

Lake Worth Beach Community
Redevelopment Agency
(A Component Unit of the
City of Lake Worth Beach, Florida)

Financial Report
Fiscal Year Ended September 30, 2025

**LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Lake Worth Beach, Florida)**

THE ORGANIZATION

The Lake Worth Beach Community Redevelopment Agency CRA (the CRA), a component unit of the City of Lake Worth Beach, Florida 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. The financial statements and statutorily required report can be obtained by contacting the Lake Worth Beach CRA office at 1121 Lucerne Avenue, Lake Worth Beach, Florida 33460.

The Board is comprised of seven citizen members who serve on a volunteer basis and are appointed by the Lake Worth Beach City Commission for terms of up to four years. The Board Chair is nominated by the membership of the Board. The Vice-Chair is appointed by the Board. Board members of the CRA for the year ended September 30, 2025, were as follows:

BOARD OF DIRECTORS

Leah Foertsch, Vice Chairwoman
Drew Barlett
Donna Kerner
Richard Mahler
John Szerdi
Harry Wolin

CHAIRWOMAN OF THE BOARD

Carla Blockson

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Worth Beach Community Redevelopment Agency
Lake Worth Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake Worth Beach Community Redevelopment Agency (the "Agency"), a component unit of the City of Lake Worth Beach, FL (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, as of September 30, 2025, and the respective changes in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the

responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026

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**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management's Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

As management of the Lake Worth Beach Community Redevelopment Agency (the "CRA"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2025.

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 CRA's assets exceeded its liabilities by approximately \$24.5 million, resulting in a positive net position. Net position increased by approximately \$4.0 million, or 19%, compared to the prior fiscal year. This increase was primarily attributable to \$1.1 million in new HUD grant revenue, an increase of approximately \$0.5 million in tax increment revenues, and a reduction in property transfers to nonprofit partners as certain properties were retained for future redevelopment.
- Tax increment revenues totaled approximately \$7.0 million, representing an increase of approximately 8% compared to the prior fiscal year. This increase was primarily driven by a 6% increase in property values assessed within the Community Redevelopment Area, reflecting growth in both residential and commercial properties.
- During the fiscal year, CRA continued to support economic development activities through its Commercial Grant Program, providing financial assistance to 10 businesses. As of fiscal year-end, four businesses remained under approved grant extensions, reflecting ongoing program administration.
- Housing and redevelopment activities remained a significant component of Agency operations. Two housing projects under construction are expected to deliver 195 affordable housing units and 78 workforce housing units. In addition, agreements executed for two future projects are expected to add 90 affordable units and 8 workforce units. In coordination with nonprofit partners, CRA supported the completion and sale of 15 affordable single-family homes, with 24 units under construction and 13 units in predevelopment at fiscal year-end. Additionally, three land-banked parcels are anticipated to be issued through Requests for Proposals, with the potential to produce up to 85 additional housing units.

Overview of the Financial Statements

This financial section of the annual 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 individual schedules. The basic financial statements include the following two kinds of statements that present different views of the CRA:

Government-Wide Financial Statements

The CRA's government-wide financial statements provide readers with a broad overview of the CRA's finances in a manner similar to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting. The Statement of Net Position presents information on the CRA's assets and liabilities, with the difference between them reported as net position.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management's Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

The Statement of Activities (operating statement) presents information showing how the CRA's net position changed during the most recent fiscal year. All changes in revenues are reported as soon as underlying events giving rise to the change occur regardless of the timing of related cash flows. The expenses are reported as incurred. Therefore, revenue and expenses for some items will only result in cash inflows/outflows in future fiscal periods. The CRA's government-wide financial statements present functions of the CRA that are principally supported by tax increment financing (governmental activities). The CRA has no business-type activities.

The CRA's government-wide financial statements are found beginning on page 15 of this report.

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.

