886 |
|    | 5,454,398   | 5,556,899     | 5,477,082    | 5,648,150      | 5,645,711     | 5,941,831     |
|    | 2,298,863   | 1,913,624     | 2,372,876    | 2,766,369      | 2,398,276     | 2,627,871     |
|    | 1,196,984   | 1,136,209     | 941,176      | 1,200,141      | 1,331,593     | 1,498,632     |
|    | 8,319,650   | 8,411,704     | 9,298,864    | 10,355,013     | 17,306,080    | 19,478,042    |
|    | 6,521,260   | 8,072,671     | 9,008,012    | 9,456,191      | 8,395,719     | 11,580,243    |
|    | 73,088      | 98,989        | 400,146      | 1,076,208      | 485,649       | 23,544        |
|    | 20,974      | 20,703        | 20,642       | 19,841         | 19,445        | 19,598        |
|    | 224,878     | 413,554       | 513,776      | 481,431        | 329,152       | 1,154,898     |
|    | 31,327,619  | 33,527,318    | 37,936,001   | 42,701,956     | 48,674,745    | 56,257,545    |
|    | 6,199,180   | 6,917,043     | 7,575,275    | 9,535,056      | 8,412,275     | 8,546,750     |
|    | 20,746,172  | 21,418,839    | 21,329,407   | 22,028,842     | 23,123,385    | 24,415,181    |
|    | 1,773,092   | 2,070,505     | 2,310,527    | 2,519,813      | 2,285,176     | 2,211,880     |
|    | 1,652,394   | 1,845,235     | 2,026,304    | 2,839,274      | 2,770,493     | 2,179,469     |
|    | 4,606,962   | 5,291,682     | 5,812,796    | 5,986,881      | 5,926,539     | 6,423,235     |
|    | -           | -             | -            | -              | -             | -             |
|    | 2,431,377   | 4,128,562     | 17,016,282   | 11,642,411     | 9,696,551     | 7,529,092     |
|    | -           | -             | 423,722      | 702,238        | 780,664       | 1,628,864     |
|    | -           | 303,736       | 817,195      | 1,388,008      | 1,450,715     | 1,823,773     |
|    | -           | -             | 172,597      | -              | -             | -             |
|    | 37,409,177  | 41,975,602    | 57,484,105   | 56,642,523     | 54,445,798    | 54,758,244    |
|    | (6,081,558) | (8,448,284)   | (19,548,104) | (13,940,567)   | (5,771,053)   | 1,499,301     |
|    | 6,820,532   | 7,122,980     | 10,248,836   | 10,663,633     | 435,593       | 2,120,000     |
|    | (60,000)    | (131,059)     | (2,373,197)  | (328,210)      | (83,593)      | (2,120,000)   |
|    | -           | -             | -            | -              | -             | -             |
|    | 849,446     | 22,396,045    | 17,724,525   | -              | 13,991,367    | 760,000       |
|    | -           | -             | -            | -              | 907,884       | 125,699       |
|    | 7,609,978   | 29,387,966    | 25,600,164   | 10,335,423     | 15,251,251    | 885,699       |
| \$ | 1,528,420   | \$ 20,939,682 | \$ 6,052,060 | \$ (3,605,144) | \$ 9,480,198  | \$ 2,385,000  |

## City of Lake Worth Beach, Florida

### NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED) LAST TEN FISCAL YEARS (in thousands)

| Fiscal Year Ended<br>September 30, | Tax Revenue<br>Year | Real Property           |                        | Railroad<br>Property | Total<br>Net<br>Assessed<br>Value | Total Direct<br>Tax Rate |
|------------------------------------|---------------------|-------------------------|------------------------|----------------------|-----------------------------------|--------------------------|
|                                    |                     | Residential<br>Property | Commercial<br>Property |                      |                                   |                          |
| 2012                               | 2011                | \$ 990,200              | \$ 52,992              | \$ 3,825             | \$ 1,047,017                      | 8.95                     |
| 2013                               | 2012                | 1,041,529               | 51,276                 | 4,350                | 1,097,155                         | 8.95                     |
| 2014                               | 2013                | 1,143,415               | 49,839                 | 4,763                | 1,198,017                         | 8.95                     |
| 2015                               | 2014                | 1,260,658               | 51,353                 | 5,148                | 1,317,159                         | 8.95                     |
| 2016                               | 2015                | 1,415,323               | 51,077                 | 5,596                | 1,471,996                         | 8.95                     |
| 2017                               | 2016                | 1,584,396               | 43,122                 | 5,781                | 1,633,299                         | 9.70                     |
| 2018                               | 2017                | 1,758,006               | 49,116                 | 5,924                | 1,813,046                         | 9.70                     |
| 2019                               | 2018                | 1,933,683               | 57,977                 | 7,795                | 1,999,455                         | 10.06                    |
| 2020                               | 2019                | 2,119,926               | 48,866                 | 7,413                | 2,176,205                         | 10.06                    |
| 2021                               | 2020                | 2,279,223               | 50,961                 | 7,512                | 2,337,696                         | 10.06                    |

Note: Property in the City is reassessed each year. The property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$1,000 of assessed value.

Sources: - City of Lake Worth, Florida, Finance Department.  
 - Palm Beach County Property Appraiser.  
 - Certification of Taxable Value, DR-420, Final.  
 - Tax Roll Certification, DR-403C, First Certified Tax Roll

## City of Lake Worth Beach, Florida

### PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (UNAUDITED) LAST TEN FISCAL YEARS

| Fiscal Year<br>Ended<br>September 30, | Tax Roll<br>Year | City of Lake Worth    |      |                 |               |                      | Overlapping Rates (1)                   |   |   |   |                                   | Total Direct<br>and<br>Overlapping<br>Rates |
|---------------------------------------|------------------|-----------------------|------|-----------------|---------------|----------------------|---|---|---|---|-----------------------------------|---|
|                                       |                  | General<br>Operations | MSTU | Debt<br>Service | Total<br>City | Palm Beach<br>County | Palm Beach<br>County<br>School<br>Board | South<br>Florida<br>Water<br>Management<br>District | Florida<br>Inland<br>Navigation<br>District | Palm Beach<br>County<br>Health Care<br>District | Children's<br>Services<br>Council |   |
| 2012                                  | 2011             | 5.49                  | 3.46 | -               | 8.95          | 4.99                 | 7.78                                    | 0.18  | 0.03  | 1.12  | 0.73                              | 23.78                                       |
| 2013                                  | 2012             | 5.49                  | 3.46 | -               | 8.95          | 4.78                 | 7.78                                    | 0.77  | 0.03  | 1.12  | 0.73                              | 24.16                                       |
| 2014                                  | 2013             | 5.49                  | 3.46 | -               | 8.95          | 4.78                 | 7.59                                    | 0.74  | 0.03  | 1.08  | 0.70                              | 23.87                                       |
| 2015                                  | 2014             | 5.49                  | 3.46 | -               | 8.95          | 4.78                 | 7.59                                    | 0.69  | 0.03  | 1.05  | 0.67                              | 23.76                                       |
| 2016                                  | 2015             | 5.49                  | 3.46 | -               | 8.95          | 4.91                 | 7.08                                    | 0.33  | 0.03  | 0.90  | 0.68                              | 22.88                                       |
| 2017                                  | 2016             | 5.49                  | 3.46 | 0.75            | 9.70          | 4.90                 | 6.77                                    | 0.31  | 0.03  | 0.78  | 0.66                              | 23.15                                       |
| 2018                                  | 2017             | 5.49                  | 3.46 | 0.75            | 9.70          | 4.90                 | 6.77                                    | 0.32  | 0.03  | 0.85  | 0.66                              | 23.23                                       |
| 2019                                  | 2018             | 5.49                  | 3.46 | 1.11            | 10.06         | 4.86                 | 7.16                                    | 0.28  | 0.03  | 0.73  | 0.65                              | 23.7719                                     |
| 2020                                  | 2019             | 5.49                  | 3.46 | 1.11            | 10.06         | 4.81                 | 7.01                                    | 0.27  | 0.03  | 0.73  | 0.65                              | 23.5603                                     |
| 2021                                  | 2020             | 5.49                  | 3.46 | 1.11            | 10.06         | 4.78                 | 6.88                                    | 0.37  | 0.03  | 0.73  | 0.65                              | 23.5004                                     |

NOTE: All millage rates are based on \$1 for every \$1,000 of assessed value.

