

City of Lake Worth Beach, Florida



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

CITY OF LAKE WORTH BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by
City of Lake Worth Beach Finance Department



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INTRODUCTORY SECTION



FINANCIAL SERVICES DEPARTMENT
7 NORTH DIXIE HIGHWAY
LAKE WORTH BEACH, FL 33460
561-586-1654

January 31st, 2025

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, 2023. 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. However, due to uncontrollable circumstances related to staff turnover, the City was unable to meet this deadline. 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, 2023. 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 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. Taxable values have increased since the recession, and for first time since the recession the City has exceeded the values realized in 2007. As of 2023, the City's taxable value equals \$3,127,783,000. 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 24.4%. 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, 2023, the city's unemployment rate remains at 2.8%. This is slightly higher than the State of Florida's rate of 2.7% and lower than the national rate of 3.8%. The City of Lake Worth Beach's primary employment 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 2023 provided resources of approximately \$14.4 million or 33% of the General Fund budgeted expenditures of approximately \$44 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 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.

The City currently processes all 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 modeling 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 began 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 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.

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 continue across the City with its Water Utilities Department major upgrades in the replacement of pipes and fire hydrants. As the City invests, developers and residents are also investing. The City's electric utility is continuing to upgrade 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 revamped 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.

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. 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; a Non 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.

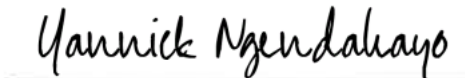
Another significant objective realized with the Non Ad Valorem borrowing is that the City was able to increase working capital and fund balances in the amount of \$16,135,803. This was accomplished by reimbursing itself for capital projects otherwise paid from reserves. This step increased working capital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

In 2022, the City issued a Combined Utility Bond providing \$46,115,757 in project proceeds to finance the City's utilities infrastructure improvements consisting of mainly the System Hardening and Reliability Improvement Program (SHRIP).

ACKNOWLEDGMENTS

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,

A handwritten signature in black ink that reads "Yannick Ngendahayo". The signature is written in a cursive, flowing style. Below the signature is a thin horizontal line.

Yannick Ngendahayo
Finance Director

City of Lake Worth Beach, Florida



City of Lake Worth Beach, Florida

List of Principal Officers For the Fiscal Year Ended September 30, 2023

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.

OFFICE HELD

NAME OF OFFICIAL

Mayor
Vice Mayor/Commissioner – District 1
Commissioner – District 2
Commissioner – District 3
Commissioner – District 4

Betty Resch
Sarah Malega
Christopher McVoy
Mimi May
Reinaldo Diaz

Management Team:

Interim City Manager
Assistant City Manager
City Attorney
City Clerk
Community Sustainability Director
Finance Director
Acting Information Technology Director
Human Resources Director
Interim Public Services Director
Water & Sewer Utility Director
Electric Utility Director
Internal Auditor
Leisure Services Director

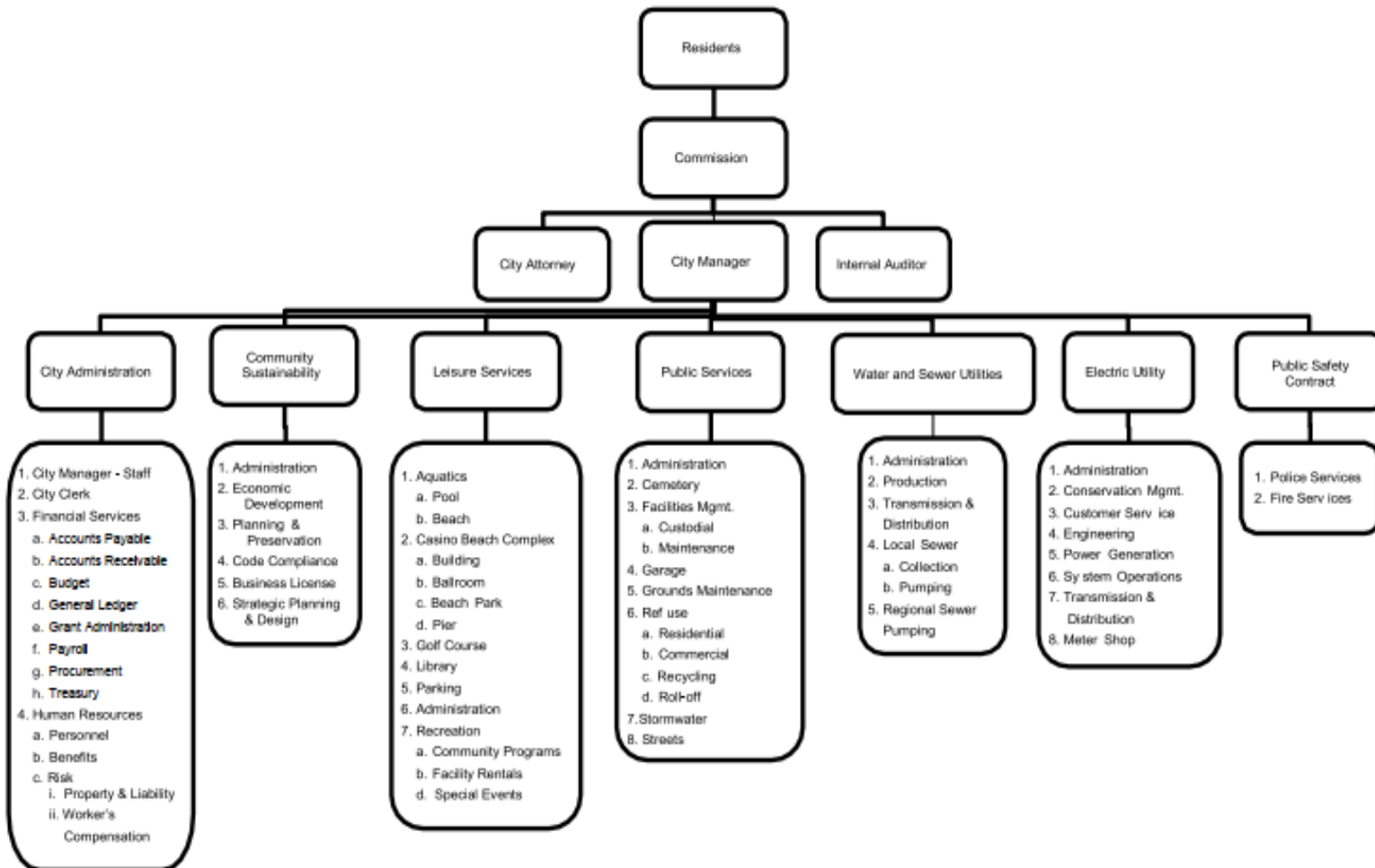
Jamie Brown
Troy Perry
Christy L. Goddeau
Debbie Andrea
William Waters
Yannick Ngendahayo
Nelly Peralta
Loren Slaydon
Michael Pierce
Sam Heady
Edward Liberty
William Brown
Teanna McKay

Community Redevelopment Agency:
Executive Director

Joan Oliva

City of Lake Worth Beach, Florida

Organizational Chart For the Fiscal Year Ended September 30, 2023



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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.

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 (collectively "Plans"), which together represent 63%, 69% and 40% of the assets, net position/fund balance and additions/revenues, respectively of the aggregate remaining fund information for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those Plans, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 City 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.

Emphasis of Matter

As discussed in Notes 1 and 15 of the financial statements, the City adopted Governmental Accounting Standard Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* as of October 1, 2022. As a result, beginning right-to-use subscription asset and subscription liability balances were restated. Our opinion is not modified with respect to this matter.

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 City's ability to continue as a going concern for 12 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 GAAS 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 GAAS 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 City'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 City'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, budgetary comparison schedules, and other post-employment benefits and pension schedules 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis 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 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. In our opinion, based on our audit, the procedures performed as described above and the reports of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 January 31, 2025, 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

West Palm Beach, Florida
January 31, 2025

City of Lake Worth Beach, Florida



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

For the Fiscal Year Ended September 30, 2023

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, 2023. 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-iv 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 \$240,098,000 (net position).
- The City's total net position increased by approximately \$30,195,000 or 14.4% in comparison to the prior year. The increase was a result of an increase in governmental activities and business-type activities of approximately \$17,049,000 and \$13,146,000, respectively. The City's net position increased as a result of this year's operations.
- At the end of the current fiscal year, fund balance for the General Fund was approximately \$17,044,000 or 40.8% of total General Fund expenditures. Of this balance, approximately \$1,854,000 has been restricted to the City's future capital projects, \$9,500 has been assigned to housing initiative, \$9,900 is classified as nonspendable and \$15,170,000 is classified as unassigned.
- The City's business-type activities reported total net position of approximately \$174,887,000, which is a \$13.1 million or 8.1% increase in comparison to the prior year's net position. Approximately \$73,208,000 or 42% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's long-term liabilities significantly increased by approximately \$30 million or 10.6%. This increase was due to an increase in the City's net pension liability determined by the actuaries. The City experienced significant losses in investments which increased the net pension liability as of the measurement date.

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:

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.

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

For the Fiscal Year Ended September 30, 2023

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 and the American Rescue Plan Act 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.

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.

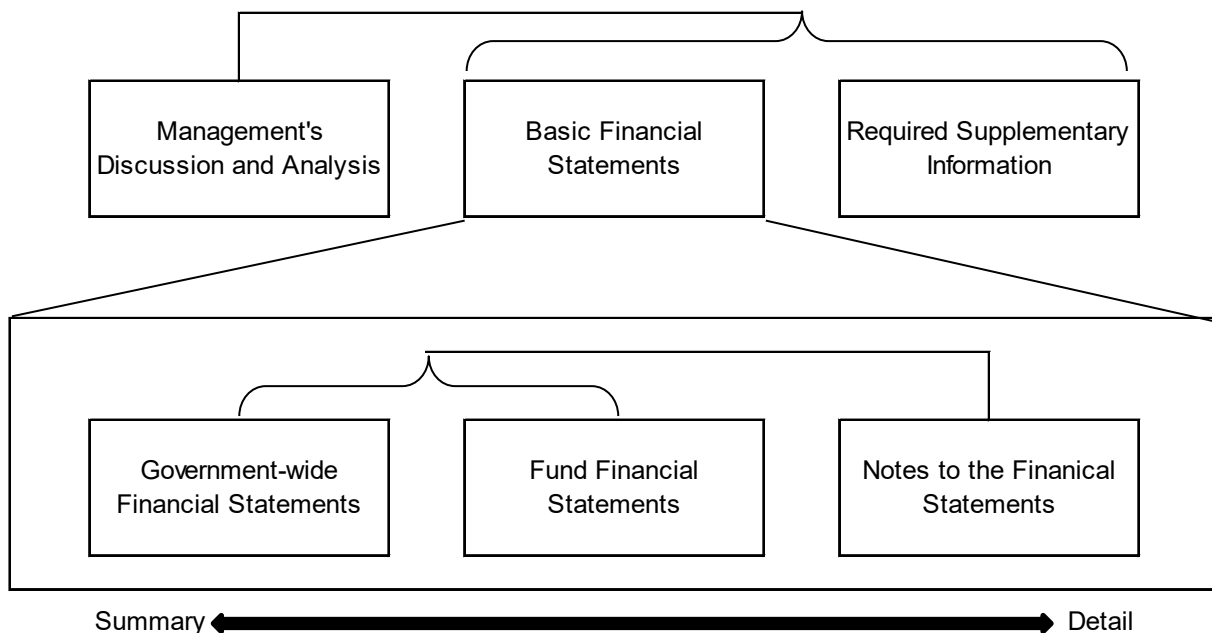
City of Lake Worth Beach, Florida
Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended September 30, 2023

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 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.

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

For the Fiscal Year Ended September 30, 2023

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, 2023 and 2022:

Summary Statement of Net Position
September 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	Total
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 84,462,766	\$ 71,281,402	\$ 185,242,938	\$ 190,511,624	\$ 269,705,704	\$ 261,793,026
Capital assets	90,841,604	91,023,590	201,821,243	190,731,383	292,662,847	281,754,973
Total assets	175,304,370	162,304,992	387,064,181	381,243,007	562,368,551	543,547,999
Deferred outflows of resources	24,241,434	9,559,214	8,112,321	3,345,608	32,353,755	12,904,822
Long-term liabilities						
outstanding	105,766,267	82,611,252	206,412,156	199,843,063	312,178,423	282,454,315
Other liabilities	19,783,742	23,252,658	12,741,788	17,203,202	32,525,530	40,455,860
Total liabilities	125,550,009	105,863,910	219,153,944	217,046,265	344,703,953	322,910,175
Deferred inflows of resources	8,784,874	17,838,589	1,135,678	5,801,548	9,920,552	23,640,137
Net position:						
Net investment in capital assets	41,096,277	40,565,842	92,610,275	93,198,222	133,706,552	133,764,064
Restricted	32,216,327	23,431,383	9,068,621	8,466,405	41,284,948	31,897,788
Unrestricted (deficit)	(8,101,683)	(15,835,518)	73,207,984	60,076,175	65,106,301	44,240,657
Total net position	\$ 65,210,921	\$ 48,161,707	\$ 174,886,880	\$ 161,740,802	\$ 240,097,801	\$ 209,902,509

The overall position of the City increased in fiscal year 2023. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$240.1 million. The total net position of the City increased by \$30 million or approximately 14.4% from \$209.9 million in 2022 to \$240.1 million in 2023.