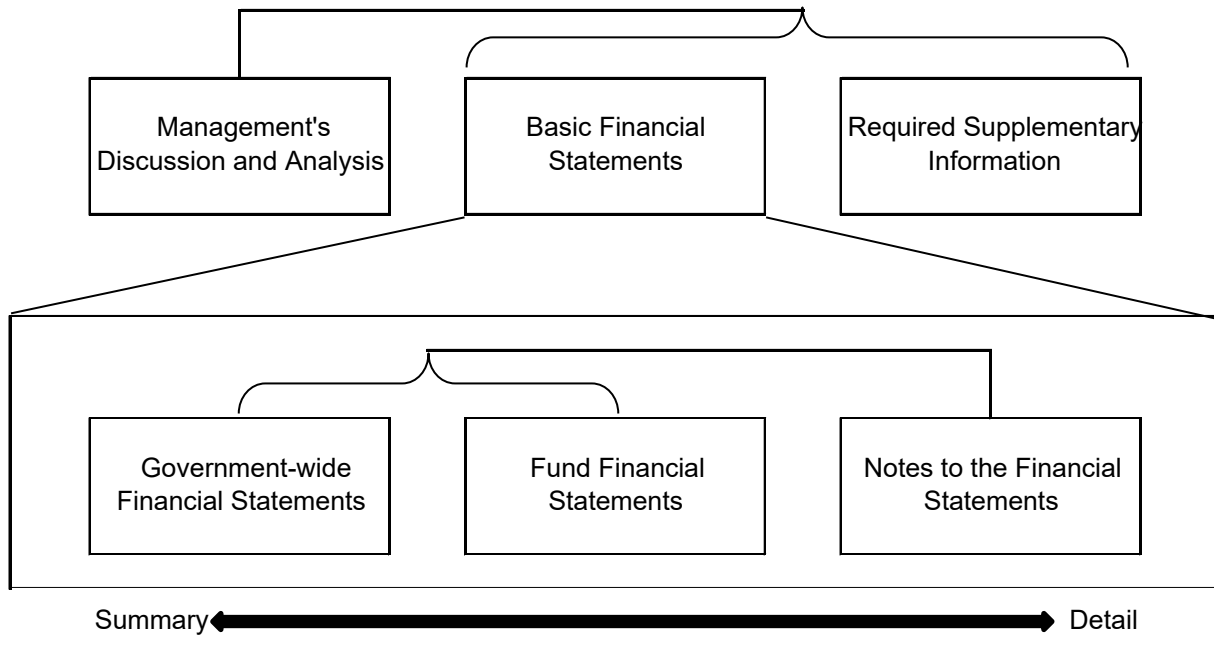
The CRA manages three funds: *General Fund*, *CRA Capital Projects Fund*, and a *non-major NSP2 Fund*. An annual budget is adopted for these funds, and a comparison schedule is provided to show compliance and analyze significant variances between the original and final budgets.

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.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management's Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

**Required Components of the
CRA's Annual Financial Report**



Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the CRA begins on the next page. One of the most important questions asked about the CRA's finances is, "Is the CRA 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 CRA's activities in a way that will help answer this question. These two statements report the net position of the CRA and changes in them. You can think of the CRA's net position – the difference between assets and liabilities, – as one way to measure the financial health or financial position. Over time, increases or decreases in the CRA'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.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management’s Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

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 CRA as of September 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
Current and other assets	\$ 22,412,589	\$ 19,922,054
Capital assets	4,601,835	4,995,754
Total assets	27,014,424	24,917,808
Long-term liabilities		
outstanding	582,485	1,151,874
Other liabilities	1,907,100	2,706,760
Total liabilities	2,489,585	3,858,634
Deferred inflows of resources	-	523,345
Net position:		
Net investment in capital assets	3,449,961	3,287,292
Restricted	21,074,878	17,248,537
Total net position	\$ 24,524,839	\$ 20,535,829

The overall position of the CRA increased in fiscal year 2025. Assets exceeded liabilities by \$24.5 million. The total net position of the CRA increased by \$4 million or approximately 19% from \$20.5 million in 2024 to \$24.5 million in 2025.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management’s Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

The increase of \$2.4 million in the CRA’s current and other assets is primarily driven by governmental activities due to excess revenues over expenditures within the general fund and capital project fund by approximately \$2.1 million and \$2.2 million, respectively. Excess revenues were mainly due to an increase in property taxes and grant revenues from HUD.

The decrease in total liabilities of approximately \$1.4 million is due to a reduction of notes payable and unearned revenues from ARPA by approximately \$0.6 million and \$0.8 million, respectively.

The CRA did not report deferred inflows of resources for fiscal year 2025, as grant revenues were available and collectible within 60 days following the fiscal year end.