SOURCES: City of Lake Worth Finance Department and Palm Beach County Property Appraiser's Office (DR420 & Detailed Millage Chart).

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Worth. Not all overlapping rates apply to all City of Lake Worth 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).

## City of Lake Worth Beach, Florida

### PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS

| Fiscal Year Ended<br>September 30, | Total Taxes Levied<br>for Year (2) | Collected Within<br>the Fiscal Year of<br>the Levy (1) |        | Percent of<br>Levy | Collections in<br>Subsequent Year's | Total Collections<br>to Date |        | Percent of<br>Levy |
|------------------------------------|------------------------------------|--|--------|--------------------|-------------------------------------|------------------------------|--------|--------------------|
|                                    |                                    | Amount   | Amount |                    |                                     | Amount                       | Amount |                    |
| 2012                               | \$ 5,752,832                       | \$ 5,728,138   | 99.57% | \$ 24,581          | \$ 5,752,719                        | 100.00%                      |        |                    |
| 2013                               | 6,028,316                          | 5,429,614  | 90.07% | 374,692            | 5,804,306                           | 96.28%                       |        |                    |
| 2014                               | 6,561,373                          | 5,694,788  | 86.79% | 132,548            | 5,827,336                           | 88.81%                       |        |                    |
| 2015                               | 6,668,511                          | 6,277,985  | 94.14% | 5,404              | 6,283,389                           | 94.22%                       |        |                    |
| 2016                               | 7,225,095                          | 6,951,573  | 96.21% | -                  | 6,951,573                           | 96.21%                       |        |                    |
| 2017                               | 8,101,969                          | 7,796,543  | 96.23% | -                  | 7,796,543                           | 96.23%                       |        |                    |
| 2018                               | 9,006,434                          | 8,660,077  | 96.15% | -                  | 8,660,077                           | 96.15%                       |        |                    |
| 2019                               | 12,033,164                         | 11,616,102   | 96.53% | -                  | 11,616,102                          | 96.53%                       |        |                    |
| 2020                               | 13,179,530                         | 12,737,088   | 96.64% | -                  | 12,737,088                          | 96.64%                       |        |                    |
| 2021                               | 14,359,890                         | 13,888,771   | 96.72% | -                  | 13,888,771                          | 96.72%                       |        |                    |

SOURCES: City of Lake Worth, Finance Department and Palm Beach County Tax Collector's Office.

(1) Includes discounts taken by property taxpayers.

(2) Palm Beach County Tax Collector - Comparison of Taxes Levied - <http://www.co.palm-beach.fl.us/papa/Millage.htm>

\*As Adopted\*

## City of Lake Worth Beach, Florida

### PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED) CURRENT YEAR AND NINE YEARS AGO

|                                    | 2021                   |      |  | 2012                   |      |  |
|------------------------------------|------------------------|------|--|------------------------|------|--|
|                                    | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| SL BOUTWELL BUSINESS CENTER II LLC | \$ 26,872,710          | 1    | 1.15%                                      | \$ -                   | -    | -  |
| LAKE WORTH VILLAGE, LLC            | 24,019,837             | 2    | 1.03%                                      | -                      | -    | -  |
| OAKWOOD APARTMENTS 160 UNITS LLC   | 21,671,032             | 3    | 0.93%                                      | -                      | -    | -  |
| CUBESMART LP (1)                   | 20,301,903             | 4    | 0.87%                                      | -                      | -    | -  |
| PALM BEACH MOBILE HOME PARK, LLC   | 11,564,261             | 5    | 0.49%                                      | -                      | -    | -  |
| GSG INVESTMENTS                    | 12,406,656             | 6    | 0.53%                                      | -                      | -    | -  |
| VILLAGE AT LAKE OSBORNE LLC        | 13,329,252             | 7    | 0.57%                                      | -                      | -    | -  |
| AKERS ROBERT L TRUST               | 9,321,089              | 8    | 0.40%                                      | -                      | -    | -  |
| 1920 10th AVENUE LLC               | 9,100,000              | 9    | 0.39%                                      | -                      | -    | -  |
| PAISA ASSOCIATES 2 LLC             | 7,661,778              | 10   | 0.33%                                      | -                      | -    | -  |
| BELLSOUTH TELECOMMUNICATIONS INC   | -                      | -    | -  | 12,024,330             | 1    | 1.15%                                      |
| PALM BEACH MOBILE HOME PARK, LLC   | -                      | -    | -  | 8,008,785              | 2    | 0.76%                                      |
| PALM CLUB TOWNHOMES, CCL           | -                      | -    | -  | 7,390,762              | 3    | 0.71%                                      |
| TACKETT PATRICIA A &               | -                      | -    | -  | 7,056,973              | 4    | 0.67%                                      |
| PERRIGO FLORIDA INC                | -                      | -    | -  | 6,595,270              | 5    | 0.63%                                      |
| 1920 10th AVENUE LLC               | -                      | -    | -  | 6,468,496              | 6    | 0.62%                                      |
| GSG INVESTMENTS                    | -                      | -    | -  | 5,562,160              | 7    | 0.53%                                      |
| PUBLIX SUPER MARKETS INC           | -                      | -    | -  | 4,359,027              | 8    | 0.42%                                      |
| ARBOR SQUARE REALTY CO LLC         | -                      | -    | -  | 4,342,436              | 9    | 0.41%                                      |
| SUTTON TOWN & COUNTRY              | -                      | -    | -  | 3,000,000              | 10   | 0.29%                                      |
|                                    | <b>\$ 156,248,518</b>  |      | <b>6.68%</b>                               | <b>\$ 64,808,239</b>   |      | <b>6.19%</b>                               |

SOURCE: 2021 Tax roll provided by the Palm Beach County Tax Collector's Office  
Based on Lake Worth Top Ten Taxpayer Report.  
2012 statistics from COLWB 2012 CAFR

## City of Lake Worth Beach, Florida

### **SPECIAL ASSESSMENT COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS**

| <b>Fiscal Year Ended<br/>September 30,</b> | <b>Amount of Special<br/>Assessments Recorded<br/>Due During<br/>Fiscal Year</b> | <b>Special<br/>Assessments<br/>Collected</b> | <b>Total<br/>Outstanding<br/>Assessments (1)</b> |
|--|--|--|--|
| 2012                                       | \$ -   | \$ 23,100                                    | \$ 88,949  |
| 2013                                       | -  | 22,707                                       | 66,242   |
| 2014                                       | -  | 25,284                                       | 40,958   |
| 2015                                       | -  | 24,290                                       | 16,668   |
| 2016                                       | -  | 9,064  | 7,604  |
| 2017                                       | -  | 7,604  | -  |
| 2018                                       | -  | -  | -  |
| 2019                                       | -  | -  | -  |
| 2020                                       | -  | -  | -  |
| 2021                                       | -  | -  | -  |

NOTE: All special assessments are levied by adoption of a City resolution. Upon adoption of such resolution, a special assessment immediately becomes a lien upon the benefitted property.

Sources: City of Lake Worth, Florida, Finance Department.

(1) Includes Floral Park, Island Estates and High Ridge Road Watermain Project.