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

For the Fiscal Year Ended September 30, 2023

The increase of \$7.9 million in the City's current and other assets is due primarily to an increase of property taxes, state revenue sharing, charges for services, and investments by approximately \$2 million, \$1 million, \$1 million, and \$2 million, respectively.

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

The increase in long-term liabilities of approximately \$30 million is due to a significant increase in net pension liability in the amount of approx. \$24M as determined by the actuaries. Decrease in other liabilities of approximately \$8.3 million is due to unearned ARPA funds in the amount of \$2 million transferred over to CRA and approximately \$900 thousand earned revenues from ARPA. In addition, the electric fund reduced its due to other funds balance by reimbursing the general fund \$3.3 million and water fund \$1.8 million.

The decrease in deferred inflows of resources is due primarily to the previous year net difference between projected and actual earnings on pension investments classified as deferred inflows of resources offset by increase of deferred inflows related to leases.

The largest portion of the City's net position, \$133.7 million or 56%, 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 \$41.3 million or 17% is reported separately to show legal constraints from covenants and enabling legislation. Restricted net position increased by \$9.4 million primarily due to a transfer of unearned ARPA funds to CRA in the amount of \$2 million, the establishment of a new rate stabilization fund, as a special revenue fund, in the amount of \$2.5 million and \$4 million in capital projects from discretionary sales tax proceeds.

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.

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.

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

For the Fiscal Year Ended September 30, 2023

The following schedule presents a summary of the City's operations for fiscal year 2023, with comparative information for fiscal year 2022:

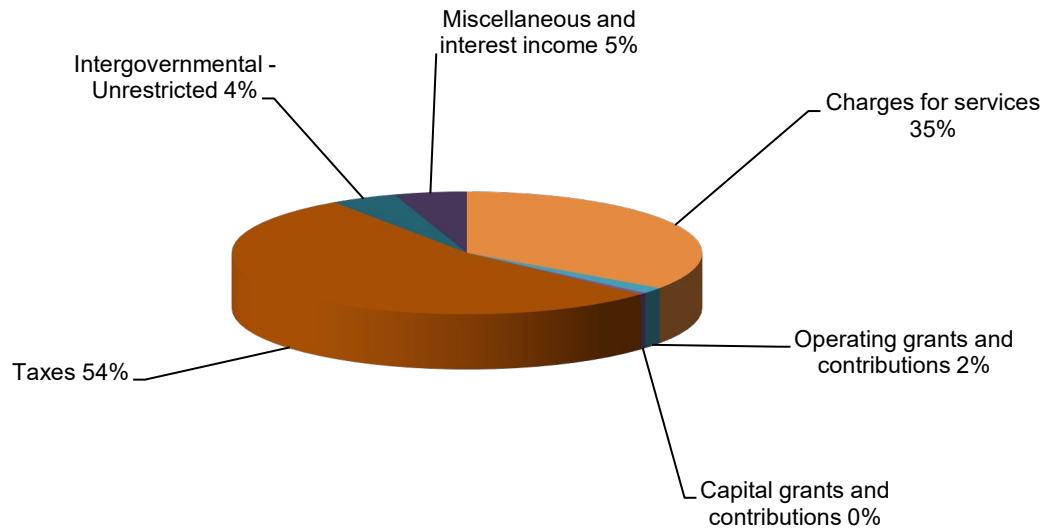
Summary Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program revenue:						
Charges for services	\$ 20,512,171	\$ 19,163,974	\$ 118,095,783	\$ 112,492,985	\$ 138,607,954	\$ 131,656,959
Operating grants and contributions	931,919	1,000,041	-	-	931,919	1,000,041
Capital grants and contributions	264,440	706,224	1,943,889	1,535,043	2,208,329	2,241,267
General revenue:						
Taxes	31,655,146	29,799,272	-	-	31,655,146	29,799,272
Intergovernmental - Unrestricted	2,696,507	2,229,566	-	-	2,696,507	2,229,566
Investment income	2,009,977	135,659	1,824,493	152,327	3,834,470	287,986
Miscellaneous	944,031	204,652	102,904	861,079	1,046,935	1,065,731
Total revenue	59,014,191	53,239,388	121,967,069	115,041,434	180,981,260	168,280,822
Expenses:						
General government	3,081,370	3,211,278	-	-	3,081,370	3,211,278
Public safety	23,613,179	16,032,830	-	-	23,613,179	16,032,830
Physical environment	2,257,275	2,075,464	-	-	2,257,275	2,075,464
Transportation	5,278,472	5,083,534	-	-	5,278,472	5,083,534
Culture and recreation	8,051,627	7,749,604	-	-	8,051,627	7,749,604
Interest and fiscal charges	1,803,398	1,889,125	-	-	1,803,398	1,889,125
Electric utility	-	-	60,403,096	69,368,859	60,403,096	69,368,859
Water utility	-	-	16,672,079	16,537,525	16,672,079	16,537,525
Local sewer	-	-	11,867,881	9,961,691	11,867,881	9,961,691
Regional sewer	-	-	9,307,473	8,578,505	9,307,473	8,578,505
Stormwater utility	-	-	1,814,278	1,661,991	1,814,278	1,661,991
Refuse collection and disposal	-	-	6,635,840	7,329,740	6,635,840	7,329,740
Total expenses	44,085,321	36,041,835	106,700,647	113,438,311	150,785,968	149,480,146
Increases (decreases) in net position before transfers	14,928,870	17,197,553	15,266,422	1,603,123	30,195,292	18,800,676
Transfers in (out)	2,120,344	(395,798)	(2,120,344)	395,798	-	-
Change in net position	17,049,214	16,801,755	13,146,078	1,998,921	30,195,292	18,800,676
Net position, beginning	48,161,707	31,359,952	161,740,802	159,741,881	209,902,509	191,101,833
Net position, ending	\$ 65,210,921	\$ 48,161,707	\$ 174,886,880	\$ 161,740,802	\$ 240,097,801	\$ 209,902,509

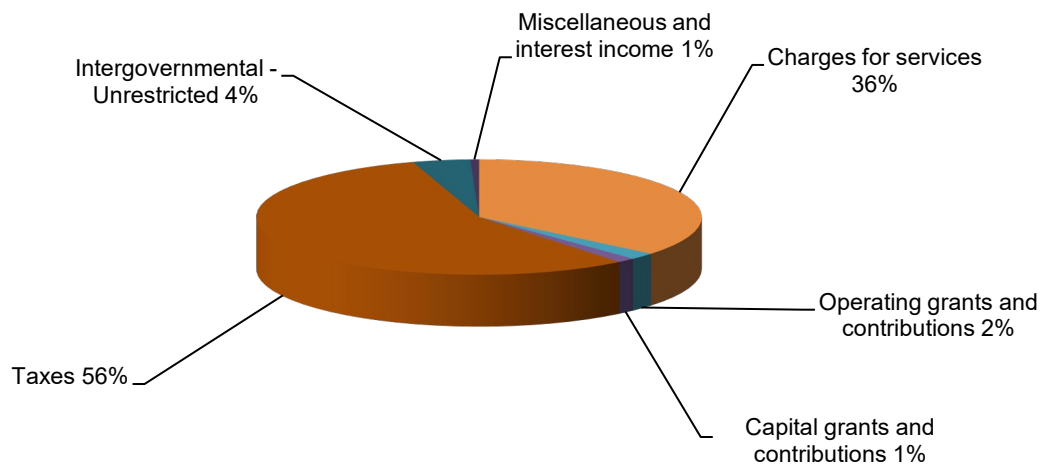
City of Lake Worth Beach, Florida
Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended September 30, 2023

FY 23 - Revenue by Source - Governmental Activities

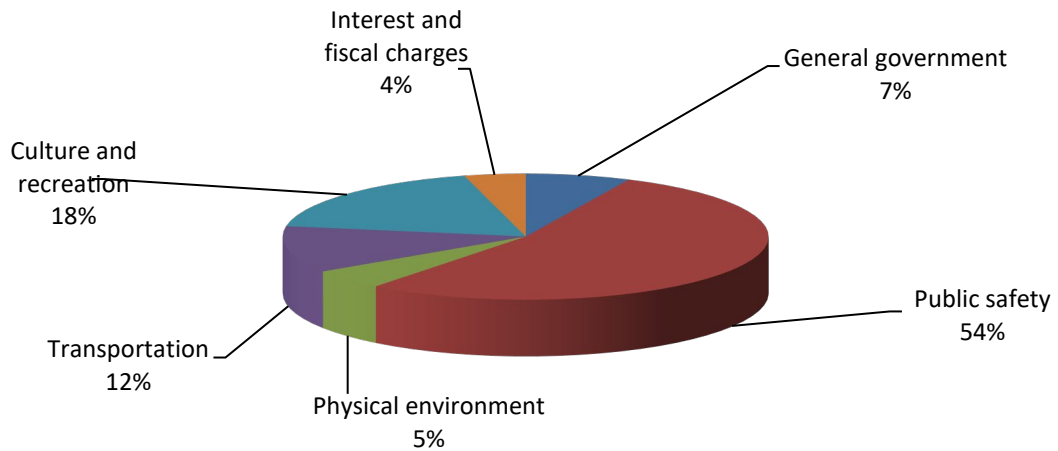


FY 22 - Revenue by Source - Governmental Activities

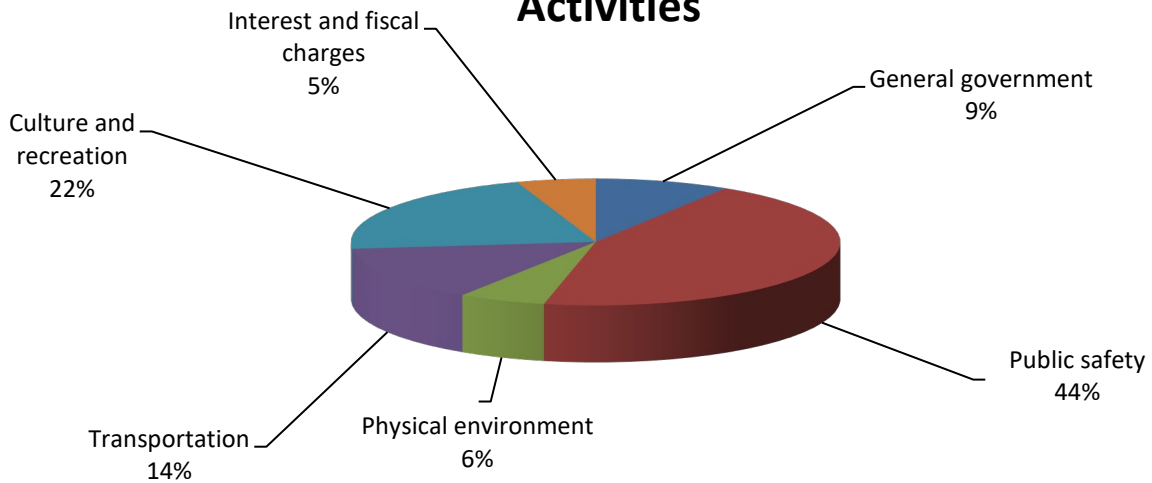


For the Fiscal Year Ended September 30, 2023

FY 23 Expenses by Program - Governmental Activities



FY 22 Expenses by Program - Governmental Activities



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

For the Fiscal Year Ended September 30, 2023

The City's governmental activities net position increased from \$48.2 million in 2022 to \$65.2 million in 2023. Total revenues from governmental activities increased by \$5.8 million from fiscal year 2022. The increase is due primarily to a \$1.9 million or 6.2% increase in tax revenues mainly from a 16.1% increase in the City's total taxable assessed value and a \$1.0 million increase in indirect charge backs from the enterprise funds.

The City's business-type activities net position increased from \$161.7 million in fiscal year 2022 to \$174.9 million in fiscal year 2023. The \$13.1 million increase is primarily due to an increase in charges for services for the electric fund and regional sewer fund in the amount of approximately \$4.5 million and \$3 million, respectively. In addition, total enterprise funds cost of services were reduced from approximately \$82.6 million in fiscal year 2022 to \$79.3 million in fiscal year 2023 primarily due to prior year fuel costs for the electric fund.

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, 2023, the City's governmental funds reported combined fund balances of approximately \$60.2 million, an increase of approximately \$12.6 million in comparison to the prior year. Approximately 54% or \$32.2 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 \$15.2 million compared to approximately \$10.3 million in 2022. The unassigned fund balance represents approximately 89.01% of the overall fund balance at September 30, 2023. The General Fund recognized approximately \$47.2 million of revenue during the year, offset by approximately \$41.8 million of expenditures. Property taxes increased to approximately \$14.4 million from approximately \$12.4 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 \$0.7 million to approximately \$23.8 million, still representing the largest portion (57.1%) 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.

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

For the Fiscal Year Ended September 30, 2023

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 \$2,500,000, \$11,097,000, \$1,316,000, \$35,233,000, \$3,755,000 and \$6,500,000, respectively.
- The change in net position 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 \$6,986,000, \$754,000, (\$136,000), \$2,781,000, \$371,000 and \$536,000, respectively.
- The change in net position for enterprise funds is primarily due to an increase in electric rates driven by the power cost adjustment at the end of fiscal year 2022.

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 2023 fiscal year. General Fund revenue was greater than budgeted and expenditures were lower than budgeted. This year's operations resulted in a \$5.3 million increase to fund balance after all financial policies had been implemented.

General Fund revenue was more than budgeted by approximately \$3.4 million or 7.8%. This variance is due primarily to a favorable variance in taxes revenue, intergovernmental revenue and charges for services of approximately \$0.3 million, \$2.1 million and \$1 million, respectively.