The CRA’s net position reflects its investment in capital assets of \$3.4 million or 14% which consist of land, land improvements, buildings and structures, infrastructure and machinery and equipment less any related debt used to acquire these assets that is still outstanding. The CRA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the CRA’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 \$21.1 million or 86% is reported separately to show legal constraints from covenants and enabling legislation. Restricted net position increased by \$3.8 million primarily due to excess revenues over expenditures.

Summary of Changes in Net Position

The following schedule presents a summary of the CRA’s operations for fiscal year 2025, with comparative information for fiscal year 2024:

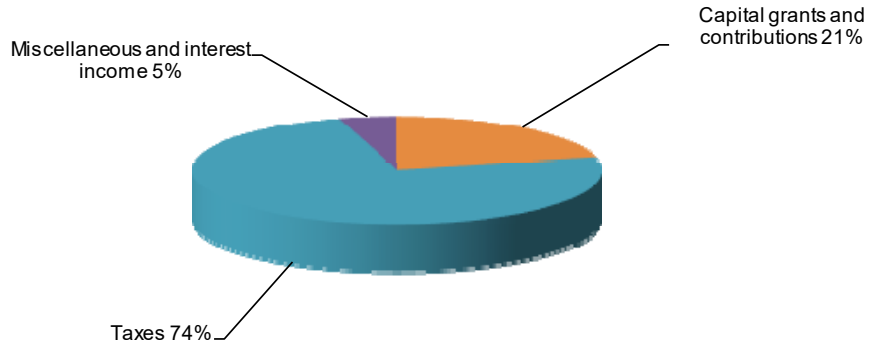
Summary Statement of Changes in Net Position

	Governmental Activities	
	2025	2024
Revenue:		
Program revenue:		
Capital grants and contributions	\$ 2,027,133	\$ 863,784
General revenue:		
Taxes	7,000,931	6,473,748
Program income	-	2,715
Investment income	414,598	480,815
Miscellaneous	14,831	12,334
Total revenue	9,457,493	7,833,396
Expenses:		
General government	5,468,483	8,249,356
Total expenses	5,468,483	8,249,356
Change in net position	3,989,010	(415,960)
Net position, beginning	20,535,829	20,951,789
Net position, ending	\$ 24,524,839	\$ 20,535,829

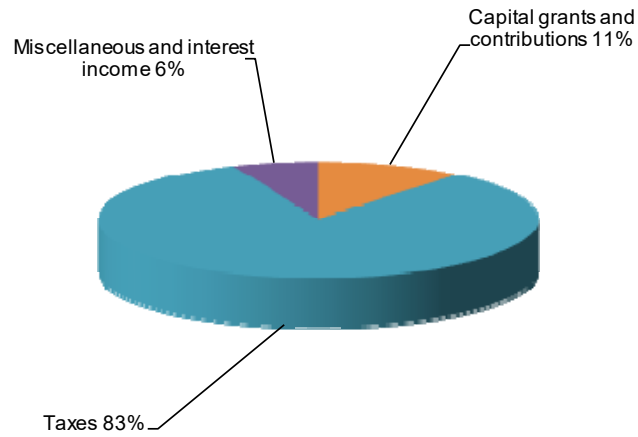
**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management's Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

FY 25 - Revenue by Source - Governmental Activities



FY 24 - Revenue by Source - Governmental Activities



**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management's Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

FY 25 Expenses by Program - Governmental Activities

General government
100%



FY 24 Expenses by Program - Governmental Activities

General government
100%



**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management’s Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

The CRA’s governmental activities net position increased from \$20.5 million in 2024 to \$24.5 million in 2025. Total revenues from governmental activities increased by \$1.6 million or 20.7% from fiscal year 2024. The increase is due primarily to a \$1.2 million or 134.7% increase in capital grant revenue from HUD and a \$0.5 million increase in tax increment financing.

Financial Analysis of the CRA’s Funds

Governmental Funds

The focus of the CRA’s Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the CRA’s financing requirements.

As of September 30, 2025, the CRA’s governmental funds had a combined balance of about \$21.1 million, an increase of around \$3.8 million from the previous year. Approximately 99.9% is restricted, with the rest being non-spendable.