## City of Lake Worth Beach, Florida

### RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED) LAST TEN FISCAL YEARS

| Fiscal Year Ended<br>September 30, | Primary Government             |                  |                   |                          |                  |                   |               | Percent<br>of Personal<br>Income (1) | Debt<br>Per Capita (1) |
|------------------------------------|--------------------------------|------------------|-------------------|--------------------------|------------------|-------------------|---------------|--------------------------------------|------------------------|
|                                    | Governmental Activities        |                  |                   | Business-Type Activities |                  |                   |               |                                      |                        |
|                                    | General<br>Obligation<br>Bonds | Notes<br>Payable | Capital<br>Leases | Revenue<br>Bonds         | Notes<br>Payable | Capital<br>Leases | Total         |                                      |                        |
| 2012                               | \$ -                           | \$ -             | \$ -              | \$ 56,792,006            | \$ 13,566,736    | \$ 102,372        | \$ 70,461,114 | N/A                                  | 2,019                  |
| 2013                               | -                              | -                | -                 | 54,030,000               | 9,632,083        | -                 | 63,662,083    | N/A                                  | 1,791                  |
| 2014                               | -                              | -                | -                 | 52,760,000               | 6,521,092        | -                 | 59,281,092    | N/A                                  | 1,596                  |
| 2015                               | -                              | -                | -                 | 49,595,000               | 6,223,140        | -                 | 55,818,140    | N/A                                  | 1,482                  |
| 2016                               | -                              | 849,446          | -                 | 43,000,000               | 21,869,067       | -                 | 65,718,513    | N/A                                  | 1,738                  |
| 2017                               | 22,267,392                     | 973,205          | -                 | 39,565,000               | 27,904,081       | -                 | 90,709,678    | N/A                                  | 2,390                  |
| 2018                               | 39,589,955                     | 929,483          | -                 | 39,565,000               | 29,278,407       | -                 | 109,362,845   | N/A                                  | 2,859                  |
| 2019                               | 38,901,061                     | 882,245          | -                 | 36,035,000               | 30,470,991       | -                 | 106,289,297   | N/A                                  | 2,778                  |
| 2020                               | 53,036,418                     | 843,864          | -                 | 44,945,423               | 31,306,589       | -                 | 130,132,294   | N/A                                  | 3,347                  |
| 2021                               | 53,053,988                     | -                | -                 | 113,248,607              | 14,926,319       | -                 | 181,228,914   | N/A                                  | 4,257                  |

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 (1) See the Schedule of Demographic and Economic Statistics.  
 N/A Not Available.

## City of Lake Worth Beach, Florida

### **RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED) LAST TEN FISCAL YEARS**

| <b>Fiscal Year Ended<br/>September 30,</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Less: Amounts Available<br/>in Debt Service<br/>Fund</b> | <b>Net<br/>Total</b> | <b>Percentage of Estimated<br/>Actual Taxable Value<br/>of Property (1)</b> | <b>Per<br/>Capita (2)</b> |
|--|---|---|----------------------|---|---------------------------|
| 2012                                       | \$ -                                    | \$ -  | \$ -                 | 0.00%   | -                         |
| 2013                                       | -                                       | -   | -                    | -   | -                         |
| 2014                                       | -                                       | -   | -                    | -   | -                         |
| 2015                                       | -                                       | -   | -                    | -   | -                         |
| 2016                                       | -                                       | -   | -                    | -   | -                         |
| 2017                                       | 22,267,392                              | -   | 22,267,392           | 1.36%   | 586.82                    |
| 2018                                       | 39,589,955                              | (14,271)  | 39,575,684           | 2.18%   | 1,034.47                  |
| 2019                                       | 38,901,061                              | (1,914)   | 38,899,147           | 1.95%   | 1,016.79                  |
| 2020                                       | 53,036,418                              | -   | 53,036,418           | 2.44%   | 1,364.28                  |
| 2021                                       | 53,053,988                              | 165,278   | 53,219,266           | 2.28%   | 1,250.10                  |

NOTE: Details regarding City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics.

(3) These amounts in Fund 203 CASH (BOA) account (101.01-01)

## City of Lake Worth Beach, Florida

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### *COMPUTATION OF LEGAL DEBT LIMIT (UNAUDITED) FISCAL YEAR ENDED SEPTEMBER 30, 2021*

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|   |                  |
|---|------------------|
| Taxable Assessed Valuation                  | \$ 2,337,696,000 |
| Debt Limit (25% of Valuation)               | 584,424,000      |
| Outstanding Debt:                           | 53,053,988       |
| Debt-Contracting Margin                     | \$ 531,370,012   |
| Percentage Debt-Contracting Limit Remaining | 90.92%           |

NOTE: The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt and bonds. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits.

## City of Lake Worth Beach, Florida

### **DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)** **FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| <b>Government Unit:</b>                  | <b>Net<br/>Debt<br/>Outstanding</b> | <b>Percentage Applicable<br/>to the City of<br/>Lake Worth (1)</b> | <b>Amount Applicable<br/>to the City of<br/>Lake Worth</b> |
|--|-------------------------------------|--|--|
| <b>Overlapping:</b>                      |                                     |  |  |
| Debt Repaid with Property Taxes:         |                                     |  |  |
| Palm Beach County                        | \$ 35,700,000                       | 1.03%  | \$ 366,666   |
| Palm Beach School Board                  | 6,261,000                           | 1.03%  | 64,305   |
| <b>Subtotal</b>                          | <b>41,961,000</b>                   |  | <b>430,971</b>   |
| <b>Direct Debt:</b>                      |                                     |  |  |
| City of Lake Worth                       | \$ 53,053,988                       | 100.00%  | 53,053,988   |
| <b>Total Direct and Overlapping Debt</b> | <b>\$ 95,014,988</b>                |  | <b>\$ 53,484,959</b>                                       |

SOURCES: Data provided by the Palm Beach County Finance Department and the Palm Beach County Property Appraiser.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Worth. This process recognizes that, when the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and, therefore responsible for repaying the debt of each overlapping government.

- (1) The City of Lake Worth's share of overlapping debt of approximately 1.03%, as determined by the ratio of the City's assessed valuation of property for 2021 of \$ 2,279,222,987 to the total assessed value of taxable property in the areas (Palm Beach County) of \$ 221,914,043,494.

## City of Lake Worth Beach, Florida

### **PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS**

| <b>Fiscal Year<br/>Ended<br/>September 30,</b> | <b>Sewer<br/>Revenue (1)</b> | <b>Less:<br/>Operating<br/>Expenses (2)</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt<br/>Service<br/>Principal</b> | <b>Debt<br/>Service<br/>Interest</b> | <b>Coverage</b> |
|--|------------------------------|---|--------------------------------------|---------------------------------------|--------------------------------------|-----------------|
| 2012   | \$ 7,737,291                 | \$ 5,590,967                                | \$ 2,146,324                         | \$ 255,000                            | \$ 191,031                           | 4.81            |
| 2013   | 7,254,074                    | 4,659,716                                   | 2,594,358                            | -                                     | -                                    | 100.00          |
| 2014   | 6,362,910                    | 5,868,978                                   | 493,932                              | -                                     | -                                    | 100.00          |
| 2015   | 7,328,527                    | 5,877,591                                   | 1,450,936                            | -                                     | -                                    | 100.00          |
| 2016   | 7,784,279                    | 6,093,835                                   | 1,690,444                            | -                                     | -                                    | 100.00          |
| 2017   | 7,214,779                    | 6,504,503                                   | 710,276                              | -                                     | -                                    | 100.00          |
| 2018   | 7,122,243                    | 7,958,644                                   | (836,401)                            | -                                     | -                                    | 100.00          |
| 2019   | 7,842,696                    | 7,929,551                                   | (86,855)                             | -                                     | -                                    | 100.00          |
| 2020   | 8,828,323                    | 9,017,939                                   | (189,616)                            | -                                     | -                                    | 100.00          |
| 2021   | 9,992,082                    | 9,097,488                                   | 894,594                              | -                                     | 64,684                               | 100.00          |

SOURCE: City of Lake Worth, Finance Department

(1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.

(2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.

## City of Lake Worth Beach, Florida

### PLEDGED REVENUE COVERAGE (UNAUDITED)

#### LAST TEN FISCAL YEARS (continued)

| Fiscal Year<br>Ended<br>September 30, | Electric<br>Revenue (1) | Less:<br>Operating<br>Expenses (2) | Net<br>Available<br>Revenue |     | Debt<br>Service<br>Principal | Debt<br>Service<br>Interest | Coverage |
|---------------------------------------|-------------------------|------------------------------------|-----------------------------|-----|------------------------------|-----------------------------|----------|
| 2012                                  | \$ 53,998,826           | \$ 49,774,388                      | \$ 4,224,438                |     | \$ 1,290,000                 | \$ 1,181,145                | 1.71     |
| 2013                                  | 51,143,917              | 48,826,115                         | 2,317,802                   |     | 635,000                      | 669,238                     | 1.78     |
| 2014                                  | 54,635,498              | 48,028,511                         | 6,606,987                   |     | 1,582,500                    | 685,779                     | 2.91     |
| 2015                                  | 54,399,160              | 46,526,432                         | 7,872,728                   |     | 1,627,500                    | 642,765                     | 3.47     |
| 2016                                  | 57,161,737              | 44,823,917                         | 12,337,820                  | (3) | -                            | 576,200                     | 21.41    |
| 2017                                  | 55,991,458              | 50,603,851                         | 5,387,607                   | (3) | 1,717,500                    | 1,450,893                   | 1.70     |
| 2018                                  | 54,539,122              | 53,757,573                         | 781,549                     | (3) | 969,166                      | 980,044                     | 0.40     |
| 2019                                  | 55,541,906              | 48,617,931                         | 6,923,975                   | (3) | 2,457,410                    | 878,056                     | 2.08     |
| 2020                                  | 53,720,691              | 45,720,809                         | 7,999,882                   | (3) | 2,556,211                    | 849,427                     | 2.35     |
| 2021                                  | 57,269,174              | 49,936,010                         | 7,333,164                   | (3) | 425,000                      | 1,299,425                   | 4.25     |

SOURCE: City of Lake Worth, Finance Department

- (1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.
- (2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.
- (3) Debt service principal payments were made early for the Utility System Refunding Revenue Bonds.