General Fund expenditures were lower than budgeted by approximately \$2.2 million or 4.9% due primarily to the general government and public safety departments that came under budget by approximately \$2.0 million.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2023, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$292.7 million invested in a variety of capital assets, which represents a net increase (additions, deductions and depreciation) of approximately \$10.9 million or 3.9%. Construction-in-progress decreased by approximately \$11.4 million to a total of approximately \$43.2 million. The increase in capital assets is mainly attributable to various infrastructure projects throughout the City.

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

For the Fiscal Year Ended September 30, 2023

The following schedule summarizes the City's capital assets as of September 30, 2023:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022*	2023	2022
Land	\$ 8,753,243	\$ 8,753,243	\$ 2,572,138	\$ 2,572,138	\$ 11,325,381	\$ 11,325,381
Construction in progress	3,905,717	15,586,484	39,296,464	39,026,480	43,202,181	54,612,964
Land improvements	7,024,436	7,024,436	468,972	468,972	7,493,408	7,493,408
Buildings and structures	44,309,252	44,309,252	99,193,485	99,193,485	143,502,737	143,502,737
Right of Use - Buildings	5,434,635	5,434,635	142,925	142,925	5,577,560	5,577,560
Subscription assets	-	-	749,841	176,429	749,841	176,429
Infrastructure	106,062,523	91,544,361	213,936,196	196,777,321	319,998,719	288,321,682
Machinery and equipment	5,037,267	4,868,014	34,199,851	34,130,629	39,237,118	38,998,643
Right of Use - Equipment	320,292	320,292	123,850	123,850	444,142	444,142
Vehicles	1,704,700	1,594,446	14,391,895	13,978,630	16,096,595	15,573,076
Total Capital assets	182,552,065	179,435,163	405,075,617	386,590,859	587,627,682	566,026,022
Accumulated depreciation	91,710,461	88,411,573	203,254,374	195,683,047	294,964,835	284,094,620
Net Capital assets	\$ 90,841,604	\$ 91,023,590	\$201,821,243	\$190,907,812	\$292,662,847	\$281,931,402

*Restated for adoption of GASB 96

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

- Roadway Projects – \$1,609,000
- NW Ballfield Lights – \$657,000
- Neighborhood Road Program – \$971,000
- System Hardening and Reliability Improvement Program (SHRIP) – \$14,372,000
- Sewer System Pipe Network – \$1,677,000
- Refuse fund vehicles – \$700,000

Additional information on the City's capital assets can be found in Note 5.

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

For the Fiscal Year Ended September 30, 2023

Debt Administration

As of September 30, 2023, the City had debt outstanding of approximately \$223.5 million. Of this amount, approximately \$47.8 million and \$139.8 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 7 Long-Term Debt.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022*	2023	2022
State revolving fund loans	\$ -	\$ -	\$ 15,901,748	\$ 16,650,195	\$ 15,901,748	\$ 16,650,195
Revenue bonds	47,782,977	49,735,071	139,797,019	142,904,924	187,579,996	192,639,995
Subscription liability	-	-	524,169	176,429	524,169	176,429
Leased liability	3,243,073	3,315,152	122,199	225,470	3,365,272	3,540,622
	51,026,050	53,050,223	156,345,135	159,957,018	207,371,185	213,007,241
Bond premium	1,705,665	1,789,143	14,460,268	15,004,794	16,165,933	16,793,937
Total	\$ 52,731,715	\$ 54,839,366	\$ 170,805,403	\$ 174,961,812	\$ 223,537,118	\$ 229,801,178

*Restated for adoption of GASB 96

The City's long-term debt decreased by approximately \$6.3 million or 2.7% primarily due to current year principal payments on all outstanding debt in the amount of approximately \$6.0 million.

Economic Factors and Next Year's Budget

The City considered the following economic factors in developing its 2023-2024 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 2024, they are estimated to continue this trend.
- The General Fund budget for 2024 of approximately \$45.9 million is approximately \$2.0 million more than the fiscal year 2023 budget. The adopted budget reflected a level service budget with excess revenues strengthening fund balance and working capital.
- The fiscal year 2024 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



City of Lake Worth Beach, Florida

Statement of Net Position
September 30, 2023

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 47,605,068	\$ 23,167,745	\$ 70,772,813	\$ 5,960,805
Investments	20,727,241	29,239,664	49,966,905	3,818,778
Accounts receivable, net	3,182,441	16,996,736	20,179,177	559
Lease receivable	8,423,658	-	8,423,658	-
Accrued interest receivable	66,770	127,588	194,358	16,409
Due from component unit	466	-	466	-
Internal balances	775,863	(775,863)	-	-
Inventories	14,173	12,386,563	12,400,736	-
Land held for resale	111,589	-	111,589	10,020,426
Prepaid items	9,968	-	9,968	31,755
Restricted assets:				
Cash and cash equivalents	3,545,529	63,502,754	67,048,283	-
Investments	-	5,483,951	5,483,951	-
Deposits	-	1,326,025	1,326,025	-
Investment in joint venture	-	33,787,775	33,787,775	-
Capital assets:				
Nondepreciable	12,658,960	41,868,602	54,527,562	773,206
Depreciable, net	78,182,644	159,952,641	238,135,285	4,617,772
Total assets	175,304,370	387,064,181	562,368,551	25,239,710
Deferred outflows of resources:				
Deferred outflows relating to pensions	24,165,888	8,020,652	32,186,540	-
Deferred outflows relating to OPEB	75,546	91,669	167,215	-
Total deferred outflows of resources	24,241,434	8,112,321	32,353,755	-
Liabilities				
Accounts and contracts payable	\$ 432,420	\$ 5,167,097	\$ 5,599,517	\$ 12,799
Accrued liabilities	405,228	4,331,202	4,736,430	22,120
Accrued interest payable	316,647	61,884	378,531	-
Due to primary government	-	-	-	466
Unearned revenue	16,481,384	-	16,481,384	2,000,000
Liabilities payable from restricted assets	-	931,265	931,265	-
Due within one year:				
Notes payable	-	947,165	947,165	544,074
Bonds payable	1,997,364	937,635	2,934,999	-
Lease liability and Subscription liability	73,580	324,574	398,154	-
Compensated absences	77,119	40,966	118,085	-
Due in more than a year:				
Notes payable	-	14,954,583	14,954,583	1,708,462
Bonds payable	47,491,278	153,319,652	200,810,930	-
Lease liability	3,169,493	23,414	3,192,907	-
Subscription liability	-	298,380	298,380	-
Compensated absences	1,035,711	810,952	1,846,663	-
Insurance claims payable	-	3,757,388	3,757,388	-
Total OPEB liability	565,543	686,239	1,251,782	-
Deposits payable	-	8,138,821	8,138,821	-
Net pension liability	53,504,242	24,422,727	77,926,969	-
Total liabilities	125,550,009	219,153,944	344,703,953	4,287,921

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position (Continued)
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Deferred inflows of resources:				
Deferred inflows relating to pensions	423,204	621,249	1,044,453	-
Deferred inflows relating to leases	8,127,756	-	8,127,756	-
Deferred inflows relating to OPEB	233,914	283,836	517,750	-
Deferred charge on refunding	-	230,593	230,593	-
Total deferred inflows of resources	8,784,874	1,135,678	9,920,552	-
Net position:				
Net investment in capital assets	41,096,277	92,610,275	133,706,552	3,138,442
Restricted for:				
Debt service	784,935	1,737,719	2,522,654	-
FMPA	-	1,326,025	1,326,025	-
Renewal and replacement	-	6,004,877	6,004,877	-
Grants	882,072	-	882,072	-
Capital projects	17,259,265	-	17,259,265	-
Public safety	9,454,604	-	9,454,604	-
Community redevelopment	-	-	-	17,813,347
Parking improvements	72,105	-	72,105	-
Rate stabilization	2,500,000	-	2,500,000	-
Tree preservation	30,643	-	30,643	-
Energy conservation	183,519	-	183,519	-
Culture and recreation	1,049,184	-	1,049,184	-
Unrestricted (deficit)	(8,101,683)	73,207,984	65,106,301	-
Total net position	65,210,921	174,886,880	240,097,801	20,951,789

See notes to financial statements

City of Lake Worth Beach, Florida

Statement of Activities

For the Fiscal Year Ended September 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
					Primary Government				
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit	
Primary government:									
Governmental activities:									
General government	\$ 3,081,370	\$ 12,031,354	\$ 898,767	\$ -	\$ 9,848,751	\$ -	\$ 9,848,751	\$ -	
Public safety	23,613,179	1,699,215	5,108	-	(21,908,856)	-	(21,908,856)	-	
Physical environment	2,257,275	53,578	-	-	(2,203,697)	-	(2,203,697)	-	
Transportation	5,278,472	3,300,461	-	-	(1,978,011)	-	(1,978,011)	-	
Culture and recreation	8,051,627	3,427,563	28,044	264,440	(4,331,580)	-	(4,331,580)	-	
Interest and fiscal charges	1,803,398	-	-	-	(1,803,398)	-	(1,803,398)	-	
Total governmental activities	44,085,321	20,512,171	931,919	264,440	(22,376,791)	-	(22,376,791)	-	
Business-type activities:									
Electric	60,403,096	69,986,266	-	-	-	9,583,170	9,583,170	-	
Water	16,672,079	16,355,681	-	962,574	-	646,176	646,176	-	
Local sewer	11,867,881	11,082,429	-	621,313	-	(164,139)	(164,139)	-	
Regional sewer	9,307,473	11,657,412	-	360,002	-	2,709,941	2,709,941	-	
Stormwater utility	1,814,278	1,984,920	-	-	-	170,642	170,642	-	
Refuse collection and disposal	6,635,840	7,029,075	-	-	-	393,235	393,235	-	
Total business-type activities	106,700,647	118,095,783	-	1,943,889	-	13,339,025	13,339,025	-	
Total primary government	\$ 150,785,968	\$ 138,607,954	\$ 931,919	\$ 2,208,329	(22,376,791)	13,339,025	(9,037,766)	-	
Component unit:									
Lake Worth CRA	\$ 2,998,202	\$ -	\$ -	\$ 214,400				(2,783,802)	
General revenue:									
Taxes:									
Property and other taxes					16,757,743	-	16,757,743	5,381,201	
Franchise fees based on gross receipts					186,920	-	186,920	-	
Utility services taxes					5,067,445	-	5,067,445	-	
Gas taxes					976,893	-	976,893	-	
State and other shared revenues					8,666,145	-	8,666,145	-	
Intergovernmental – unrestricted					2,696,507	-	2,696,507	-	
Investment income – unrestricted					2,009,977	1,824,493	3,834,470	258,760	
Miscellaneous					944,031	102,904	1,046,935	40,453	
Transfers					2,120,344	(2,120,344)	-	-	
Total general revenues and transfers					39,426,005	(192,947)	39,233,058	5,680,414	
Change in net position					17,049,214	13,146,078	30,195,292	2,896,612	
Net Position beginning of year					48,161,707	161,740,802	209,902,509	18,055,177	
Net Position end of year					\$ 65,210,921	\$ 174,886,880	\$ 240,097,801	\$ 20,951,789	

See notes to financial statements.

City of Lake Worth Beach, Florida

Balance Sheet – Governmental Funds
September 30, 2023

	General	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 7,506,008	\$ 15,879,279	\$ 24,219,781	\$ 47,605,068
Investments	4,780,539	-	15,946,702	20,727,241
Accounts receivable, net	2,261,755	-	920,686	3,182,441
Lease receivable	86,973	-	8,336,685	8,423,658
Accrued interest receivable	5,530	-	61,240	66,770
Inventories	-	-	14,173	14,173
Land held for resale	-	-	111,589	111,589
Prepaid items	9,968	-	-	9,968
Due from other funds	2,039,437	-	-	2,039,437
Due from CU	466	-	-	466
Restricted assets:				
Cash and cash equivalents	1,854,470	-	1,691,059	3,545,529
Total assets	\$ 18,545,146	\$ 15,879,279	\$ 51,301,915	\$ 85,726,340
Liabilities				
Accounts and contracts payable	\$ 255,776	\$ 1,100	\$ 175,544	\$ 432,420
Accrued liabilities	255,243	-	149,530	404,773
Due to other funds	-	-	76,377	76,377
Due to other government	466	-	-	466
Unearned revenue	903,799	15,496,421	81,164	16,481,384
Total liabilities	1,415,284	15,497,521	482,615	17,395,420
Deferred Inflows of Resources				
Deferred inflows from leases	86,149	-	8,041,607	8,127,756
Total deferred inflows of resources	86,149	-	8,041,607	8,127,756
Fund balances:				
Nonspendable:				
Prepaid items	9,968	-	-	9,968
Inventories	-	-	14,173	14,173
Land held for resale	-	-	111,589	111,589
Restricted for:				
Debt service	-	-	784,935	784,935
Public safety	-	-	9,454,604	9,454,604
Grants	-	-	882,072	882,072
Capital projects	1,854,470	381,758	15,023,037	17,259,265
Parking improvements	-	-	72,105	72,105
Rate stabilization	-	-	2,500,000	2,500,000
Tree preservation	-	-	30,643	30,643
Energy conservation	-	-	183,519	183,519
Culture and recreation	-	-	1,049,184	1,049,184
Assigned to:				
Capital projects	-	-	12,671,832	12,671,832
Housing initiative	9,462	-	-	9,462
Unassigned	15,169,813	-	-	15,169,813
Total fund balances	17,043,713	381,758	42,777,693	60,203,164
Total liabilities, deferred inflows of resources and fund balances	\$ 18,545,146	\$ 15,879,279	\$ 51,301,915	\$ 85,726,340