Budgetary Highlights

For the fiscal year ended September 30, 2025, actual operating revenues were consistent with budgeted estimates. Actual expenditures were approximately \$3 million below budget, primarily due to the deferral of certain projects that are expected to be carried forward into fiscal year 2025–2026.

Within the Capital Projects Fund, both revenues and expenditures were below budgeted amounts. These variances were primarily attributable to the timing of grant-funded activities and housing initiatives that had not commenced or reached expenditure milestones by fiscal year-end.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2025, the CRA’s capital assets for its governmental amounts to approximately \$4.6 million. The following schedule summarizes the CRA’s capital assets as of September 30, 2025:

	Governmental Activities	
	2025	2024
Land	\$ 773,206	\$ 773,206
Land improvements	223,831	223,831
Buildings and structures	188,104	188,104
Infrastructure	9,283,579	9,283,579
Machinery and equipment	178,804	178,804
Total Capital assets	10,647,524	10,647,524
Accumulated depreciation	6,045,689	5,651,770
Net Capital assets	\$ 4,601,835	\$ 4,995,754

Additional information on the CRA’s capital assets can be found in Note 4.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)
Management’s Discussion and Analysis (Unaudited)**

For the Fiscal Year Ended September 30, 2025

Debt Administration

As of September 30, 2025, the CRA had debt outstanding of approximately \$1.2 million. The debt position of the CRA is summarized below and is explained further in Note 6 Long-Term Debt.

	Governmental Activities	
	2025	2024
Note payable	\$ 1,151,874	\$ 1,708,462
Total	\$ 1,151,874	\$ 1,708,462

Economic Factors and Next Year’s Budget

- The CRA considered the following economic factors in developing its 2025-2026 fiscal year budget:
- Assessed property values within the CRA district increased by approximately 8%, resulting in an estimated \$498,000 increase in tax increment revenues.
- The CRA, in partnership with the Riviera Beach Community Redevelopment Agency, secured a \$4.4 million HUD grant.
- The adopted budget includes appropriations for the Housing Initiative Program, Commercial Grant Program, economic development projects, and HUD-related activities.
- Grant and project expenditures during the fiscal year were affected by the federal government shutdown and the temporary closure of the Miami HUD office, which delayed certain funding and project activity

Requests for Information

This financial report is designed to provide a general overview of the CRA’s finances for all those with an interest in the CRA’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Lake Worth Beach Community Redevelopment Agency, 1121 Lucerne Avenue, Lake Worth Beach, FL, 33460.

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Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)

Statement of Net Position
September 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 7,520,425
Investments	4,203,056
Accounts receivable	382,307
Accrued interest receivable	14,304
Land held for resale	10,281,818
Prepaid items	10,679
Capital assets:	
Nondepreciable	773,206
Depreciable, net	3,828,629
Total assets	\$ 27,014,424
Liabilities	
Accounts and contracts payable	\$ 27,762
Accrued liabilities	38,844
Unearned revenue	1,271,016
Due to primary government	89
Long-term debt, due within one year	569,389
Long-term debt, due in more than one year	582,485
Total liabilities	2,489,585
Net position:	
Net investment in capital assets	3,449,961
Restricted for community redevelopment	21,074,878
Total net position	\$ 24,524,839

See notes to financial statements.

Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)

Statement of Activities
September 30, 2025

	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Capital Grants and Contributions	Governmental Activities
General Government	\$ 5,468,483	\$ 2,027,133	\$ (3,441,350)
General revenue:			
Taxes:			
Property taxes			\$ 7,000,931
Investment income			414,598
Miscellaneous			14,831
Total general revenues			<u>7,430,360</u>
Change in net position			3,989,010
Net Position – beginning of year			<u>20,535,829</u>
Net Position – end of year			<u><u>\$ 24,524,839</u></u>

See notes to financial statements.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