## City of Lake Worth Beach, Florida

### PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS (continued)

| Fiscal Year<br>Ended<br>September 30, | Water<br>Revenue (1) | Less:<br>Operating<br>Expenses (2) | Net<br>Available<br>Revenue |     | Debt<br>Service<br>Principal | Debt<br>Service<br>Interest | Coverage |
|---------------------------------------|----------------------|------------------------------------|-----------------------------|-----|------------------------------|-----------------------------|----------|
| 2012                                  | \$ 11,803,738        | \$ 7,008,004                       | \$ 4,795,734                |     | \$ 1,290,000                 | \$ 1,181,145                | 1.94     |
| 2013                                  | 11,545,178           | 7,107,407                          | 4,437,771                   |     | 635,000                      | 669,238                     | 3.40     |
| 2014                                  | 12,059,246           | 6,775,980                          | 5,283,266                   |     | 1,880,452                    | 854,928                     | 1.93     |
| 2015                                  | 13,258,306           | 6,437,459                          | 6,820,847                   |     | 1,933,319                    | 804,048                     | 2.49     |
| 2016                                  | 14,161,798           | 6,748,708                          | 7,413,090                   | (3) | 313,895                      | 153,207                     | 15.87    |
| 2017                                  | 14,768,650           | 7,468,404                          | 7,300,246                   | (3) | 2,031,395                    | 1,171,760                   | 2.28     |
| 2018                                  | 14,132,486           | 7,800,797                          | 6,331,689                   | (3) | 397,780                      | 906,983                     | 4.85     |
| 2019                                  | 15,373,494           | 8,352,033                          | 7,021,461                   | (3) | 2,575,749                    | 842,734                     | 2.05     |
| 2020                                  | 14,794,765           | 9,355,546                          | 5,439,219                   | (3) | 2,732,209                    | 826,979                     | 1.53     |
| 2021                                  | 15,613,916           | 10,742,381                         | 4,871,535                   | (3) | 160,000                      | 568,025                     | 6.69     |

SOURCE: City of Lake Worth, Finance Department

- (1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.
- (2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.
- (3) Debt service principal payments were made early for the Water Revenue Bond.

## City of Lake Worth Beach, Florida

### DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED) LAST TEN FISCAL YEARS

| Year | Population (1) | Personal Income<br>(Amounts Expressed<br>in Thousands) (4) | Per Capita<br>Personal<br>Income (4) | Assessed Value<br>(Amounts Expressed<br>in Thousands) (2) | Per Capita<br>Assessed<br>Value | Unemployment<br>Rate (3) |
|------|----------------|--|--------------------------------------|---|---------------------------------|--------------------------|
| 2012 | 34,901         | N/A  | N/A                                  | \$ 1,047,017  | \$ 30,000                       | 8.7%                     |
| 2013 | 35,555         | N/A  | N/A                                  | 1,097,155   | 30,858                          | 6.6%                     |
| 2014 | 37,145         | N/A  | N/A                                  | 1,198,017   | 32,252                          | 6.2%                     |
| 2015 | 37,674         | N/A  | N/A                                  | 1,317,159   | 34,962                          | 5.1%                     |
| 2016 | 37,803         | N/A  | 68,743                               | 1,471,996   | 38,939                          | 5.8%                     |
| 2017 | 37,946         | N/A  | N/A                                  | 1,633,299   | 43,043                          | 4.5%                     |
| 2018 | 38,257         | N/A  | N/A                                  | 1,813,046   | 47,391                          | 4.4%                     |
| 2019 | 38,484         | N/A  | N/A                                  | 1,999,455   | 51,955                          | 3.0%                     |
| 2020 | 38,875         | N/A  | N/A                                  | 2,176,205   | 55,980                          | 7.2%                     |
| 2021 | 42,572         | N/A  | N/A                                  | 2,337,696   | 54,912                          | 4.1%                     |

#### SOURCES:

- (1) University of Florida, Bureau of Economic Research.
- (2) Palm Beach County Property Appraiser.
- (3) U.S. Department of Labor, Bureau of Labor Statistics.
- (4) University of Florida, Bureau of Economic Research - For Palm Beach County, (City of Lake Worth data is not available).  
<http://www.bebr.ufl.edu/data/county/palm-beach>

N/A: Not Available.



## City of Lake Worth Beach, Florida

### PRINCIPAL EMPLOYERS (UNAUDITED) CURRENT YEAR AND NINE YEARS AGO

| City of Lake Worth, Florida<br>Employer | 2021                   |      | 2012          |      |  |
|---|------------------------|------|---------------|------|--|
|   | Number of<br>Employees | Rank | Employees     | Rank | Percentage<br>of Total<br>County<br>Employment |
| Palm Beach State College                | 1,192                  | 1    | 21,495        | 1    | 3.80%  |
| American Medical Response               | 350                    | 2    | 5,127         | 3    | 0.91%  |
| City of Lake Worth                      | 340                    | 3    | 11,381        | 2    | 2.01%  |
| American Medical Response               | 271                    | 4    | 3,635         | 4    | 0.64%  |
| Eastern Metal Supply                    | 200                    | 5    | 2,706         | 7    | 0.48%  |
| Publix (214 N. Dixie Hwy.)              | 160                    | 6    | 2,250         | 10   | 0.40%  |
| Publix (1910 Lake Worth Rd.)            | 150                    | 7    | -             | -    | -  |
| Equihome Mortgage                       | 125                    | 8    | 2,714         | 6    | 0.48%  |
| Finnish American Rest Home              | 100                    | 9    | -             | -    | -  |
| Wayne Akers F                           | 64                     | 10   | 2,391         | 8    | 0.42%  |
|   | <u>2,952</u>           |      | 3,000         | 5    | 0.53%  |
|   |                        |      | 2,250         | 9    | 0.40%  |
|   |                        |      | <u>56,483</u> |      | <u>7.75%</u>                                   |
|   |                        |      | <u>56,949</u> |      | <u>10.07%</u>                                  |

SOURCE: Business Development Board of Palm Beach County.

**City of Lake Worth Beach, Florida**

**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED)  
LAST TEN FISCAL YEARS**

|                                  | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Number of Employees:</b>      |            |            |            |            |            |            |            |            |            |            |
| General Government               | 69         | 63         | 65         | 71         | 73         | 78         | 76         | 76         | 74         | 80         |
| Public Safety                    | 10         | 12         | 14         | 13         | 12         | 14         | 13         | 14         | 14         | 26         |
| Physical Environment             | 13         | 13         | 13         | 15         | 13         | 20         | 24         | 24         | 26         | 16         |
| Transportation                   | 4          | 3          | 11         | 8          | 11         | 16         | 16         | 13         | 13         | 10         |
| Culture and Recreation           | 16         | 20         | 28         | 19         | 22         | 25         | 25         | 25         | 27         | 58         |
| Community Redevelopment          | 6          | 7          | 2          | 2          | 2          | 4          | 4          | 4          | 4          | -          |
| Electric                         | 88         | 72         | 66         | 73         | 67         | 71         | 68         | 69         | 71         | 72         |
| Water and Sewer                  | 39         | 48         | 47         | 55         | 48         | 55         | 50         | 50         | 48         | 47         |
| Refuse                           | 28         | 30         | 30         | 30         | 28         | 33         | 32         | 32         | 29         | 31         |
| <b>Total Full Time Employees</b> | <b>273</b> | <b>268</b> | <b>276</b> | <b>286</b> | <b>276</b> | <b>316</b> | <b>308</b> | <b>307</b> | <b>306</b> | <b>340</b> |