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, 2023**

Total fund balance – governmental funds		\$	60,203,164
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.			90,841,604
Accrued interest payable not reported in the governmental funds.			(316,647)
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, net of premium	\$	(49,488,642)	
Lease liability		(3,243,073)	
Net pension liability		(53,504,242)	
Total OPEB liability		(565,543)	
Compensated absences		(1,112,830)	(107,914,330)
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		24,165,888	
Deferred inflows relating to pensions		(423,204)	
Deferred outflows relating to OPEB		75,546	
Deferred inflows relating to OPEB		(233,914)	23,584,316
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.			
		12,596,423	
Less due to business-type activities for "Look Back" allocation		(13,783,609)	(1,187,186)
Net position of governmental activities			<u><u>\$ 65,210,921</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, 2023

	General	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 14,359,356	\$ -	\$ 2,398,388	\$ 16,757,744
Utility and other taxes	5,650,753	-	580,503	6,231,256
Licenses and permits	1,116,216	-	1,689,527	2,805,743
Fines and forfeitures	1,009,943	-	629,313	1,639,256
Charges for services	16,763,631	-	5,852,195	22,615,826
Intergovernmental	7,241,824	898,767	4,482,106	12,622,697
Investment income	317,375	381,758	1,310,766	2,009,899
Rents and royalties	18,999	-	-	18,999
Miscellaneous	767,262	-	405,301	1,172,563
Total revenues	47,245,359	1,280,525	17,348,099	65,873,983
Expenditures:				
Current:				
General government	9,662,859	10,450	157,274	9,830,583
Public safety	23,824,786	-	1,998,913	25,823,699
Physical environment	2,294,698	-	-	2,294,698
Transportation	1,872,135	-	1,108,878	2,981,013
Culture and recreation	3,171,735	-	4,158,818	7,330,553
Capital outlay	-	-	3,247,927	3,247,927
Debt service:				
Principal	618,877	-	1,405,296	2,024,173
Interest	312,531	-	1,501,493	1,814,024
Total expenditures	41,757,621	10,450	13,578,599	55,346,670
Excess (deficiency) of revenues over expenditures	5,487,738	1,270,075	3,769,500	10,527,313
Other financing sources (uses):				
Transfers in	-	-	5,244,175	5,244,175
Transfers out	(188,909)	(884,922)	(2,050,000)	(3,123,831)
Total other financing sources (uses)	(188,909)	(884,922)	3,194,175	2,120,344
Net change in fund balances	5,298,829	385,153	6,963,675	12,647,657
Fund balances (deficit) – beginning of year	11,744,884	(3,395)	35,814,018	47,555,507
Fund balances, end of year	\$ 17,043,713	\$ 381,758	\$ 42,777,693	\$ 60,203,164

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, 2023**

Net change in fund balances, total governmental funds	\$	12,647,657
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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:

Capital outlay	\$	3,285,180	
Disposition of capital assets and other adjustments		(99,436)	
Depreciation expense		<u>(3,367,740)</u>	(181,996)

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	10,625	
Principal payment on notes payable	72,079	
Principal payment revenue bonds	1,952,094	
Amortization of bond premium	83,478	
Change in compensated absences	(231,590)	
Change in OPEB liability	266,164	
Change in net pension liability	<u>(25,364,253)</u>	(23,211,403)

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	14,733,249	
Change in deferred inflows relating to pensions	12,078,530	
Change in deferred outflows relating to OPEB	(51,029)	
Change in deferred inflows relating to OPEB	<u>(201,534)</u>	26,559,216

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	3,089,651	
Current year "Look Back" allocation to Enterprise Funds	<u>(1,853,911)</u>	1,235,740

Change in net position of governmental activities		<u>\$</u>	<u>17,049,214</u>
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See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds
September 30, 2023

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Assets							
Current assets:							
Cash and cash equivalents	\$ 2,653,236	\$ 8,488,295	\$ 468,674	\$ 1,127,909	\$ 2,333,090	\$ 15,071,204	\$ 8,096,541
Investments	556,162	5,191,500	1,685,507	850,414	11,222,437	19,506,020	9,733,644
Accounts receivable, net	11,822,775	2,273,307	1,586,116	806,299	508,239	16,996,736	-
Accrued interest receivable	1,643	35,429	6,211	9,081	38,867	91,231	36,357
Inventories	12,101,264	213,662	-	-	-	12,314,926	71,637
Total current assets	\$ 27,135,080	\$ 16,202,193	\$ 3,746,508	\$ 2,793,703	\$ 14,102,633	\$ 63,980,117	\$ 17,938,179
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	\$ 51,031,524	\$ 5,344,426	4,136,884	\$ -	\$ 1,490,501	\$ 62,003,335	\$ 1,499,419
Investments	-	4,125,100	-	1,358,851	-	5,483,951	-
Deposits	1,326,025	-	-	-	-	1,326,025	-
Investment in joint venture	-	-	-	33,787,775	-	33,787,775	-
Capital assets:							
Land	1,527,194	307,148	5,750	-	732,046	2,572,138	-
Construction in progress	33,166,352	2,963,914	2,293,703	49,421	206,788	38,680,178	616,286
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	-
Right of use - Buildings	85,755	40,948	16,222	-	-	142,925	-
Infrastructure	70,888,005	74,893,990	31,532,548	27,145,979	9,475,674	213,936,196	-
Machinery and equipment	25,451,167	4,816,545	906,995	293,898	681,292	32,149,897	2,049,954
Vehicles	3,178,014	477,531	1,513,882	77,418	4,956,420	10,203,265	4,188,630
Right of use - Equipment	-	61,925	61,925	-	-	123,850	-
Subscription assets	176,429	-	-	-	-	176,429	573,412
Accumulated depreciation	(90,951,982)	(50,454,719)	(27,011,100)	(21,065,438)	(7,831,256)	(197,314,495)	(5,939,879)
Total noncurrent assets	136,692,272	95,025,412	19,293,315	41,672,831	10,250,096	302,933,926	2,987,822
Total assets	163,827,352	111,227,605	23,039,823	44,466,534	24,352,729	366,914,043	20,926,001

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)
September 30, 2023

	Business-Type Activities – Enterprise Funds						Internal Service Funds
	Major				Nonmajor	Total	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Deferred outflows of resources:							
Deferred outflows relating to pensions	4,500,969	1,436,006	632,875	124,022	1,326,780	8,020,652	-
Deferred outflows relating to OPEB	55,286	15,414	2,282	3	18,684	91,669	-
Total deferred outflows of resources	4,556,255	1,451,420	635,157	124,025	1,345,464	8,112,321	-
Liabilities:							
Current liabilities:							
Accounts and contracts payable	\$ 3,329,324	\$ 179,415	\$ 509,450	\$ 923,794	\$ 43,832	\$ 4,985,815	\$ 181,282
Accrued liabilities	2,760,915	120,463	55,264	46,654	93,906	3,077,202	1,253,989
Accrued interest payable	400	61,441	43	-	-	61,884	-
Due to other funds	901,299	-	-	-	-	901,299	1,061,761
Compensated absences	16,531	15,295	1,523	-	5,435	38,784	2,182
Notes payable	-	947,165	-	-	-	947,165	-
Revenue bonds payable	78,009	274,962	121,637	-	315,946	790,554	147,081
Payable from restricted assets:							
Accounts and contracts payable	587,255	195,848	64,412	-	83,750	931,265	-
Total current liabilities	7,673,733	1,794,589	752,329	970,448	542,869	11,733,968	2,646,295
Noncurrent liabilities:							
Insurance claims payable	-	-	-	-	-	-	3,757,388
Compensated absences	455,781	133,055	51,276	-	109,999	750,111	60,841
OPEB liability	382,479	124,970	35,736	5,191	137,863	686,239	-
Notes payable	-	14,954,583	-	-	-	14,954,583	-
Revenue bonds payable	111,127,408	32,142,430	4,985,135	-	3,586,329	151,841,302	1,478,350
Lease Liability	36,679	48,048	37,472	-	-	122,199	-
IT Subscription Liability	137,465	-	-	-	-	137,465	386,704
Net pension liability	14,270,839	3,756,246	1,654,264	475,686	4,265,692	24,422,727	-
Payable from restricted assets:							
Deposits payable	6,410,420	1,728,401	-	-	-	8,138,821	-
Total noncurrent liabilities	132,821,071	52,887,733	6,763,883	480,877	8,099,883	201,053,447	5,683,283
Total liabilities	140,494,804	54,682,322	7,516,212	1,451,325	8,642,752	212,787,415	8,329,578

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)
September 30, 2023

	Business-Type Activities – Enterprise Funds						Internal Service Funds
	Major				Nonmajor	Total	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Deferred inflows of resources:							
Deferred inflows relating to pensions	335,404	99,835	91,884	19,894	74,232	621,249	-
Deferred inflows relating to OPEB	134,944	58,685	24,014	1,012	65,181	283,836	-
Deferred charge on refunding	115,297	115,296	-	-	-	230,593	-
Total deferred inflows of resources	585,645	273,816	115,898	20,906	139,413	1,135,678	-
Net position:							
Net investment in capital assets	23,399,431	41,278,326	14,084,659	6,526,205	6,345,967	91,634,588	975,687
Restricted for:							
Debt service	78,009	1,222,127	121,637	-	315,946	1,737,719	-
FMPA	1,326,025	-	-	-	-	1,326,025	-
Renewal and replacement	-	4,125,100	520,926	1,358,851	-	6,004,877	-
Unrestricted	2,499,693	11,097,334	1,315,648	35,233,272	10,254,115	60,400,062	11,620,736
Total net position	27,303,158	57,722,887	16,042,870	43,118,328	16,916,028	161,103,271	12,596,423

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

Total net position	\$ 161,103,271
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	<u>13,783,609</u>
Net position – business-type activities	<u><u>\$ 174,886,880</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, 2023

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Operating revenues:							
Charges for services	\$ 69,042,994	\$ 15,880,803	\$ 10,955,584	\$ 11,626,666	\$ 8,735,814	\$ 116,241,861	\$ 12,141,098
Total operating revenues	69,042,994	15,880,803	10,955,584	11,626,666	8,735,814	116,241,861	12,141,098
Operating expenses:							
Cost of services	46,185,728	9,227,985	9,284,946	8,161,732	6,418,207	79,278,598	11,021,406
General and administrative	8,386,971	2,622,846	1,733,788	697,867	1,081,166	14,522,638	-
Depreciation	1,935,786	3,608,634	681,556	447,637	857,457	7,531,070	425,987
Total operating expenses	56,508,485	15,459,465	11,700,290	9,307,236	8,356,830	101,332,306	11,447,393
Operating income (loss)	12,534,509	421,338	(744,706)	2,319,430	378,984	14,909,555	693,705
Non-operating revenues (expenses):							
Investment income	506,535	537,397	115,511	103,274	561,776	1,824,493	555,883
Interest and fiscal charges	(3,894,600)	(1,212,614)	(167,591)	(237)	(93,288)	(5,368,330)	(62,313)
Other	339,283	45,211	39,906	(1,197)	29,701	452,904	1,552,376
Total non-operating revenues (expenses)	(3,048,782)	(630,006)	(12,174)	101,840	498,189	(3,090,933)	2,045,946
Income (loss) before transfers and capital contributions	9,485,727	(208,668)	(756,880)	2,421,270	877,173	11,818,622	2,739,651
Capital contributions	-	962,574	621,313	360,002	-	1,943,889	-
Transfers in	-	-	-	-	29,656	29,656	350,000
Transfers out	(2,500,000)	-	-	-	-	(2,500,000)	-
Change in net position	6,985,727	753,906	(135,567)	2,781,272	906,829	11,292,167	3,089,651
Net position – beginning of year	20,317,431	56,968,981	16,178,437	40,337,056	16,009,199	149,811,104	9,506,772
Net position – end of year	\$ 27,303,158	\$ 57,722,887	\$ 16,042,870	\$ 43,118,328	\$ 16,916,028	\$ 161,103,271	\$ 12,596,423

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	\$ 11,292,167
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	1,853,911
Change in net position – business-type activities	<u>\$ 13,146,078</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, 2023