**Balance Sheet
Governmental Funds
Fiscal Year Ended September 30, 2025**

	General Fund	CRA Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 5,857,617	\$ 1,590,390	\$ 72,418	\$ 7,520,425
Investments	1,338,034	2,865,022	-	4,203,056
Accounts receivable	47,500	334,518	289	382,307
Accrued interest receivable	4,554	9,750	-	14,304
Land held for resale	-	10,017,101	264,717	10,281,818
Prepaid items	7,910	2,769	-	10,679
Total assets	\$ 7,255,615	\$ 14,819,550	\$ 337,424	\$ 22,412,589
Liabilities:				
Accounts and contracts payable	\$ 27,715	\$ -	\$ 47	\$ 27,762
Accrued liabilities	38,844	-	-	38,844
Unearned revenue	42,917	1,224,924	3,175	1,271,016
Due to other governments	89	-	-	89
Total liabilities	109,565	1,224,924	3,222	1,337,711
Fund balances:				
Nonspendable – prepaid items	7,910	2,769	-	10,679
Restricted for community redevelopment	7,138,140	13,591,857	334,202	21,064,199
Total fund balances	7,146,050	13,594,626	334,202	21,074,878
Total liabilities, deferred inflows of resources and fund balances	\$ 7,255,615	\$ 14,819,550	\$ 337,424	\$ 22,412,589

See notes to financial statements.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

**Reconciliation of the Balance Sheet of Governmental Funds
to Statement of Net Position
September 30, 2025**

Total fund balance – governmental funds	\$ 21,074,878
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 funds.	4,601,835
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:	
Notes payable	\$ (1,151,874)
Net position of governmental activities	<u>\$ 24,524,839</u>

See notes to financial statements.

Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2025

	General Fund	CRA Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 7,000,931	\$ -	\$ -	\$ 7,000,931
Intergovernmental	196,750	1,830,383	-	2,027,133
Investment income	249,783	164,815	-	414,598
Miscellaneous	10,195	-	4,636	14,831
Total revenues	7,457,659	1,995,198	4,636	9,457,493
Expenditures:				
Current:				
Community redevelopment	2,939,206	1,590,318	505,815	5,035,339
Debt service:				
Principal	556,588	-	-	556,588
Interest	39,225	-	-	39,225
Total expenditures	3,535,019	1,590,318	505,815	5,631,152
Excess (deficiency) of revenues over (under) expenditures	3,922,640	404,880	(501,179)	3,826,341
Other financing sources (uses):				
Transfers in	-	1,810,000	-	1,810,000
Transfers out	(1,810,000)	-	-	(1,810,000)
Total other financing sources (uses)	(1,810,000)	1,810,000	-	-
Net change in fund balances	2,112,640	2,214,880	(501,179)	3,826,341
Fund balances – beginning of year	5,033,410	11,379,746	835,381	17,248,537
Fund balances, end of year	\$ 7,146,050	\$13,594,626	\$ 334,202	\$21,074,878

See notes to financial statements.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the 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
Fiscal Year Ended September 30, 2025**

Net change in fund balances, total governmental funds	\$ 3,826,341
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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:

Depreciation expense	(393,919)
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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:

Principal payment on notes payable	<u>556,588</u>
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Change in net position of governmental activities	<u><u>\$ 3,989,010</u></u>
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See notes to financial statements.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Lake Worth Beach Community Redevelopment Agency (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. The governing body of the CRA is the Board of Directors, composed of seven members.

The following is a summary of the significant accounting policies applicable to the CRA:

The accounting policies of the CRA conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the CRA. The government-wide focus is more on the sustainability of the CRA as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions. The CRA reports one function, which is community redevelopment. Taxes and other items not included as program revenues are reported as general revenues.

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

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied for. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. 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 CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue, when levied for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

When both restricted and unrestricted resources are available for use, it is the CRA's policy to use restricted resources first, and then unrestricted resources as they are needed.

Major Funds:

General Fund – The general fund serves as the primary operating fund of the CRA.

CRA Capital Projects Fund – This capital project fund accounts for the acquisition or construction of major capital projects aimed at physical and economic redevelopment in targeted areas within the CRA district of the City.

Non-major fund:

NSP2 Fund – This special revenue fund accounts for grant activity related to purchasing and rehabilitating foreclosed and abandoned properties within targeted areas of the CRA district of the City.

D. Assets, Liabilities and Net Position

Cash and cash equivalents: Cash and cash equivalents is comprised of deposits with financial institutions. The CRA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital assets: Capital assets are reported in the government-wide financial statements. The CRA capitalizes all capital assets with a cost in excess of a \$5,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

Depreciation is charged as an expense against operations using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	4-40
Infrastructure	4-20
Buildings and structure	10-40
Machinery and equipment	3-15

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Nature and purpose of fund balance: In the fund financial statements the governmental fund reports fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA Board through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the CRA Director. 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 is not restricted, committed or assigned to specific purposes within the general fund.