Source: COLWB Payroll Register, PPE 10/6/2019



# City of Lake Worth Beach, Florida

## OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED) LAST TEN FISCAL YEARS

| Function/Program               | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Building Department:</b>    |            |            |            |            |            |            |            |            |            |            |
| Building Permits Issued-Res.   | 1,309      | 2,170      | 1,702      | 2,050      | 2,503      | 2,224      | 2,954      | 2,758      | 2,515      | 3,093      |
| Building Permits Issued-Com.   | 480        | 500        | 425        | 703        | 657        | 751        | 539        | 677        | 750        | 605        |
| <b>Culture and Recreation:</b> |            |            |            |            |            |            |            |            |            |            |
| Golf Course-Attendance         | 38,199     | 42,983     | 59,367     | 42,103     | 34,554     | 39,218     | 38,869     | 48,680     | 41,038     | 47,116     |
| Swimming Pool-Attendance       | *          | *          | 8,118      | 13,143     | 13,304     | *          | *          | *          | *          | *          |
| Fishing Pier-Attendance        | 72,799     | 78,102     | 90,250     | 87,258     | 88,264     | 89,240     | 91,246     | 92,158     | *          | *          |
| <b>Public Library:</b>         |            |            |            |            |            |            |            |            |            |            |
| Circulation-All Media          | 83,790     | 81,256     | 62,454     | 44,599     | 48,112     | 43,321     | 36,336     | 29,728     | 8,956      | 8,897      |
| Patrons Registered             | 21,457     | 22,398     | 23,565     | 19,548     | 15,490     | 15,696     | 16,330     | 19,179     | 19,679     | 20,226     |
| Patrons Registered-Inside City | 16,281     | 17,444     | 17,355     | 14,867     | 11,325     | 11,421     | 11,932     | 15,387     | 19,376     | 19,775     |
| <b>Utility System:</b>         |            |            |            |            |            |            |            |            |            |            |
| <b>Water:</b>                  |            |            |            |            |            |            |            |            |            |            |
| Total Number of Bills          | 153,898    | 156,219    | 157,646    | 161,573    | 160,395    | 161,410    | 167,222    | 168,259    | 169,418    | 13         |
| Number of Units Billed         | 15,217,786 | 14,782,623 | 15,698,399 | 16,135,064 | 15,881,991 | 15,995,970 | 15,332,625 | 15,721,546 | 15,270,195 | 15,514,671 |
| Total Amount Billed            | 12,045,014 | 11,338,385 | 11,791,811 | 13,318,069 | 13,345,940 | 13,709,754 | 12,992,941 | 13,572,778 | 13,603,381 | 13,890,971 |
| Average Selling Price          | 0.79       | 0.77       | 0.76       | 0.83       | 0.84       | 0.86       | 0.85       | 0.86       | 0.89       | 0.90       |
| Average Bill                   | 78.27      | 72.58      | 74.80      | 82.43      | 83.21      | 84.94      | 77.70      | 80.67      | 80.29      | 81.47      |
| Number of Connections          | 12,301     | *          | *          | *          | *          | *          | *          | *          | *          | *          |
| Water Main Breaks              | 30         | *          | *          | *          | *          | *          | *          | *          | *          | *          |
| <b>Sewer:</b>                  |            |            |            |            |            |            |            |            |            |            |
| Total Number of Bills          | 138,412    | 140,700    | 142,187    | 143,379    | 146,821    | 147,742    | 148,476    | 149,150    | 150,298    | 151,291    |
| Number of Units Billed         | 11,345,142 | 14,219,556 | 11,603,213 | 11,929,331 | 12,216,102 | 12,408,208 | 12,013,792 | 12,100,257 | 12,098,238 | 15,514,671 |
| Total Amount Billed            | 7,224,736  | 6,856,410  | 6,003,365  | 6,725,422  | 7,018,882  | 7,283,007  | 7,117,298  | 7,755,324  | 8,957,673  | 9,655,138  |
| Average Selling Price          | 0.64       | 0.62       | 0.52       | 0.57       | 0.57       | 0.59       | 0.60       | 0.64       | 0.74       | 0.79       |
| Average Bill                   | 52.20      | 48.73      | 42.23      | 47.00      | 48.00      | 49.30      | 47.94      | 52.00      | 59.60      | 63.82      |
| Number of Connections          | 11,106     | 11,268     | 11,192     | 11,216     | 11,218     | 12,194     | 12,373     | *          | *          | *          |

Sources: Various City Departments

# City of Lake Worth Beach, Florida

## OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

### LAST TEN FISCAL YEARS (continued)

| Function/Program              | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020        | 2021      |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|
| <b>Electric:</b>              |           |           |           |           |           |           |           |           |             |           |
| <b>Residential Customers:</b> |           |           |           |           |           |           |           |           |             |           |
| Total Number of Bills         | 236321    | 268028    | 271926    | 281016    | 283149    | 285434    | 287853    | 288716    | 290701      | 294390    |
| Number of Units Billed        | 670732013 | 450714920 | 307934950 | 324881383 | 329044873 | 329388680 | 324223300 | 336004339 | 342054167   | 343634471 |
| Total Amount Billed           | 30357449  | 28629223  | 30515277  | 33156771  | 32802475  | 32786766  | 30907817  | 31993460  | 32849669.45 | 32073568  |
| Average Selling Price         | \$ 0.05   | \$ 0.07   | \$ 0.10   | \$ 0.11   | \$ 0.10   | \$ 0.10   | \$ 0.10   | \$ 0.10   | \$ 0.10     | \$ 0.11   |
| Average Bill                  | \$ 128    | \$ 107    | \$ 112    | \$ 118    | \$ 116    | \$ 115    | \$ 107    | \$ 111    | \$ 113      | \$ 111    |
| <b>Commercial Customers:</b>  |           |           |           |           |           |           |           |           |             |           |
| Total Number of Bills         | 33758     | 35538     | 36429     | 37561     | 37674     | 37677     | 37808     | 37843     | 37840       | 38694     |
| Number of Units Billed        | 190521820 | 136281598 | 108714074 | 152817241 | 125097776 | 127896107 | 126102700 | 126436901 | 131523506   | 118861125 |
| Total Amount Billed           | 11852622  | 14807277  | 15057782  | 15645193  | 15573116  | 15893259  | 15342976  | 15330753  | 14284317.23 | 14490311  |
| Average Selling Price         | \$ 0.06   | \$ 0.11   | \$ 0.14   | \$ 0.11   | \$ 0.12   | \$ 0.12   | \$ 0.12   | \$ 0.12   | \$ 0.09     | \$ 0.12   |
| Average Bill                  | \$ 351    | \$ 417    | \$ 413    | \$ 417    | \$ 413    | \$ 422    | \$ 406    | \$ 405    | \$ 377      | \$ 374    |
| <b>Private Area Lighting:</b> |           |           |           |           |           |           |           |           |             |           |
| Total Number of Bills         | 6558      | 6484      | 6488      | 6574      | 6536      | 6556      | 6507      | 6433      | 6538        | 6696      |
| Number of Units Billed        | 2339530   | 2349288   | 1260696   | 1235578   | 1193692   | 1200994   | 2431880   | 2428976   | 2507128     | 2469312   |
| Total Amount Billed           | 201083    | 201892    | 226235    | 220335    | 216292    | 217297    | 262582    | 262342    | 270911.75   | 267223    |
| Average Selling Price         | \$ 0.09   | \$ 0.09   | \$ 0.18   | \$ 0.18   | \$ 0.18   | \$ 0.18   | \$ 0.11   | \$ 0.11   | \$ 0.09     | \$ 0.11   |
| Average Bill                  | \$ 31     | \$ 31     | \$ 35     | \$ 34     | \$ 33     | \$ 33     | \$ 40     | \$ 41     | \$ 41       | \$ 40     |
| <b>Commercial Demand:</b>     |           |           |           |           |           |           |           |           |             |           |
| Total Number of Bills         | 1056      | 1055      | 1029      | 1032      | 1034      | 1031      | 1046      | 1076      | 1032        | 1034      |
| Number of Units Billed        | 122380220 | 54570150  | 56307954  | 53104190  | 52771310  | 52555086  | 50615850  | 49801395  | 49284132    | 60827021  |
| Total Amount Billed           | 7571587   | 6042329   | 6202544   | 5869258   | 5855878   | 5641515   | 5451325   | 5367370   | 5328048.85  | 6174      |
| Average Selling Price         | \$ 0.06   | \$ 0.11   | \$ 0.11   | \$ 0.11   | \$ 0.11   | \$ 0.11   | \$ 0.11   | \$ 0.11   | \$ 0.09     | \$ 0.10   |
| Average Bill                  | 7,170     | 5,727     | 6,028     | 5,687     | 5,663     | 5,418     | 5,212     | 4,988     | 5,163       | 5,971     |
| <b>Street Lights:</b>         |           |           |           |           |           |           |           |           |             |           |
| Total Number of Bills         | 108       | 104       | 112       | 108       | 112       | 109       | 108       | 108       | 108         | 105       |
| Number of Units Billed        | 5013600   | 4978576   | 2541824   | 2506800   | 2568936   | 2592168   | 4964044   | 4964880   | 4966112     | 4931792   |
| Total Amount Billed           | 360750    | 385599    | 385858    | 383706    | 392298    | 395382    | 476141    | 476280    | 476384.17   | 473490    |
| Average Selling Price         | \$ 0.07   | \$ 0.08   | \$ 0.16   | \$ 0.16   | \$ 0.15   | \$ 0.15   | \$ 0.10   | \$ 0.10   | \$ 0.10     | \$ 0.10   |
| Average Bill                  | \$ 3,340  | \$ 3,708  | \$ 3,445  | \$ 3,553  | \$ 3,503  | \$ 3,627  | \$ 4,409  | \$ 4,410  | \$ 4,411    | \$ 4,509  |
| <b>Solid Waste:</b>           |           |           |           |           |           |           |           |           |             |           |
| Residential accounts          | 8         | 3         | 24        | 42        | 34        | 37        | 38        | 20        | 20          | 18        |
| Commercial accounts           | 1085      | 1086      | 1104      | 1136      | 1127      | 1129      | 1119      | 1112      | 1110        | 1097      |