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Cash flows from operating activities:							
Receipts from customers	\$ 72,419,382	\$ 16,039,470	\$ 10,744,677	\$ 11,669,435	\$ 8,696,149	\$ 119,569,113	\$ -
Receipts from interfund service charges	-	-	-	-	-	-	13,276,389
Payments to suppliers	(46,131,413)	(6,443,280)	(7,892,257)	(6,973,970)	(3,594,257)	(71,035,177)	(11,629,334)
Payments to employees	(9,129,233)	(2,890,681)	(1,392,266)	(206,364)	(2,343,755)	(15,962,299)	(1,333,662)
Payments for interfund services provided	(6,016,376)	(2,304,082)	(1,235,181)	(774,120)	(1,657,378)	(11,987,137)	-
Net cash provided by operating activities	11,142,360	4,401,427	224,973	3,714,981	1,100,759	20,584,500	313,393
Cash flows from non-capital financing activities:							
Payments received from other funds	-	1,815,908	-	-	-	1,815,908	-
Payments made to other funds	(5,419,636)	-	-	-	-	(5,419,636)	-
Other receipts	339,283	45,211	39,906	-	29,701	454,101	1,552,376
Other payments	-	-	-	(1,197)	-	(1,197)	-
Transfers in	-	-	-	-	29,656	29,656	350,000
Transfers out	(2,500,000)	-	-	-	-	(2,500,000)	-
Net cash provided by (used in) non-capital financing activities	(7,580,353)	1,861,119	39,906	(1,197)	59,357	(5,621,168)	1,902,376
Cash flows from capital and related financing activities:							
Acquisitions and construction of capital assets, net	(15,108,007)	(821,465)	(1,890,827)	(32,763)	(834,957)	(18,688,019)	(391,626)
Proceeds from issuance of debt	-	194,698	-	-	-	194,698	-
Proceeds of capital grants, cash transactions	-	962,574	621,313	360,002	-	1,943,889	-
Principal paid on revenue bonds, notes and lease liabilities	(1,986,604)	(1,561,042)	(197,293)	-	(305,929)	(4,050,868)	(329,126)
Interest and other fiscal charges	(4,295,538)	(1,357,258)	(188,086)	(237)	(117,446)	(5,958,565)	(62,313)
Net cash provided by (used in) capital and related financing activities	(21,390,149)	(2,582,493)	(1,654,893)	327,002	(1,258,332)	(26,558,865)	(783,065)
Cash flows from investing activities:							
Purchase of investments	(492,521)	(8,979,770)	(1,624,570)	(2,129,392)	(10,816,704)	(24,042,957)	(9,381,736)
Investment in joint venture	-	-	-	(3,796,420)	-	(3,796,420)	-
Interest and gains or losses on investments	975,341	4,838,253	1,668,904	2,139,370	10,902,030	20,523,898	9,526,571
Net cash provided by (used in) investing activities	482,820	(4,141,517)	44,334	(3,786,442)	85,326	(7,315,479)	144,835
Net change in cash and cash equivalents	(17,345,322)	(461,464)	(1,345,680)	254,344	(12,890)	(18,911,012)	1,577,539
Cash and cash equivalents, beginning	71,030,082	10,008,709	5,951,238	873,565	3,836,481	91,700,075	8,018,421
Cash and cash equivalents, ending	\$ 53,684,760	\$ 9,547,245	\$ 4,605,558	\$ 1,127,909	\$ 3,823,591	\$ 72,789,063	\$ 9,595,960

(Continued)

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds (Continued)
For the Fiscal Year Ended September 30, 2023

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:							
Operating income (loss)	\$ 12,534,509	\$ 421,338	\$ (744,706)	\$ 2,319,430	\$ 378,984	\$ 14,909,555	693,705
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,935,786	3,608,634	681,556	447,637	857,457	7,531,070	425,987
Capital asset disposals	-	-	-	-	83,750	83,750	-
Decrease (increase) in assets and deferred outflows:							
Accounts receivable	2,826,207	76,108	(210,907)	42,769	(39,665)	2,694,512	-
Due from other governments	-	-	-	-	-	-	1,135,291
Prepaid items	(9,851)	-	-	-	-	(9,851)	-
Inventories	(3,942,015)	10,038	-	-	-	(3,931,977)	(33,743)
CiP expensed	-	317,658	9,332	27,237	-	354,227	-
Deferred outflows relating to pensions	(2,712,013)	(892,753)	(365,297)	(65,057)	(806,548)	(4,841,668)	-
Deferred outflows relating to OPEB	35,258	15,752	6,260	146	17,539	74,955	-
Increase (decrease) in liabilities and deferred inflows:							
Accounts and contracts payable	(964,325)	(191,672)	484,324	834,930	(116,349)	46,908	(10,117)
Accrued liabilities	(2,017,521)	(9,624)	(17,540)	37,670	(129,010)	(2,136,025)	(2,356,990)
Compensated absences	43,996	30,473	(193)	-	19,156	93,432	7,309
Insurance claims payable	-	-	-	-	-	-	451,951
Customer deposits payable	550,181	82,559	-	-	-	632,740	-
Total OPEB liability	(192,196)	(85,869)	(34,127)	(801)	(95,610)	(408,603)	-
Net pension liability	5,663,704	1,864,403	762,878	135,864	1,684,376	10,111,225	-
Deferred inflows relating to pensions	(2,722,821)	(896,309)	(366,753)	(65,317)	(809,763)	(4,860,963)	-
Deferred inflows relating to OPEB	113,461	50,691	20,146	473	56,442	241,213	-
Total adjustments	(1,392,149)	3,980,089	969,679	1,395,551	721,775	5,674,945	(380,312)
Net cash provided by operating activities	\$ 11,142,360	\$ 4,401,427	\$ 224,973	\$ 3,714,981	\$ 1,100,759	\$ 20,584,500	313,393
Supplemental disclosure of noncash investing and non-capital financing activities:							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492,552
Assets purchased through the assumption of lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 2,591,942
Investments at fair value:	
Government securities	22,724,145
Corporate bonds	11,481,753
Equity securities	103,460,398
Real estate funds	21,274,621
Money market funds	2,387,238
Accrued interest, dividends and contributions receivable	1,159,404
Prepaid items	11,897
Total assets	165,091,398
Liabilities	
Accounts payable	130,288
Deferred Inflows:	
Advanced contributions from employer	1,625,027
Net position restricted for pension benefits	\$ 163,336,083

See notes to financial statements.

City of Lake worth Beach, Florida

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2023**

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 11,402,827
Chapter 175/185	21,645
Plan members	1,300,872
State	651,222
Total contributions	13,376,566
Investment income:	
Interest and dividends	5,324,273
Net change in fair value of investments	9,047,008
Other income	14,311
Total investment income	14,385,592
Less investment expenses	(685,384)
Net investment income	13,700,208
Total additions	27,076,774
Deductions:	
Pension benefits	17,064,733
Administrative expenses	357,563
Total deductions	17,422,296
Change in fiduciary net position	9,654,478
Fiduciary net position, beginning of year	153,681,605
Fiduciary net position, end of year	\$ 163,336,083

See notes to financial statements.

City of Lake Worth Beach, Florida



City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

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

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

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, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through 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.

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

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, Public Education, 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, Capital Projects Fund and the Neighborhood Road Program 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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 governmental and 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 (except for intangible right - to - use lease assets, the measurement of which is discussed below) 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 \$5,000 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
Right-to-use buildings	35
Machinery and equipment	3-15
Right-to-use equipment	5
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 assets 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 assets 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 four 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. The fourth item is the deferred inflows relating to leases and is discussed in further detail in Leases 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 (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

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. 73*, 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. Leases

Lessee: The City is a lessee for various leases of equipment, and other assets. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more over the life of the lease agreement.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for various leases of properties and other assets. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The City recognizes lease receivables with an initial, individual value of \$50,000 or more over the life of the lease agreement.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

S. Subscription-Based Information Technology Arrangements

The City subscribes to various software programs. The City recognizes subscription liability and intangible right-to-use subscription asset (subscription asset) in the proprietary financial statements. The City recognizes subscription liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected subscription payments to present value, and (2) subscription term.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscription.
- The subscription term includes the non-cancellable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription liability and subscription assets if certain changes occur that are expected to significantly affect the amount of the subscription liability.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

T. 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 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 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 the 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 0.92, for a total of 9.87 on all City parcels.

U. 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.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

V. 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, 2023, this balance was approximately \$15.1 million.

W. 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 and deferred inflows of resources from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components.

X. 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.

Y. New Accounting Pronouncements Adopted

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve 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 adoption of Statement No. 94 did not have a significant impact on the City's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The Statement is based on the principles that SBITAs are financing of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangement on a government's resources.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The City implemented Statement No. 96 in the fiscal year ended September 30, 2023. The implementation impacted the beginning subscription asset, subscription liability, and unrestricted net position balances as follows, and resulted in a restatement of the financial statements as described in Note 15, Restatement of Prior Year Balances.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing: (1) practice issues that have been identified during implementation and application of certain GASB Statements, and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The adoption of Statement No. 99 did not have a significant impact on the City's financial statements.

Z. New Accounting Pronouncements Unadopted

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerability due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments. This Statement amends NCGA Interpretation 6, Notes to the Financial Statements Disclosure, paragraph 5. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing government accountability. The Statement enhances Management Discussion and Analysis, addresses unusual or infrequent items, and clarifies the presentation of proprietary fund statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The Statement also requires that capital assets held for sale be evaluated each reporting period and requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet evaluated the impact that this pronouncement will have on the City's Financial Statements.

Note 2. 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 \$71,920,494 with a carrying amount of \$70,643,583.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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
U.S. Treasuries	\$ 41,358,129	\$ -	\$ 41,358,129	\$ -
Mortgage-Backed Securities	9,363,380	-	9,363,380	-
Corporate Bonds	1,610,816	-	1,610,816	-
Money Market Mutual Fund	67,320,587	67,320,587	-	-
FL PALM	2,799,040	2,799,040	-	-
FL PRIME	47,187	47,187	-	-
	<u>\$ 122,499,139</u>	<u>\$ 70,166,814</u>	<u>\$ 52,332,325</u>	<u>\$ -</u>

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 2. Deposits and Investments (Continued)

At year end the City investments had the following ratings:

Investments	City	
	Balance	Ratings
U.S. Treasuries	\$ 41,358,129	AA+
Mortgage-Backed Securities	9,363,380	AA+
Corporate Bonds	1,610,816	A+
Florida PRIME	47,187	AAAm
Money Market Fund	67,320,587	Not rated
FL PALM	2,799,040	AAAm
	<u>\$ 122,499,139</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 registers all securities in their name.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 2. Deposits and Investments (Continued)

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.

Fair values of investments held by the City 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. Treasuries	\$ 41,358,129	\$ 41,358,129	\$ -	\$ -
Mortgage-Backed Securities	9,363,380	9,363,380	-	-
Corporate Bonds	1,610,816	1,610,816	-	-
Investments measured at fair value	<u>\$ 52,332,325</u>	<u>\$ 52,332,325</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Money market funds	67,320,587			
Florida PRIME	47,187			
	<u>67,367,774</u>			
Investments measured at net asset value (NAV)				
FL PALM	2,799,040			
Total investments	<u>\$ 122,499,139</u>			

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 2. Deposits and Investments (Continued)

The Florida Public Assets for Liquidity Management (FL PALM) offers a short-term investment program for Florida Public agency investors. 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.

Note 3. Receivables

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

	General Fund	Nonmajor Governmental Funds	Total
Customer accounts	\$ 691,461	\$ 693,611	\$ 1,385,072
Utility and other taxes	881,133	115,430	996,563
Intergovernmental	882,050	131,571	1,013,621
Other receivables	7,835	157,149	164,984
Gross receivables	2,462,479	1,097,761	3,560,240
Less allowance for doubtful accounts	(200,724)	(177,075)	(377,799)
Total	\$ 2,261,755	\$ 920,686	\$ 3,182,441

	Electric Fund	Water Fund	Local Sewer Fund	Regional Sewer Fund	Nonmajor Enterprise Funds	Total
Customer accounts	\$ 12,895,818	\$ 2,751,536	\$ 1,791,744	\$ 806,299	\$ 672,882	\$ 18,918,279
Utility and other taxes	454,167	-	-	-	-	454,167
Other receivables	874,448	4,164	18,416	-	-	897,028
Gross receivables	14,224,433	2,755,700	1,810,160	806,299	672,882	20,269,474
Less allowance for doubtful accounts	(2,401,658)	(482,393)	(224,044)	-	(164,643)	(3,272,738)
Total	\$ 11,822,775	\$ 2,273,307	\$ 1,586,116	\$ 806,299	\$ 508,239	\$ 16,996,736

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 3. Receivables (Continued)

For fiscal year 2023, approximately 88% of the City's regional sewer fund revenues and 83% 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	49%	0%
Town of Lantana	14%	19%
Village of Palm Springs	25%	64%
	88%	83%

Note 4. 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	\$ 2,039,437
	<u>\$ 2,039,437</u>
	<u>Payable Fund</u>
Major Fund:	
Electric Fund	\$ 901,299
Nonmajor governmental funds:	76,377
Internal service funds:	1,061,761
	<u>\$ 2,039,437</u>

The amounts payable to the general fund and water fund were to cover cash shortages for the electric fund, utility conservation fund and employee benefits fund. The funds will be repaid in the fiscal year 2024.