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance represents fund balance 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.

Net position: The government-wide statements utilized a net position presentation. Net investment in capital assets is that portion of net position that relates to the CRA's capital assets reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended bond proceeds. Restricted net position are unspent tax increment financing revenues and land held for sale that are restricted for future redevelopment projects. Proceeds to be realized from land held for sale are restricted for redevelopment projects. Unrestricted net position represents the net position of the CRA that is not restricted for any project or purpose.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk management: The CRA is adequately insured for general liability and directors and officers insurance through the purchase of a commercial insurance policy. The amount of settlements has not exceeded insurance coverage in any of the past three years.

Note 2. Deposits and Investments

At year-end, the CRA's bank deposits were \$7,659,738, and the carrying amount was \$7,520,025. These are defined as public deposits. All CRA public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The CRA's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. The CRA does not have a separate deposit and investment policy and therefore it follows the deposit and investment policies of the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The CRA 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, money market mutual funds comprised of U.S. Treasury and/or U.S. Government Agency-Backed Obligations.

Credit Risk – The 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 investment policy is designed to ensure the prudent management of public funds. At year end the CRA investments had the following ratings:

Investments	Balance	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
Money Market Mutual Fund	\$ 4,203,056	\$ 4,203,056	\$ -	\$ -
	<u>\$ 4,203,056</u>	<u>\$ 4,203,056</u>		

Concentration of Credit Risk – The investment policy limits 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 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 investment policy limits the maturities on individual investments to no more than ten years. The time to maturity of the CRA investments follows:

Investments	Community Redevelopment Agency	
	Balance	Ratings
Money Market Fund	\$ 4,203,056	Not rated
	<u>\$ 4,203,056</u>	

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the CRA 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 CRA registers all securities in their name.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

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.

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

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Agencies	\$ -	\$ -	\$ -	\$ -
Total investments measured at fair value	-	\$ -	\$ -	\$ -
Investments measured at amortized cost:				
Money market funds	4,203,056			
Total investments	\$ 4,203,056			

Note 3. Accounts Receivable

Accounts receivables, including the related allowance for doubtful accounts at year end are as follows:

	Community Redevelopment Agency Trust	Nonmajor NSP2	CRA Capital Projects	Total
Accounts Receivable	\$ 47,500	\$ 289	\$ 334,518	\$ 382,307

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Total capital assets not being depreciated	773,206	-	-	-	773,206
Capital assets being depreciated					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	188,104	-	-	-	188,104
Machinery and equipment	178,804	-	-	-	178,804
Total capital assets being depreciated	9,874,318	-	-	-	9,874,318
Accumulated depreciation					
Land improvements	150,624	11,192	-	-	161,816
Infrastructure	5,285,785	370,271	-	-	5,656,056
Buildings and structures	64,784	6,270	-	-	71,054
Machinery and equipment	150,577	6,186	-	-	156,763
Total accumulated depreciation	5,651,770	393,919	-	-	6,045,689
Total capital assets being depreciated, net	4,222,548	(393,919)	-	-	3,828,629
Total capital assets	\$ 4,995,754	\$ (393,919)	\$ -	\$ -	\$ 4,601,835

Depreciation expense was charged to the function/program follows:

Community redevelopment	<u>\$ 393,919</u>
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Note 5. Tax Increment Financing Revenue

The CRA is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for the City and Palm Beach County multiplied by the increased value of property in the district over the base property value minus 5%. The City and Palm Beach County are required to fund this amount annually by January 1st without regard to tax collections or other obligations.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 6. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 1,708,462	\$ -	\$ (556,588)	\$ 1,151,874	\$ 569,389
Total	\$ 1,708,462	\$ -	\$ (556,588)	\$ 1,151,874	\$ 569,389

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, 2025, the principal outstanding on the note is \$1,151,874.