Sources: Various City Departments.

# City of Lake Worth Beach, Florida

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED) LAST TEN FISCAL YEARS

| Function/Program               | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>General Government:</b>     |       |       |       |       |       |       |       |       |       |       |
| Number of Buildings            | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <b>Public Safety:</b>          |       |       |       |       |       |       |       |       |       |       |
| Police:                        |       |       |       |       |       |       |       |       |       |       |
| Police Stations                | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Fire:                          |       |       |       |       |       |       |       |       |       |       |
| Fire Stations                  | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 3     | 3     | 3     |
| <b>Transportation:</b>         |       |       |       |       |       |       |       |       |       |       |
| Miles of Streets:              |       |       |       |       |       |       |       |       |       |       |
| Streets-Paved                  | 102   | 102   | 102   | 102   | 102   | 116   | 116   | 116   | 116   | 116   |
| Streets-Unpaved                | 17    | 17    | 17    | 17    | 17    | 23    | 23    | 23    | 23    | 23    |
| Number of Street Lights        | 4,102 | 4,102 | 4,102 | 4,102 | 4,305 | 4,526 | 4,526 | 4,526 | 4,526 | 4,526 |
| <b>Culture and Recreation:</b> |       |       |       |       |       |       |       |       |       |       |
| Parks                          | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 12    |
| Parks Acreage                  | 267   | 267   | 267   | 267   | 267   | 267   | 267   | 267   | 267   | 268   |
| Tennis Courts                  | 8     | 8     | 8     | 8     | 7     | 7     | 7     | 5     | 5     | 5     |
| Baseball/Softball Fields       | 10    | 10    | 10    | 10    | 6     | 8     | 8     | 6     | 6     | 6     |
| In/Outdoor Basketball Courts   | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     |
| Public Boat Ramps              | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Community Centers              | 2     | 2     | 2     | 2     | 1     | 1     | 1     | 1     | 1     | 1     |
| Municipal Gym                  | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Golf Course                    | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Swimming Pool                  | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Fishing Pier                   | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Shuffleboard                   | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Public Library                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <b>Utility System:</b>         |       |       |       |       |       |       |       |       |       |       |
| Fire Hydrants                  | 964   | 976   | 996   | 1,003 | 1,034 | 1,081 | 1,105 | 1,105 | 1,139 | 1,174 |
| <b>Solid Waste:</b>            |       |       |       |       |       |       |       |       |       |       |
| Collection Trucks              | 22    | 22    | 22    | 22    | 23    | 26    | 27    | 27    | 27    | 28    |
| <b>Water System:</b>           |       |       |       |       |       |       |       |       |       |       |
| Total Wells                    | 18    | 16    | 16    | 17    | 15    | 15    | 15    | 15    | 15    | 54    |
| Usable Wells                   | 17    | 14    | 13    | 15    | 15    | 15    | 15    | 15    | 15    | 17    |
| Miles of Water Lines           | 156   | 156   | 156   | 157   | 156   | 165   | 168   | 169   | 169.0 | 179.9 |
| <b>Sewer System:</b>           |       |       |       |       |       |       |       |       |       |       |
| Miles of Sewer Lines           | 98    | 98    | 98    | 98    | 114   | 117   | 125   | 126   | 126.0 | 124.2 |
| <b>Electric System:</b>        |       |       |       |       |       |       |       |       |       |       |
| Generating Plants              | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 5     |
| Miles of Distribution Lines    | 147   | 147   | 147   | 147   | 147   | 290   | 296   | 296   | 296   | 590   |

Sources: Various City Departments.

City of Lake Worth Beach, Florida

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# **City of Lake Worth Beach, Florida**

Single Audit Reports in  
Accordance With the Uniform Guidance  
Fiscal Year Ended September 30, 2021



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RSM US LLP

**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*  
Independent Auditor's Report**

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 13, 2022. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item IC 2021-001 that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

**City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*RSM US LLP*

West Palm Beach, Florida  
June 24, 2022



RSM US LLP

**Report on Compliance for the Major Federal Program and  
Major State Projects; Report on Internal Control Over Compliance;  
and Report on the Schedule of Expenditures of Federal Awards Required  
by the Uniform Guidance and Schedule of Expenditures of State Financial Assistance  
Required by Chapter 10.550, *Rules of the Florida Auditor General***

**Independent Auditor's Report**

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

**Report on Compliance for the Major Federal Program and Major State Projects**

We have audited the City of Lake Worth Beach, Florida's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the requirements described in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on the City's major federal program and major state projects, respectively, for the year ended September 30, 2021. The City's major federal program and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Those standards, the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program and Major State Projects**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program and each of its major state projects for the year ended September 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and each major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550, Rules of the Florida Auditor General**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 13, 2022, which contained an unmodified opinion on those financial statements, and included a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*RSM US LLP*

West Palm Beach, Florida  
June 24, 2022, except for Schedule of Expenditures of Federal Awards  
and Schedule of Expenditures of State Financial Assistance which are dated May 13, 2022