The other balance 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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 4. Interfund Receivables, Payables, Advances and Transfers (Continued)

Interfund Transfers

	Transfer In	Transfer Out
Major Governmental Funds:		
General Fund	\$ -	\$ 188,909
American Rescue Plan Act Fund	-	884,922
Nonmajor Governmental Funds	5,244,175	2,050,000
Major Enterprise Funds:		
Electric Fund	-	2,500,000
Nonmajor Enterprise Funds	29,656	-
Internal Service Fund	350,000	-
	<u>\$ 5,623,831</u>	<u>\$ 5,623,831</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. Transfers of \$884,922 from the American Rescue Plan Act Fund, \$555,000 from the building fund and \$1,495,000 from the discretionary sales tax were made to cover various capital projects. Transfers of \$2,500,000 from the electric fund were made to fund a new rate stabilization fund.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 5. Capital Assets

Governmental Activities Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 8,753,243	\$ -	\$ -	\$ -	\$ 8,753,243
Construction in progress	15,586,484	3,005,673	(99,426)	(14,587,014)	3,905,717
Total capital assets not being depreciated	24,339,727	3,005,673	(99,426)	(14,587,014)	12,658,960
Capital assets being depreciated					
Land improvements	7,024,436	-	-	-	7,024,436
Buildings and structures	44,309,252	-	-	-	44,309,252
Right of Use - Buildings	5,434,635	-	-	-	5,434,635
Infrastructure	91,544,361	-	(68,852)	14,587,014	106,062,523
Machinery and equipment	4,868,014	169,253	-	-	5,037,267
Right of Use - Equipment	320,292	-	-	-	320,292
Vehicles	1,594,446	110,254	-	-	1,704,700
Total capital assets being depreciated	155,095,436	279,507	(68,852)	14,587,014	169,893,105
Accumulated depreciation					
Land improvements	2,506,523	52,314	-	-	2,558,837
Buildings and structures	18,899,132	991,442	-	-	19,890,574
Right of Use - Buildings	155,275	155,275	-	-	310,550
Infrastructure	61,569,349	1,811,320	(68,852)	-	63,311,817
Machinery and equipment	3,903,209	205,888	-	-	4,109,097
Right of Use - Equipment	62,734	62,734	-	-	125,468
Vehicles	1,315,351	88,767	-	-	1,404,118
Total accumulated depreciation	88,411,573	3,367,740	(68,852)	-	91,710,461
Total capital assets being depreciated, net	66,683,863	(3,088,233)	-	14,587,014	78,182,644
Total capital assets	\$ 91,023,590	\$ (82,560)	\$ (99,426)	\$ -	\$ 90,841,604

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

General Government	\$ 69,075
Physical Environment	4,314
Transportation	2,235,583
Public Safety	182,314
Culture and Recreation	876,454
Total depreciation expense	\$ 3,367,740

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 5. Capital Assets (Continued)

Business-Type Activities Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 2,572,138	\$ -	\$ -	\$ -	\$ 2,572,138
Construction in progress	39,026,480	15,976,177	(354,228)	(15,351,965)	39,296,464
Total capital assets not being depreciated	41,598,618	15,976,177	(354,228)	(15,351,965)	41,868,602
Capital assets being depreciated					
Land improvements	468,972	-	-	-	468,972
Buildings and structures	99,193,485	-	-	-	99,193,485
Right of Use - Buildings	142,925	-	-	-	142,925
Infrastructure	196,777,321	1,890,661	(83,751)	15,351,965	213,936,196
Machinery and equipment	34,130,629	69,222	-	-	34,199,851
Right of Use - Equipment	123,850	-	-	-	123,850
Subscription assets*	176,429	573,412	-	-	749,841
Vehicles	13,978,630	798,993	(385,728)	-	14,391,895
Total capital assets being depreciated	344,992,241	3,332,288	(469,479)	15,351,965	363,207,015
Accumulated depreciation					
Land improvements	462,987	2,022	-	-	465,009
Buildings and structures	63,818,861	2,473,004	-	-	66,291,865
Right of Use - Buildings*	11,910	71,463	-	-	83,373
Infrastructure	88,608,683	3,879,854	-	-	92,488,537
Machinery and equipment	30,818,410	406,373	-	-	31,224,783
Right of Use - Equipment	34,833	34,831	-	-	69,664
Subscriptions assets	-	182,129	-	-	182,129
Vehicles	11,927,363	907,381	(385,730)	-	12,449,014
Total accumulated depreciation	195,683,047	7,957,057	(385,730)	-	203,254,374
Total capital assets being depreciated, net	149,309,194	(4,624,769)	(83,749)	15,351,965	159,952,641
Total capital assets	\$ 190,907,812	\$ 11,351,408	\$ (437,977)	\$ -	\$ 201,821,243

*Beginning balance was restated with the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

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

Electric	\$ 1,935,786
Water	3,608,634
Local sewer	681,556
Regional sewer	447,637
Stormwater utility	344,351
Refuse collection and disposal	513,106
Information technology	207,155
Self insurance	5,780
City garage	213,052
Total depreciation expense	\$ 7,957,057

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 5. Capital Assets (Continued)

Community Redevelopment Agency Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Construction in progress	12,500	-	(12,500)	-	-
Total capital assets not being depreciated	785,706	-	(12,500)	-	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	128,241	11,192	-	-	139,433
Infrastructure	4,545,242	370,271	-	-	4,915,513
Buildings and structures	52,244	6,270	-	-	58,514
Machinery and equipment	134,792	8,294	-	-	143,086
Total accumulated depreciation	4,860,519	396,027	-	-	5,256,546
Total capital assets being depreciated, net	5,013,799	(396,027)	-	-	4,617,772
Total capital assets	\$ 5,799,505	\$ (396,027)	\$ (12,500)	\$ -	\$ 5,390,978

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

Community redevelopment	<u>\$ 396,027</u>
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Note 6. 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

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 6. Investment in Joint Venture (Continued)

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 \$33,787,775.

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

Entity	Flow Allocation MGD	Reserve Capacity 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%
	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 7. 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 Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 49,735,071	\$ -	\$ (1,952,094)	\$ 47,782,977	\$ 1,997,364
Bond premium	1,789,143	-	(83,478)	1,705,665	-
Leased liability	3,315,152	-	(72,079)	3,243,073	73,580
Compensated absences	881,240	1,348,044	(1,116,454)	1,112,830	77,119
Total long-term debt	<u>\$ 55,720,606</u>	<u>\$ 1,348,044</u>	<u>\$ (3,224,105)</u>	<u>\$ 53,844,545</u>	<u>\$ 2,148,063</u>
Business-type activities:					
State revolving loans	\$ 16,650,195	\$ 194,698	\$ (943,145)	\$ 15,901,748	\$ 947,165
Revenue bonds	142,904,924	-	(3,107,905)	139,797,019	937,635
Leased liability	225,470	-	(103,271)	122,199	98,785
Subscription liability*	176,429	573,412	(225,672)	524,169	225,789
Bond premium	15,004,794	-	(544,526)	14,460,268	-
Compensated absences	751,177	1,030,963	(930,222)	851,918	40,966
Total long-term debt	<u>\$ 175,712,989</u>	<u>\$ 1,799,073</u>	<u>\$ (5,854,741)</u>	<u>\$ 171,657,321</u>	<u>\$ 2,250,340</u>

*Beginning balance was restated with the implementation of GASB 96, Subscription-Based Information Technology Arrangements.

For governmental activities, compensated absences and other postemployment benefits 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.

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, 2023, the principal amount outstanding on the Series 2020 was \$87,670,000.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

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

2020 UT Bond Series Debt Service Payments

Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ -	\$ 14,200	\$ 1,485,000	\$ 3,472,600	\$ 1,485,000	\$ 3,486,800
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	25,000	25,275	1,725,000	3,239,775	1,750,000	3,265,050
2028	25,000	24,025	1,810,000	3,151,400	1,835,000	3,175,425
2029-2033	165,000	97,825	11,010,000	14,295,100	11,175,000	14,392,925
2034-2038	200,000	60,450	15,025,000	11,573,750	15,225,000	11,634,200
2039-2043	230,000	21,375	17,980,000	8,636,325	18,210,000	8,657,700
2044-2048	-	-	21,775,000	4,840,100	21,775,000	4,840,100
2049-2053	-	-	12,965,000	680,300	12,965,000	680,300
	<u>\$ 695,000</u>	<u>\$ 297,450</u>	<u>\$ 86,975,000</u>	<u>\$ 56,617,150</u>	<u>\$ 87,670,000</u>	<u>\$ 56,914,600</u>

Consolidated utility revenue bonds – Series 2022 – In May 2022, the City issued \$44,660,000 of Consolidated utility revenue bonds, Series 2022 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, and (ii) paying the costs of issuance of the 2022 Bonds. The series 2022 Bonds mature in October 2053 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, 2053, 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, 2023, the principal amount outstanding on the Series 2022 was \$44,660,000.

2022 UT Bond Series Debt Service Payments

Year(s)	Business-type Activities	
	Principal	Interest
2024	\$ 715,000	\$ 1,928,450
2025	740,000	1,899,350
2026	770,000	1,869,150
2027	805,000	1,837,650
2028	835,000	1,804,850
2029-2033	4,855,000	8,357,625
2034-2038	6,225,000	6,980,125
2039-2043	7,955,000	5,246,525
2044-2048	9,790,000	3,404,600
2049-2053	11,970,000	1,234,400
	<u>\$ 44,660,000</u>	<u>\$ 34,562,725</u>

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

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, 2023, the principal amounts outstanding on the Series 2020A and 2020B bonds are \$22,655,000.

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

Non-Adv Bond Series 2020AB Debt Service Payments						
Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	591,452	245,424	498,548	206,873	1,090,000	452,297
2028	602,304	230,576	507,696	194,358	1,110,000	424,934
2029-2033	3,269,265	897,937	2,755,735	756,891	6,025,000	1,654,828
2034-2038	3,144,463	446,188	2,650,537	376,102	5,795,000	822,290
2039-2043	1,223,600	55,162	1,031,400	46,498	2,255,000	101,660
	<u>\$ 12,292,977</u>	<u>\$ 2,869,878</u>	<u>\$ 10,362,023</u>	<u>\$ 2,419,084</u>	<u>\$ 22,655,000</u>	<u>\$ 5,288,962</u>

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

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, 2023, the principal amounts outstanding on the GOB series 2017 and 2018 bonds are \$19,090,000 and \$15,705,000, 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
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	595,000	581,625	2027	435,000	544,963
2028	625,000	551,875	2028	460,000	523,213
2029-2033	3,380,000	2,488,056	2029-2033	2,575,000	2,329,850
2034-2038	3,930,000	1,939,019	2034-2038	3,035,000	1,867,769
2039-2043	4,630,000	1,245,338	2039-2043	3,635,000	1,272,375
2044-2048	4,315,000	383,950	2044-2048	4,380,000	522,350
	<u>\$19,090,000</u>	<u>\$ 9,098,988</u>		<u>\$ 15,705,000</u>	<u>\$ 8,815,909</u>

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, 2023, the principal outstanding on the notes was \$3,538,113.

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, 2023, the principal outstanding on the notes was \$7,711,047.

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%. The loans are payable in semi-annual installments of principal and interest through April 2041. As of September 30, 2023, the principal outstanding on the note was \$2,229,581.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

In connection with the 2 inch watermain replacement phase 5 and 6, 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 \$2,929,000 with an interest rate of 0.07%. As of September 30, 2023, the principal outstanding on the note was \$2,423,007. 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
2024	\$ 882,324	\$ 159,953
2025	896,037	146,241
2026	910,045	132,233
2027	924,354	117,923
2028	938,974	103,304
2029-2033	4,076,848	298,850
2034-2038	2,578,756	128,325
2039-2043	1,600,938	46,161
2044-2048	670,465	11,593
	<u>\$13,478,741</u>	<u>\$ 1,144,583</u>

Loans with no repayment yet scheduled	2,423,007
	<u>\$15,901,748</u>

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.

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 Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 2,784,378	\$ -	\$ (531,842)	\$2,252,536	\$ 544,074
Total	<u>\$ 2,784,378</u>	<u>\$ -</u>	<u>\$ (531,842)</u>	<u>\$2,252,536</u>	<u>\$ 544,074</u>

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

Discretely Presented Component Unit (Continued)

Community Redevelopment Agency (CRA) Revenue Note, Series 2016 – 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, 2023, the principal outstanding on the note is \$2,252,536.

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.

As of September 30, 2023, debt service requirements on the Revenue Notes Series 2021 to maturity are as follows:

CRA Revenue Note - Series 2021		
Year(s)	Principal	Interest
2024	\$ 544,074	\$ 51,808
2025	556,588	39,295
2026	569,389	26,493
2027	582,485	13,397
	<u>\$ 2,252,536</u>	<u>\$ 130,993</u>

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, 2023, the City's debt limit is \$804,309,500.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 7. Long-Term Debt (Continued)

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		
Sources of Revenue Pledged:	Ad Valorem Revenues	Non-ad Valorem Revenues	Electric, Water and Sewer Water Revenues	Tax Increment Revenues
Current Revenue Pledged	\$ 6,989,314	\$ 13,978,844	\$ 27,285,613	\$ 5,381,201
Current Debt Service	3,699,837	-	3,621,627	596,238
Total Future Revenues Pledged	47,782,977	12,292,977	168,533,604	2,252,536
Purpose of Debt	Local Roadways	Capital Improvements	Utilities and Refunding	Economic Development
Term of Commitment	2018 - 2048	2020-2040	2021-2053	2022 - 2027
Percentage of Debt Service to Current Year Pledged Revenues	52.94%	0.00%	13.27%	11.08%

Note 8. Leases

The City implemented GASB Statement No. 87, *Leases* during the fiscal year 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lease Receivable

As of 09/30/2023, City of Lake Worth Beach, FL had 9 active leases. The leases have receipts that range from \$19,445 to \$274,953 and interest rates that range from 0.3250% to 1.5680%. As of 09/30/2023, the total combined value of the lease receivable is \$8,423,658, the total combined value of the short-term lease receivable is \$926,943, and the combined value of the deferred inflow of resources is \$8,127,757. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 8. Leases (Continued)

The future lease and interest revenues expected to maturity as of September 30, 2023, were as follows:

Fiscal Year	Governmental Activities		
	Lease	Interest	Total
2024	\$ 926,943	\$ 71,133	\$ 998,076
2025	974,588	63,223	1,037,811
2026	1,007,500	54,946	1,062,446
2027	976,746	46,583	1,023,329
2028	691,442	39,523	730,965
2029 - 2033	3,456,220	108,541	3,564,761
2034 - 2035	390,219	3,587	393,806
	<u>\$ 8,423,658</u>	<u>\$ 387,536</u>	<u>\$ 8,811,194</u>

Lease Payable

Business-Type Activities:

The City has a 42-month lease as Lessee for the use of Mobile Modular – Water Utilities Department. An initial lease liability was recorded in the amount of \$123,850. As of September 30, 2022, the value of the lease liability is \$94,164. The City is required to make monthly fixed payments of \$2,416. The lease has an interest rate of 0.5550%. The value of the right to use asset as of September 30, 2022 is \$123,850 with accumulated amortization of \$34,833.