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, 2025, debt service requirements on the Revenues Note Series 2021 to maturity are as follows:

Year(s)	Principal	Interest
2026	\$ 569,389	\$ 26,493
2027	582,485	13,397
	<u>\$ 1,151,874</u>	<u>\$ 39,890</u>

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Financial Statements

Note 6. Long-Term Debt (Continued)

Pledged Revenues – Total pledged revenues to repay the principal and interest on the line of credit and notes follow:

	Discretely Presented Component Unit
	<u>Tax Increment Revenues</u>
Sources of Revenue Pledged:	
Current Revenue Pledged	\$ 7,000,931
Current Debt Service	595,813
Total Future Revenues Pledged	1,151,874
Purpose of Debt	Economic Development
Term of Commitment	2023-2027
Percentage of Debt Service to Current Year Pledged Revenues	8.51%

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Required Supplementary Information (unaudited)
Fiscal Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 7,052,133	\$ 7,052,133	\$ 7,000,931	\$ (51,202)
Intergovernmental	41,667	239,667	196,750	(42,917)
Investment income	155,000	155,000	249,783	94,783
Miscellaneous	10,000	10,000	10,195	195
Total revenues	7,258,800	7,456,800	7,457,659	859
Expenditures:				
Current:				
Community redevelopment	6,416,689	6,114,689	2,939,206	3,175,483
Debt service:				
Principal	556,588	556,588	556,588	-
Interest	39,295	39,295	39,225	70
Total expenditures	7,012,572	6,710,572	3,535,019	3,175,553
Excess (deficiency) of revenues over (under) expenditures	246,228	746,228	3,922,640	3,176,412
Other financing sources (uses):				
Appropriated fund balance	1,063,772	1,063,772	-	(1,063,772)
Transfers out	(1,310,000)	(1,810,000)	(1,810,000)	-
Total other financing sources (uses)	(246,228)	(746,228)	(1,810,000)	(1,063,772)
Net change in fund balances	\$ -	\$ -	2,112,640	\$ 2,112,640
Fund balances, beginning of year			<u>5,033,410</u>	
Fund balances, end of year			<u>\$ 7,146,050</u>	

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

Notes to Required Supplementary Information

Note 1. Budgetary Procedures and Budgetary Accounting

The CRA adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30th, the CRA Administrator submits, to the Board of Directors, a proposed operating budget for each fund for the fiscal year commencing October 1st. The operating budget includes proposed expenditures and the means of financing them.

The CRA budget is also included in the City's budget and is presented to the City Commission for ratification prior to September 30th.

CRA management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the CRA Board. Legal level of control is maintained at the fund level. There were general fund budget amendments in the current year in the amount of \$302,000 for redevelopment projects.

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Capital Projects
Fiscal Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,173,944	\$ 2,638,604	\$ 1,830,383	\$ (808,221)
Investment income	-	-	164,815	164,815
Total revenues	<u>1,173,944</u>	<u>2,638,604</u>	<u>1,995,198</u>	<u>(643,406)</u>
Expenditures:				
Current:				
Community redevelopment	<u>4,596,606</u>	<u>5,101,545</u>	<u>1,590,318</u>	<u>3,511,227</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,422,662)</u>	<u>(2,462,941)</u>	<u>404,880</u>	<u>2,867,821</u>
Other financing sources (uses):				
Appropriated fund balance	2,112,662	652,941	-	(652,941)
Transfers in	<u>1,310,000</u>	<u>1,810,000</u>	<u>1,810,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,422,662</u>	<u>2,462,941</u>	<u>1,810,000</u>	<u>(652,941)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,214,880</u>	<u>\$ 2,214,880</u>
Fund balance, beginning of year			<u>11,379,746</u>	
Fund balance, end of year			<u><u>\$ 13,594,626</u></u>	

**Lake Worth Beach Community Redevelopment Agency
(A Component Unit of the City of Lake Worth Beach, Florida)**

**Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Nonmajor NSP2
Fiscal Year Ended September 30, 2025**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 4,636	\$ (364)
Expenditures:				
Current:				
Community redevelopment	100,000	100,000	505,815	(405,815)
Excess (deficiency) of revenues over (under) expenditures	<u>(95,000)</u>	<u>(95,000)</u>	<u>(501,179)</u>	<u>(406,179)</u>
Other financing sources (uses):				
Appropriated fund balance	95,000	95,000	-	(95,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(501,179)</u>	<u>\$ (501,179)</u>
Fund balance – beginning of year			<u>835,381</u>	
Fund balance – end of year			<u><u>\$ 334,202</u></u>	