City of Lake Worth Beach, Florida

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2021

| Federal Agency/Pass-Through Grantor/Program Title                                  | Federal Assistance Listing Number | Contract Number                  | Pass-Through Entity Identifying Number | Expenditures        |
|--|-----------------------------------|----------------------------------|--|---------------------|
| <b>U.S. Department of Housing and Urban Development</b>                            |                                   |                                  |  |                     |
| Passed through Palm Beach County Department of Housing and Economic Sustainability |                                   |                                  |  |                     |
| Community Development Block Grants/Entitlement Grants – Howard Park                |                                   |                                  |  |                     |
| Total CDBG – Entitlement Cluster   |                                   |                                  |  |                     |
|  | 14.218                            | R2020-1884                       | C-1618-K                               | \$ 144,143          |
| <b>U.S Department of Commerce</b>  |                                   |                                  |  |                     |
| Passed through Palm Beach County Department of Housing and Economic Sustainability |                                   |                                  |  |                     |
| Investments for Public Works and Economic Development Facilities –                 |                                   |                                  |  |                     |
| Economic Development Administration POC Phase 1A                                   |                                   |                                  |  |                     |
|  | 11.300                            | R2017-0058                       | 04-01-07113                            | 308,995             |
| <b>U.S. Department of Transportation</b>   |                                   |                                  |  |                     |
| Passed through the Florida Department of Transportation                            |                                   |                                  |  |                     |
| FDOT POC Phase 2   |                                   |                                  |  |                     |
| Total Highway Planning and Construction Cluster                                    |                                   |                                  |  |                     |
|  | 20.205                            | G1J19 & G1J20<br>Grant # 4405092 | 442094-1-58-01                         | 1,519,943           |
| <b>U.S. Department of Justice</b>  |                                   |                                  |  |                     |
| COVID-19 Coronavirus Emergency Supplemental Funding Program –                      |                                   |                                  |  |                     |
| Justice Assistance Grant Program   |                                   |                                  |  |                     |
|  | 16.034                            | 2020-VD-BX-0500                  | 076040070                              | 5,108               |
| Edward Byrne Justice Assistance Grant Program                                      |                                   |                                  |  |                     |
|  | 16.738                            | 2017-DJ-BX-0726                  | 076040070                              | 7,591               |
|  |                                   | 2019-DJ-BX-0811                  | 076040070                              | 35,966              |
|  |                                   | 2020-DJ-BX-1032                  | 076040070                              | 6,091               |
| <b>United States Department of Energy</b>  |                                   |                                  |  |                     |
| Passed Through Florida Department of Agriculture and Consumer Services             |                                   |                                  |  |                     |
| State Energy Program – Energy Efficient Street Lighting                            |                                   |                                  |  |                     |
|  | 81.041                            | 25923                            | LG018                                  | 31,500              |
| <b>U.S. Department of Homeland Security</b>  |                                   |                                  |  |                     |
| Passed Through Florida Division of Emergency Management                            |                                   |                                  |  |                     |
| COVID-19 Coronavirus Relief Fund   |                                   |                                  |  |                     |
|  | 21.019                            | none                             | none                                   | <u>314,963</u>      |
| <b>Total expenditures of federal awards</b>  |                                   |                                  |  | <u>\$ 2,374,300</u> |

See notes to schedule of expenditures of federal awards.

City of Lake Worth Beach, Florida

Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended September 30, 2021

| <b>State Grantor/Pass-Through Grantor/Program Title</b> | <b>CSFA Number</b> | <b>Contract Number</b>     | <b>Expenditures</b>        |
|---|--------------------|----------------------------|----------------------------|
| <b>Florida Department of Environmental Protection</b>   |                    |                            |                            |
| Capitalization Grants for Drinking Water                | 37.076             | DW501731                   | \$ 1,766,723               |
| Capitalization Grants for Drinking Water                | 37.076             | DW501740                   | <u>1,273,503</u>           |
| Total Florida Department of Environmental Protection    |                    |                            | 3,040,226                  |
| <b>Florida Department of Transportation</b>             |                    |                            |                            |
| Local Transportation Projects –<br>FDOT POC Phase 1B    | 55.039             | G1543<br>Grant # FM#443364 | <u>850,495</u>             |
| <b>Total expenditures of state financial assistance</b> |                    |                            | <u><u>\$ 3,890,721</u></u> |

See notes to schedule of expenditures of state financial assistance.



## City of Lake Worth Beach, Florida

### Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

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#### **Note 1. General and Basis of Presentation**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of Lake Worth Beach, Florida (the City) for the year ended September 30, 2021. The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida (Chapter 10.550). Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in fund balance/net positions, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

#### **Note 2. Basis of Accounting**

Expenditures reported on the Schedules are reported using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses in the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

#### **Note 3. Subrecipient Awards**

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

#### **Note 4. Indirect Cost Rate**

The City has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs**

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**Section I – Summary of Auditor’s Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

|   |                   |                            |
|---|-------------------|----------------------------|
|   | Unmodified        |                            |
| Internal control over financial reporting:            |                   |                            |
| Material weakness(es) identified?                     | <u>  X  </u> Yes  | <u>      </u> No           |
| Significant deficiency(ies) identified?               | <u>      </u> Yes | <u>  X  </u> None Reported |
| Noncompliance material to financial statements noted? | <u>      </u> Yes | <u>  X  </u> No            |

Federal Awards

Internal control over major programs:

|   |                   |                            |
|---|-------------------|----------------------------|
| Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> None Reported |

Type of auditor’s report issued on compliance for major federal programs:

|  |                   |                 |
|--|-------------------|-----------------|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Unmodified        |                 |
|  | <u>      </u> Yes | <u>  X  </u> No |

Identification of major federal programs:

|  |   |
|--|---|
| <u>Federal Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
| 20.205                                   | Highway Planning and Construction Cluster |

Dollar threshold used to distinguish between type A and B programs:

\$750,000

|  |                   |                 |
|--|-------------------|-----------------|
| Auditee qualified as low-risk auditee? | <u>      </u> Yes | <u>  X  </u> No |
|--|-------------------|-----------------|

(Continued)

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**Section I – Summary of Auditor’s Results (Continued)**

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?

\_\_\_\_\_ Yes

\_\_\_\_\_ X No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes

\_\_\_\_\_ X None Reported

Type of auditor’s report issued on compliance for major projects:

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Florida Auditor General*?

\_\_\_\_\_ Yes

\_\_\_\_\_ X No

Identification of major state projects:

CSFA Number(s)

37.076

55.039

Name of State Project

Capitalization Grants for Drinking Water

Local Transportation Projects- FDOT POC Phase 1B

Dollar threshold used to distinguish between type

A and type B projects:

\$750,000

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**II – Financial Statement Findings**

**A. Internal Control**

**IC 2021-001 – Financial Reporting**

**Material Weakness**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

**Condition:** Material and other accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included adjustments to the financial statements and related footnote disclosures in order to properly report the following balance:

- Unearned revenues related to American Rescue Plan Act

**Context:** Systemic in nature.

**Cause:** Although management have made significant improvements as compared to prior year, management's efforts to address the staffing issues were still ongoing and established controls requiring the reconciliation and review of account balances failed to identify the errors noted.

**Effect:** The financial statements were adjusted to properly report balances.

**Recommendation:** We recommend that management continues to review the design of established controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

**Views of Responsible Officials and Planned Corrective Action:** The Finance Department has implemented controls related to financial reporting to provide reasonable assurance regarding the reliability of the financial reporting process. The Unearned revenues related to American Rescue Plan Acts is the only one material entry made in the current year compare to multiple entries in fiscal year 2020 which resulted in the restatement of the City's net positions and fund balances.

**B. Compliance**

None noted.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**

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**III – Federal Awards Findings and Questioned Costs**

**A. Internal Control over Compliance**

None noted.

**B. Compliance**

None noted.

**Section IV – State Financial Assistance Findings and Questioned Costs**

No matters to report.

**City of Lake Worth Beach, Florida**

**Summary Schedule of Prior Years' Audit Findings**

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| <b>Finding No.</b>                               | <b>Finding Title</b>                          | <b>Current Year Status</b>       |
|--|---|----------------------------------|
| <b>Financial Statements Findings</b>             |   |                                  |
| <u>Internal Control Over Financial Reporting</u> |   |                                  |
| 2020-001   | Bank Reconciliation                           | Corrected                        |
| 2020-002   | CRA Assets Held for Resale                    | Corrected                        |
| 2020-003   | Financial Reporting                           | Repeated<br>See Item IC 2021-001 |
| 2020-004   | Payroll Transactions                          | Corrected                        |
| 2019-01  | Reconciliation of Cash Accounts               | Corrected                        |
| 2019-04  | Accounts Receivable and Revenues              | Corrected                        |
| 2019-09  | Interlocal Agreement                          | Not Corrected                    |
| 2019-10  | Develop a More Formal Risk Assessment Process | Corrected                        |
| <b>Federal Award Program Findings</b>            |   |                                  |
| <u>Compliance Findings</u>                       |   |                                  |
| 2020-001   | Data Collection Form                          | Corrected                        |
| 2020-002   | Reporting                                     | Corrected                        |
| 2020-003   | Allowable Costs/Cost Principles               | Corrected                        |
| <u>Internal Control Over Compliance</u>          |   |                                  |
| 2020-005   | Data Collection Form                          | Corrected                        |
| 2020-006   | Reporting                                     | Corrected                        |
| 2020-007   | Allowable Costs/Cost Principles               | Corrected                        |

**City of Lake Worth Beach, Florida**

**Summary Schedule of Prior Years' Audit Findings (Continued)**

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**IC 2020-003 – Financial Reporting**

**Criteria:** Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

**Condition:** Material accounting adjustments were made to the financial statements to comply with generally accepted accounting principles. This included adjustments to the prior period financial statements and related footnote disclosures in order to properly report the following balances:

- Sewer revenues and related accounts receivables
- Operating revenues and expenses
- Assets held for resale
- Capital lease liability

**Context:** Systemic in nature. The condition relates to routine transactions that occur in course of operations.

**Cause:** Established controls requiring the reconciliation and review of account balances failed to identify the errors noted that resulted in the restatement of the prior period financial statements.