On August 1, 2022, the City entered into a 24-month lease as Lessee for the use of The Promenade – 120 N Federal Highway. An initial lease liability was recorded in the amount of \$142,925. As of September 30, 2022, the value of the lease liability is \$131,306. The City is required to make monthly fixed payments of \$5,833. The lease has an interest rate of 0.4080%. The value of the right to use asset as of September 30, 2022 of \$142,925 with accumulated amortization of \$11,910.

The future principal and interest lease payments as of September 30, 2023, were as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2024	\$ 98,785	\$ 361
2025	23,414	43
	<u>\$ 122,199</u>	<u>\$ 404</u>

Governmental Activities:

The City has a 61-month lease as Lessee for the use of Golf Cars. An initial lease liability was recorded in the amount of \$320,292. As of September 30, 2022, the value of the lease liability is \$259,593. The City is required to make monthly fixed payments of \$5,530. The lease has an interest rate of 2.0750%. The value of the right to use asset as of September 30, 2022 is \$320,292 with accumulated amortization of \$62,734. The City has the option to purchase the Vehicles for \$217,319.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 8. Leases (Continued)

The City has a 420-month lease as Lessee for the use of Bohemian Parking Spaces – 1017 Lake Avenue. An initial lease liability was recorded in the amount of \$5,434,635. As of September 30, 2023, the value of the lease liability is \$3,055,559. The City is required to make annual fixed payments of \$2,458,958. The lease has an interest rate of 2.0120%. The value of the right to use asset as of September 30, 2023 of \$5,434,635 with accumulated amortization of \$155,275.

The future principal and interest lease payments as of September 30, 2023, were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2024	\$ 73,580	\$ 64,780
2025	75,113	63,247
2026	76,677	61,683
2027	16,915	60,615
2028	11,624	60,376
2029 - 2033	358,533	289,467
2034 - 2038	474,055	245,945
2039 - 2043	523,702	196,298
2044 - 2048	578,550	141,450
2049 - 2053	639,142	80,858
2054 - 2056	415,182	16,818
	<u>\$ 3,243,073</u>	<u>\$ 1,281,537</u>

Note 9. Subscriptions

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

Subscriptions Payable

As of September 30, 2023, Lake Worth Beach, FL had 3 active subscriptions. The subscriptions have payments that range from \$43,500 to \$186,708 and interest rates that range from 2.5830% to 3.1550%. As of 09/30/2023, the total combined value of the subscription liability is \$524,169, and the total combined value of the short-term subscription liability is \$225,789. The combined value of the right to use asset, as of 09/30/2023 of \$866,513 with accumulated amortization of \$261,229 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 9. Subscriptions (Continued)

The future principal and interest lease payments as of September 30, 2023, were as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2024	\$ 225,789	\$ 13,754
2025	241,655	7,691
2026	42,319	1,181
2027	14,406	95
	<u>\$ 524,169</u>	<u>\$ 22,721</u>

Note 10. 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.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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, 2023, was \$2,393,846.

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.

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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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, 2023, was \$323,845.

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, 2023, the City received payments from the State for the PRS in the amount of \$651,222. 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.

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, 2023, was \$19,124,220.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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, 2023, the City received payments from the State for the FPT in the amount of \$21,645. 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, 2021, the following plan members were covered by the Plans:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
Active employees	278	8	2
Inactive plan members or beneficiaries currently receiving benefits	308	92	71
Inactive plan members entitled but not yet receiving benefits	96	-	1
	<u>682</u>	<u>100</u>	<u>74</u>

Net Pension Liability of the City

The City's net pension liability was determined based on a measurement date of September 30, 2022. The components of the net pension liability of the City at September 30, 2023, were as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Total pension liability	\$ 109,787,870	\$ 54,458,730	\$ 67,361,974	\$ 231,608,574
Plan fiduciary net position	68,728,004	35,632,405	49,321,196	153,681,605
Net pension liability	<u>\$ 41,059,866</u>	<u>\$ 18,826,325</u>	<u>\$ 18,040,778</u>	<u>\$ 77,926,969</u>
Plan fiduciary net position as a percentage of the total pension liability	62.60%	65.43%	73.22%	66.35%

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

Actuarial Assumptions – The total pension liability based on the measurement date of September 30, 2022, was determined by using actuarial valuations as of October 1, 2021, with update procedures used to roll forward the total pension liability. The actuarial valuations used the following actuarial assumptions:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
Inflation	2.50%	2.50%	2.50%
Salary increases	5.00% - 7.50%	6.50%	6.50%
Investment rate of return	7.00%	6.70%	6.70%

* Depending on years of service, including inflation

For the GERS, PRS and FPT plans, mortality rates were based on the Pub-2010 Headcount-Weighted Mortality Table with mortality improvement projected to all future years after 2010 using Scale MP-2018.

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	35 - 65%	35 - 55%	40 - 60%
International equities	5 - 20%	5 - 20%	5 - 20%
Fixed income	15 - 50%	15 - 50%	20 - 40%
Real assets	-	-	0 - 10%
Real estate	0 - 20%	0 - 20%	0 - 15%
Global Tactical Assets	0 - 15%	0 - 15%	-
Alternatives	0 - 10%	0 - 5%	-
Cash and cash equivalents	0 - 5%	0 - 5%	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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.27% for GERS, 8.41% for PRS, and 9.83% for FPT. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate – This discount rate used to measure the total pension liability was 7.00% for GERS, 6.70% for PRS and 6.70% for 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.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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

	General Employee's Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2021 Measurement date	\$ 106,607,780	\$ 83,097,734	\$ 23,510,046
Changes for the year:			
Service cost	1,468,610	-	1,468,610
Interest	7,367,563	-	7,367,563
Difference between expected and actual experience	1,972,829	-	1,972,829
Changes in assumptions	986,888	-	986,888
Contributions – employer	-	4,422,607	(4,422,607)
Contributions – employee	-	1,231,525	(1,231,525)
Net investment income	-	(11,264,335)	11,264,335
Benefit payments	(8,615,800)	(8,615,800)	-
Administrative expenses	-	(143,727)	143,727
Net changes	3,180,090	(14,369,730)	17,549,820
Balances as of September 30, 2022 Measurement date	\$ 109,787,870	\$ 68,728,004	\$ 41,059,866

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

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

	Police Officers' Relief and Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2021 Measurement date	\$ 53,451,276	\$ 41,545,013	\$ 11,906,263
Changes for the year:			
Service cost	219,654	-	219,654
Interest	3,529,421	-	3,529,421
Difference between expected and actual experience	616,756	-	616,756
Changes in assumptions	638,628	-	638,628
Other (addition to share plan accounts)	296,075	-	296,075
Contributions – employer and state	-	4,206,344	(4,206,344)
Contributions – employee	-	62,459	(62,459)
Net investment income	-	(5,781,568)	5,781,568
Benefit payments	(4,293,080)	(4,293,080)	-
Administrative expenses	-	(106,763)	106,763
Net changes	1,007,454	(5,912,608)	6,920,062
Balances as of September 30, 2022 Measurement date	\$ 54,458,730	\$ 35,632,405	\$ 18,826,325

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

	Firefighters' Pension Trust		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2021			
Measurement date	\$ 65,984,902	\$ 58,949,730	\$ 7,035,172
Changes for the year:			
Service cost	88,985	-	88,985
Interest	4,419,682	-	4,419,682
Difference between expected and actual experience	140,211	-	140,211
Changes in assumptions	769,244	-	769,244
Other (addition to share plan accounts)	316,920	316,920	-
Contributions – employer and state	-	3,649,567	(3,649,567)
Contributions – employee	-	17,436	(17,436)
Net investment income	-	(9,166,175)	9,166,175
Benefit payments	(4,357,970)	(4,357,970)	-
Administrative expenses	-	(88,312)	88,312
Net changes	1,377,072	(9,628,534)	11,005,606
Balances as of September 30, 2022			
Measurement date	\$ 67,361,974	\$ 49,321,196	\$ 18,040,778

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. 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 7.30% for GERS and 7.15% 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% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
General Employee's Retirement System	\$ 51,985,464	\$ 41,059,866	\$ 31,830,592
Police Officers' Relief and Retirement System	\$ 23,534,140	\$ 18,826,325	\$ 14,854,933
Firefighters' Pension Trust	\$ 22,307,629	\$ 18,040,778	\$ 14,437,156

Pension Expense (Benefit) and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense (benefit) as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Pension expense	\$ 5,338,969	\$ 3,567,071	\$ 2,485,789	\$ 11,391,829

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. 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 Outflows of Resources	Deferred Inflows of Resources
General Employees' Retirement System		
Differences between expected and actual experience	\$ 46,907	\$ 718,001
Assumption changes	777,494	326,452
Net difference between projected and actual earnings on pension plan investments	8,547,178	-
Total deferred amounts to be recognized in pension expense in future periods	9,371,579	1,044,453
Pension contributions made subsequent to the measurement date	4,112,865	-
Total deferred amounts	\$ 13,484,444	\$ 1,044,453
Police Officers' Relief and Retirement System		
Net difference between projected and actual earnings on pension plan investments	\$ 4,522,242	\$ -
Total deferred amounts to be recognized in pension expense in future periods	4,522,242	-
Pension contributions made subsequent to the measurement date	4,319,385	-
Total deferred amounts	\$ 8,841,627	\$ -

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 10. Employee Retirement Systems (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Firefighters' Pension Trust		
Net difference between projected and actual earnings on pension plan investments	\$ 6,228,368	\$ -
Total deferred amounts to be recognized in pension expense in future periods	6,228,368	-
Pension contributions made subsequent to the measurement date	3,632,101	-
Total deferred amounts	<u>\$ 9,860,469</u>	<u>\$ -</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, 2023.

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 September 30,	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
2024	\$ 1,278,393	\$ 994,937	\$ 1,296,496	\$ 3,569,826
2025	1,803,145	826,319	931,617	3,561,081
2026	1,851,092	988,848	1,380,193	4,220,133
2027	3,394,496	1,712,138	2,620,062	7,726,696
Total	<u>\$ 8,327,126</u>	<u>\$ 4,522,242</u>	<u>\$ 6,228,368</u>	<u>\$ 19,077,736</u>

Note 11. 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 2023, the City contributed approximately \$201,000 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contribution.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 12. 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	355
Inactive plan members entitled but not yet receiving benefits	451
	806

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

Note 12. Other Postemployment Benefits (OPEB) (Continued)

The total OPEB liability at September 30, 2023, was based on an actuarial valuation dated September 30, 2022, with a measurement date of September 30, 2022, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	4.40%
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, 2022 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 starting at 0.00% for the year beginning October 1, 2023, increasing to 6.25% for the year beginning October 1, 2024 and then gradually decreasing to an ultimate trend rate of 4.00%.
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 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB Liability. The per capita cost and premiums and the healthcare cost trend assumption were updated based on information provided to the actuary. These changes are reflected in the Schedule of Changes in Total OPEB Liability. The Normal Retirement eligibility criteria was revised to add attainment of the Rule of 80 for active IBEW employees hired prior to October 1, 2010. This change has been reflected in the Schedule of Changes in Total OPEB Liability.

Discount Rate: The discount rate used to measure the total OPEB liability was 4.40%. 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:

Measurement year ended September 30, 2022

Total OPEB liability:	
Service cost	\$ 39,496
Interest on total OPEB liability	41,045
Changes of benefit terms	131,492
Difference between expected and actual experience of the total OPEB liability	(178,744)
Change in assumptions and other inputs	(524,378)
Benefit payments	(183,678)
Net change in total OPEB liability	(674,767)
Total OPEB liability, beginning	1,926,549
Total OPEB liability, ending	<u>\$ 1,251,782</u>

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 12. Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the total OPEB liability changes in the discount rate: The following table presents the total OPEB liability, calculated using the discount rate of 4.40%, 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% Decrease 3.40%	Current Discount Rate 4.40%	1% Increase 5.40%
Total OPEB liability	\$ 1,377,818	\$ 1,251,782	\$ 1,145,724

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 Decrease	Trend Rate Assumption	1% Trend Increase
Total OPEB liability	\$ 1,202,380	\$ 1,251,782	\$ 1,309,046

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended September 30, 2023, the City recognized OPEB expense of \$27,410 and deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 147,601
Changes in Assumption and other inputs	33,769	370,149
	33,769	517,750
Contributions made subsequent to the measurement date	133,446	-
Total deferred amounts	\$ 167,215	\$ 517,750

The balance of \$133,446 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, 2023.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 12. 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 September 30,	OPEB Plan
2024	\$ (197,053)
2025	(204,208)
2026	(82,720)
Total	<u>\$ (483,981)</u>

Note 13. 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 and a Power Supply Acquisition Agreement and Project Support contract with the FMPA. 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 City to exchange 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from Stanton Unit No. 1. Under the FMPA agreements, the City is to receive approximately 21 megawatts (mw) of power from St. Lucie and 10 mw of power from Stanton. Costs associated with power purchases under these agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned. The City has also made commitments to purchases of electricity from the to-be-built FMPA Municipal Solar Projects which are scheduled to begin delivering energy to the City in 2023. Pursuant to the City's agreement with the FMPA, the City was required to make a specified 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 it would be refundable to the City in the event that the FMPA were to dissolve.