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OTHER REPORTS

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

To the Board of Directors
Lake Worth Beach Community Redevelopment Agency
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, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Lake Worth Beach Community Redevelopment Agency’s basic financial statements, and have issued our report thereon dated March 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lake Worth Beach Community Redevelopment Agency’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lake Worth Beach Community Redevelopment Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Worth Beach Community Redevelopment Agency’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lake Worth Beach Community Redevelopment Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 30, 2026



CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR’S MANAGEMENT LETTER

To the Board of Directors
Lake Worth Beach Community Redevelopment Agency
Lake Worth Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Lake Worth Beach Community Redevelopment Agency (the “Agency”) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 30, 2026.

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; 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* and Independent Accountants’ 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, which are dated March 30, 2026, 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. No such recommendations were identified in the preceding financial audit report.

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. The legal authority of the City of Lake Worth Beach Community Redevelopment Agency is disclosed in the footnotes. The City of Lake Worth Beach Community Redevelopment Agency has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Lake Worth Beach Community Redevelopment Agency 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 of Lake Worth Beach Community Redevelopment Agency 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 of Lake Worth Beach Community Redevelopment Agency. It is management's responsibility to monitor the City of Lake Worth Beach Community Redevelopment Agency'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. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs (Unaudited)

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Agency's geographical boundaries during the fiscal year under audit.

Specific Information (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)9, Rules of the Auditor General, the City of Lake Worth Beach Community Redevelopment Agency reported the schedule below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)(7), Rules of the Auditor General, the City of Lake Worth Beach Community Redevelopment Agency reported:

- | | |
|---|------------------|
| a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as | 4 |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as | 4 |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | \$588,077 |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. | \$81,839 |

Each construction project with a total cost of at least \$65,000 approved by the
e. Agency that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures for such projects.

None

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.:

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As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)(8), Rules of the Auditor General, the City of Lake Worth Beach Community Redevelopment Agency reported:

a. The millage rate or rates imposed by the Agency.

N/a

b. The total amount of ad valorem taxes collected by or on behalf of the Agency.

N/a

c. The total amount of outstanding bonds issued by the District and the terms of such bonds as.

None

Information required by Section 218.39(3)(c) Florida Statutes, and Section 10.554(1)(i)(9), Rules of the Auditor General, does not apply as City of Lake Worth Beach Community Redevelopment Agency does not impose any special assessments.

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 have 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 members of the Agency's board and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 30, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Directors
Lake Worth Beach Community Redevelopment Agency
Lake Worth Beach, Florida

We have examined the City of Lake Worth Beach Community Redevelopment Agency's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for the City of Lake Worth Beach Community Redevelopment Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Lake Worth Beach Community Redevelopment Agency'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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Lake Worth Beach Community Redevelopment Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Lake Worth Beach Community Redevelopment Agency 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the City of Lake Worth Beach Community Redevelopment Agency's compliance with specified requirements.

In our opinion, the City of Lake Worth Beach Community Redevelopment Agency complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

This report is intended solely for the information and use of the Agency's board members, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 30, 2026

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH REDEVELOPMENT TRUST FUND, FLORIDA STATUTE SECTIONS 163.387(7) AND 163.387(8)

To the Board of Directors
Lake Worth Beach Community Redevelopment Agency
Lake Worth Beach, Florida

We have examined the City of Lake Worth Beach Community Redevelopment Agency’s (the “Agency”), compliance with the requirements of Sections 163.387(7) and 163.387(8), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2025. Management of the Agency is responsible for the Agency’s compliance with those requirements. Our responsibility is to express an opinion on the Agency’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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement. Our examination does not provide a legal determination on the Agency’s compliance with specified requirements.

Our examination disclosed the following noncompliance with Section 163.387(6)(b), Florida Statutes, applicable to the Agency during the fiscal year ended September 30, 2025. The Agency did not submit their annual budget and subsequent amendments to the budget for fiscal year 2025 to the Palm Beach County Commissioners.

In our opinion, the agency complied, in all material respects, with the requirements of Sections 163.387(7) and 163.387(8), Florida Statutes, *Redevelopment Trust Fund*, during the year ended September 30, 2025, except for as noted in the paragraph above.

This report is intended solely for the information and use of Agency's board members, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

March 30, 2026