**Effect:** The October 1, 2019 net position and fund balances were restated to properly report financial statement balances.

**Recommendation:** We recommend that management review the design of established controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

**Prior Year Views of Responsible Officials and Planned Corrective Action:** Management accepts the finding and recommendation. In the previous fiscal years, the Finance Department had been functioning without the required staffing levels and supervisory oversight. As the City hired additional personnel, accounting records were corrected to properly report financial statement balances as of the fiscal year end. The Finance Department continues its effort to implement controls related to financial reporting by enhancing staff resources, effectiveness and efficiency.

**Current Year Status:** A similar finding was noted in the current year reported as finding IC 2021-001. See current year finding for management response.

**City of Lake Worth Beach, Florida**

**Summary Schedule of Prior Years' Audit Findings (Continued)**

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**2019-09: Interlocal Agreement**

**Criteria:** The Interlocal Wastewater Service and Wastewater Facilities Cost Sharing Agreement was entered into in 2013 and requires audited statements. In addition, certain balances in the City's financial statements are derived from the interlocal financial statements and schedules.

**Condition:** During the current year, we noted that supporting schedules and records were not available timely to satisfy certain interlocal agreement requirements.

**Cause:** The cause of the conditions is the lack of a formal closing process which incorporates a thorough review by finance personnel.

**Effect:** Incomplete supporting schedules can cause delays in the financial statement process and the accuracy of them.

**Recommendation:** We recommend that the City reconcile interlocal schedules on a regular basis to avoid delays in financial reporting and to ensure the accuracy of them.

**Prior Year Management Response:** Audited statements were not completed timely as required by the Interlocal Wastewater Service and Wastewater Facilities Cost Sharing Agreement entered in 2013. Management will work towards complying with the requirement beginning with the fiscal year ended September 30, 2021.

**Current Year Status and Management's Response:** The City's finance department continues to improve its year-end closing processes and procedures. The fiscal year 2021 annual audited financial report was completed in May when compared to September for fiscal year 2020. We have discussed with employees the importance of the timely submission of the required audited financial reports to the participating entities on an ongoing basis.



# **City of Lake Worth Beach, Florida**

Management Letter in Accordance  
With Chapter 10.550, *Rules of the  
Florida Auditor General*

Fiscal Year Ended September 30, 2021

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RSM US LLP

**Management Letter Required By  
Chapter 10.550 of the *Rules of the  
Auditor General of the State of Florida***

To the Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 13, 2022. Our report includes a reference to other auditors who audited the financial statements of the pension trust funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust. This report does not include the results of the other auditors' testing is that reported on separately by those auditors.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The status of prior audit findings is addressed in Appendix B – *Status of Prior Year's Findings and Recommendations to Improve Financial Management*.

**Official Title and Legal Authority**

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

**Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. This is reported in Appendix A – *Current Year's Findings and Recommendations to Improve Financial Management*.

**Special District Component Units**

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

**Additional Matters**

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor, City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
June 24, 2022

## City of Lake Worth Beach, Florida

### Appendix A – Current Year’s Findings and Recommendations to Improve Financial Management

#### ML 2021-01 – Electric Fund Deficit

**Criteria:** Management should establish a long-term financial plan and prepare annual budgets that result in the Electric Fund maintaining a positive net position on an ongoing basis.

**Condition:** Although the Electric Fund’s unrestricted net position has improved from prior years, the Electric Fund reported an unrestricted net position (deficit) of (\$1,306,451) for the fiscal year ended September 30, 2021. The unrestricted net position balance represents resources available for general operations of the fund over time. Therefore, increases or decreases in the unrestricted net position balance over time serves as a useful indicator of whether the financial position of the fund is improving or deteriorating.

**Cause:** In years preceding fiscal year end 2020, expenses and interfund transfers out have exceeded revenues and interfund transfers in on a cumulative basis. See analysis for the fiscal years ended September 30, 2017 through 2021, as follows:

|                                | Fiscal Year    |                |                |               |               |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|
|                                | 2017           | 2018           | 2019           | 2020          | 2021          |
| Revenues                       | \$ 55,850,044  | \$ 54,280,835  | \$ 55,128,532  | \$ 53,508,982 | \$ 57,265,178 |
| Expenditures                   | (52,423,579)   | (55,464,487)   | (50,541,899)   | (51,822,205)  | (51,836,466)  |
| Expenditures over revenues     | 3,426,465      | (1,183,652)    | 4,586,633      | 1,686,777     | 5,428,712     |
| Transfers and other items, net | (5,135,082)    | (5,331,057)    | (5,671,944)    | (319,984)     | (2,269,019)   |
| Change in net position         | \$ (1,708,617) | \$ (6,514,709) | \$ (1,085,311) | \$ 1,366,793  | \$ 3,159,693  |

**Effect:** If management and those charged with governance fail to implement a deficit reduction plan going forward, this could result in the fund not being able to operate as intended to provide services to residents and customers on an ongoing basis.

**Recommendation:** We recommend that management and those charged with governance continue to monitor the Electric Fund’s unrestricted net position (deficit). This will require that management budget for a surplus of revenues/transfers in over expenses/transfers out in each fiscal year. Additionally, we recommend that management implement budgetary controls, policies and practices that allow for establishing annual budgets that reflect a reasonable estimate of revenues/transfers in and expenses/transfers out and the monitoring of the fund’s budget to actual balances on an ongoing basis, to ensure that the deficit reduction plan is implemented.

**Views of Responsible Official and Planned Corrective Actions:** Management recognizes the need to improve operating results and agrees with the auditor’s recommendation. Although management recognizes these results, management would like to note that a hurricane event and an emergency generator replacement negatively impacted net operating revenues during the associated time period. Furthermore, management has improved its Electric fund operating results by reducing its unrestricted net position (deficit) of (\$6,039,497) to (\$1,306,451) for the fiscal years ended September 30, 2020 and 2021, respectively. Management will continue to monitor its Electric Fund’s general operation to reach a positive net position for fiscal years ahead.

**City of Lake Worth Beach, Florida**

**Appendix A – Current Year’s Findings and Recommendations to Improve Financial Management**

**ML 2021-02 – Self-Insurance Claims Processing**

**Criteria:** Internal control policies and procedures should require the supervisory review and approval of self-insurance claims and supporting documentation on an ongoing basis. This will allow for the accurate recording and management of claims by the City.

**Condition:** We noted Employee Injury Reports related to workers’ compensation claims are not being reviewed and approved by management on an ongoing basis.

**Cause:** Established controls requiring management review and approval of Employee Injury Reports are not being performed on an ongoing basis as claims are incurred.

**Effect:** This could result in inaccurate and/or fictitious claims being reported and paid by the City.

**Recommendation:** We recommend that management adhere to its established internal control policies and procedures requiring the supervisory review and approval of self-insurance claims and supporting documentation on an ongoing basis. Additional training should be provided to emphasize the importance of executing internal control procedures over the self-insurance claims process.

**Views of Responsible Official and Planned Corrective Actions:** Management accepts the finding and recommendation. Management has provided training and communicated the importance of supervisory review/approval of self-insurance claims and supporting documentation on an ongoing basis.

**City of Lake Worth Beach, Florida**

**Appendix B – Status of Prior Year’s Findings and Recommendations to Improve Financial Management**

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| Finding No. | Finding Title         | Current Year Status     |
|-------------|-----------------------|-------------------------|
| ML 2020-001 | Electric Fund Deficit | Repeated as ML 2021-001 |



RSM US LLP

## Independent Accountant's Report

The Honorable Mayor, Members of the  
City Commission and City Manager  
City of Lake Worth Beach, Florida

We have examined the City of Lake Worth Beach, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the period October 1, 2020 to September 30, 2021. Management of the City is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City complied, in all material respects, with the specified requirements during the period October 1, 2020 to September 30, 2021.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
May 13, 2022

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