Orlando Utility Commission (OUC) Agreement – As of December 31, 2013, the City exited its contract with FMPA supplemental power supply acquisition and project support which consists of approximately 52% of total supply. As of January 1, 2014, the City's electric utility entered a power supply acquisition agreement with Orlando Utilities Commission (OUC) for its supplemental power supply. The agreement provides for OUC to provide the least costly power and energy for the City's Electric Utilities Department by either operating the City's existing equipment or by providing power and energy from various facilities with which the City has generation entitlement contracts. Costs associated with power purchases under this agreement are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 13. Commitments and Contingencies (Continued)

During the duration of the contract the City shall maintain on its senior unsecured debt securities, a rating by Standard and Poor's Corporation of BB+, Moody's Investors Service, Inc., of Baa1, Fitch IBCA of BBB+, or another nationally recognized rating service reasonable acceptable to OUC Standard, whichever is lower. In the event the City's ratings fall below the specified minimum rating, the City will be required to provide a Letter of Credit, cash or bond or other assurances reasonably sufficient to assure the City's performance of its purchase and payment obligations under the agreement. The agreement with OUC is for a three-year term beginning January 1, 2014, with two additional option years. The City executed the second option year in January 2018. The City renewed the agreement with OUC beginning January 1, 2019, until December 31, 2022. The City has two (2) unilateral one (1) year extensions until December 31, 2024.

Litigation, Claims and Assessments – The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. Included in the legal actions is a breach of contract claim from a former employee related to a prior settlement agreement that the City lost and is currently appealing with a potential exposure of between \$0 and \$10 million. 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 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.

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. In December 2021, FEMA issued a first-level appeal decision reversing its denial as to \$16,105. After the City filed a second-level appeal, FEMA issued a decision in September 2022, reinstating \$901,138. FEMA denied the remaining costs in dispute, approximately \$3.3 million.

By letter dated February 14, 2024, FEMA advised that it had completed a financial reconciliation of the City's accounts for Hurricanes Frances and Wilma and, after adjusting for offsets associated with the City's Public Assistance Grant award for Hurricane Irma, the amount due by the City is \$1,136,197. FEMA instructed the City to send a request noting the repayment plan option desired within 45 days, which the City did, requesting the 24-month option.

City of Lake Worth Beach, Florida

Notes to the Basic Financial Statements

Note 14. 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 \$3,800,000 is reported in the fund at year end.

Changes in the balances of claims payable for 2023 and 2022, are as follows:

	Fiscal Year Ended	
	2023	2022
Claims payable, beginning of year	\$ 3,305,437	\$ 3,507,918
Provision for claims	2,093,944	1,004,740
Claims paid	(1,641,993)	(1,207,221)
Claims payable, end of year	\$ 3,757,388	\$ 3,305,437

Notes to the Basic Financial Statements

Note 15. Restatement of Prior Year Balances

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as of October 1, 2022. This Statement requires the reporting of certain subscription assets and liabilities, which were not previously reported. The result of these changes impacted the beginning subscription asset and liability, as shown below:

Statement of Net Position	Business-type Activities	
	Subscription Asset	Subscription Liability
Balances September 30, 2022, as previously reported	\$ -	\$ -
Change to implement GASB No. 96	176,429	176,429
Balances October 1, 2022, as restated	\$ 176,429	\$ 176,429

Statement of Net Position	Electric Fund	
	Subscription Asset	Subscription Liability
Balances September 30, 2022, as previously reported	\$ -	\$ -
Change to implement GASB No. 96	176,429	176,429
Balances October 1, 2022, as restated	\$ 176,429	\$ 176,429

Note 16. Subsequent Events

In June 2024, the City Commission passed a resolution authorizing the issuance of a Capital Improvement Revenue Note, Series 2024, in the amount of \$15 million. The Note was issued to finance the acquisition and/or construction of various capital projects in and for the City.

City of Lake Worth Beach, Florida



**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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 14,231,703	\$ 14,231,703	\$ 14,359,356	\$ 127,653
Utility service taxes	4,362,000	4,362,000	4,486,940	124,940
Gas tax	950,000	950,000	976,893	26,893
Franchise fees	160,000	160,000	186,920	26,920
Total taxes	19,703,703	19,703,703	20,010,109	306,406
Licenses and permits:				
Business	1,030,000	1,030,000	996,337	(33,663)
Non-business	112,340	112,340	119,879	7,539
Total licenses and permits	1,142,340	1,142,340	1,116,216	(26,124)
Fines and forfeitures:				
Public safety	30,000	30,000	65,331	35,331
Library fines	50	50	335	285
Violations of local ordinances	897,000	897,000	944,277	47,277
Total fines and forfeitures	927,050	927,050	1,009,943	82,893
Charges for services:				
General government	15,359,148	15,359,148	15,314,035	(45,113)
Public safety	1,148,941	1,148,941	1,166,274	17,333
Physical environment	45,940	45,940	53,578	7,638
Transportation	60,200	60,200	100,446	40,246
Culture and recreation	173,250	173,250	129,298	(43,952)
Total charges for services	16,787,479	16,787,479	16,763,631	(23,848)
Intergovernmental:				
State and other shared revenues	5,140,205	5,140,205	7,241,824	2,101,619
Total intergovernmental	5,140,205	5,140,205	7,241,824	2,101,619
Other revenues:				
Investment income	44,500	44,500	317,375	272,875
Rents and royalties	20,550	20,550	18,999	(1,551)
Miscellaneous	67,000	67,000	767,262	700,262
Total other revenues	132,050	132,050	1,103,636	971,586
Total revenues	43,832,827	43,832,827	47,245,359	3,412,532
Expenditures:				
General Government:				
City commission	473,696	490,884	469,133	21,751
City manager	1,141,537	1,138,962	760,829	378,133
City clerk	605,823	576,636	519,467	57,169
Finance	2,548,798	2,567,181	2,047,795	519,386
Internal auditing	192,097	191,301	183,190	8,111
Personnel	393,793	357,187	355,852	1,335
City attorney	725,108	722,638	432,002	290,636
Community development	172,275	189,336	187,057	2,279
Business license	110,577	113,763	112,882	881
Building maintenance	4,347,972	4,398,740	4,267,484	131,256
Cost of services	231,780	331,078	327,168	3,910
Total general government	10,943,456	11,077,706	9,662,859	1,414,847

(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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police	18,045,624	18,045,624	18,040,921	4,703
Fire	3,684,536	3,684,536	3,656,675	27,861
Building and zoning	1,011,692	1,063,197	880,695	182,502
Code and administration	1,503,211	1,571,879	1,246,495	325,384
Total public safety	24,245,063	24,365,236	23,824,786	540,450
Physical environment:				
Cemetery	204,826	221,113	219,812	1,301
Grounds maintenance	2,165,763	2,181,803	2,074,886	106,917
Total physical environment	2,370,589	2,402,916	2,294,698	108,218
Transportation:				
Administration	366,761	388,363	386,997	1,366
Streets, drains and sidewalks	1,356,897	1,485,659	1,485,138	521
Total transportation	1,723,658	1,874,022	1,872,135	1,887
Culture and recreation:				
Library	666,604	698,901	597,125	101,776
Recreation	2,458,924	2,575,518	2,574,610	908
Total culture and recreation	3,125,528	3,274,419	3,171,735	102,684
Debt service:				
Principal	628,844	628,844	618,877	9,967
Interest	317,565	317,565	312,531	5,034
Total debt service	946,409	946,409	931,408	15,001
Total expenditures	43,354,703	43,940,708	41,757,621	2,167,933
Excess (deficiency) of revenues over (under) expenditures	478,124	(107,881)	5,487,738	5,580,465
Other financing sources (uses):				
Transfers in	-	269,624	-	269,624
Transfers out	-	-	(188,909)	188,909
Appropriated fund balance	(478,124)	(161,743)	-	(161,743)
Total other financing sources (uses)	(478,124)	107,881	(188,909)	(296,790)
Net change in fund balance	\$ -	\$ -	5,298,829	\$ 5,283,675
Fund balance – beginning of year			11,744,884	
Fund balance – end of year			<u>\$ 17,043,713</u>	

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
American Rescue Plan Act Fund
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ 50,000	\$ 898,767	\$ 848,767
Investment income	-	-	381,758	381,758
Total revenues	-	50,000	1,280,525	1,230,525
Expenditures:				
Current:				
General government	-	31,700	10,450	21,250
Total expenditures	-	31,700	10,450	21,250
Excess (deficiency) of revenues over (under) expenditures	-	18,300	1,270,075	1,251,775
Other financing sources (uses):				
Transfers out	-	2,500,000	884,922	(1,615,078)
Appropriated fund balance	-	(2,518,300)	-	2,518,300
Total other financing sources (uses)	-	(18,300)	884,922	903,222
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	385,153	<u>\$ 2,154,997</u>
Fund balance (deficit), beginning of year			(3,395)	
Fund balance, end of year			<u>\$ 381,758</u>	

**Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2023**

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 Public Education Fund, Parking Improvement Fund, Tree Beautification Fund, Library Trust Fund, 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 Nine Fiscal Years

Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 1,468,610	\$ 1,646,777	\$ 1,490,960	\$ 1,344,924	\$ 1,276,370	\$ 1,264,754	\$ 1,026,628	\$ 1,289,330	\$ 1,269,805
Interest	7,367,563	7,670,545	7,681,848	7,757,646	7,622,289	7,623,881	7,765,990	7,865,429	7,897,624
Benefit changes	1,972,829	-	-	512,928	2,327,011	-	-	-	-
Differences between expected and actual experience	-	(2,154,003)	398,714	(807,331)	217,106	186,801	(2,300,009)	(967,020)	(289,809)
Changes of assumptions	986,888	(979,354)	1,016,341	993,106	957,440	2,876,644	-	-	-
Benefit payments, including refunds of member contributions	(8,615,800)	(8,929,498)	(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	3,180,090	(2,745,533)	639,082	650,937	3,018,064	3,922,581	(2,606,699)	(1,129,203)	(430,557)
Total pension liability – beginning	106,607,780	109,353,313	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)	\$ 109,787,870	\$ 106,607,780	\$ 109,353,313	\$ 108,714,231	\$ 108,063,294	\$ 105,045,230	\$ 101,122,649	\$ 103,729,348	\$ 104,858,551
Plan fiduciary net position									
Contributions – employer	\$ 4,422,607	\$ 4,601,944	\$ 4,236,368	\$ 4,205,995	\$ 3,987,293	\$ 4,086,164	\$ 4,440,602	\$ 4,614,165	\$ 4,553,202
Contributions – member	1,231,525	1,179,217	1,065,640	1,124,756	1,124,419	1,102,815	848,814	844,870	928,387
Net investment income	(11,264,335)	12,822,725	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	(8,615,800)	(8,929,498)	(9,948,781)	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Administrative expenses	(143,727)	(124,254)	(147,456)	(140,447)	(141,352)	(124,525)	(142,750)	(128,684)	(126,863)
Net change in plan fiduciary net position	(14,369,730)	9,550,134	2,064,516	(608,045)	1,750,421	4,857,440	354,786	(3,478,517)	3,562,465
Plan fiduciary net position – beginning	83,097,734	73,547,600	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)	\$ 68,728,004	\$ 83,097,734	\$ 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)	\$ 41,059,866	\$ 23,510,046	\$ 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	62.60%	77.95%	67.26%	65.75%	66.71%	66.96%	64.76%	62.79%	65.43%
Covered-employee payroll	\$ 18,321,112	\$ 17,230,100	\$ 15,834,827	\$ 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-employee payroll	224.11%	136.45%	226.12%	233.10%	249.54%	245.46%	327.50%	356.37%	304.57%

Note to Schedule:

- 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.
- Effective October 1, 2021, the investment return assumption was lowered from 7.10% to 7.00%.

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 Nine Fiscal Years

Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 219,654	\$ 231,542	\$ 233,461	\$ 210,912	\$ 193,882	\$ 229,634	\$ 255,209	\$ 238,693	\$ 280,511
Interest	3,529,421	3,648,567	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	616,756	666,011	(144,036)	24,508	434,141	(97,978)	(655,445)	287,033	115,847
Changes of assumptions	638,628	(806,211)	672,851	666,720	656,642	266,889	635,049	-	-
Benefit payments, including refunds of member contributions	(4,293,080)	(5,038,595)	(3,804,703)	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Other	296,075	339,815	340,049	270,932	295,992	235,027	209,050	209,050	202,603
Net change in total pension liability	1,007,454	(958,871)	1,008,659	1,194,531	1,563,067	(75,764)	(1,146,838)	(930,488)	590,955
Total pension liability – beginning	53,451,276	54,410,147	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)	\$ 54,458,730	\$ 53,451,276	\$ 54,410,147	\$ 53,401,488	\$ 52,206,957	\$ 50,643,890	\$ 50,719,654	\$ 51,866,492	\$ 52,796,980
Plan fiduciary net position									
Contributions – employer and state	\$ 4,206,344	\$ 4,215,360	\$ 3,647,981	\$ 3,233,586	\$ 3,119,402	\$ 3,013,393	\$ 2,882,783	\$ 2,773,209	\$ 2,543,956
Contributions – member	62,459	128,159	75,013	73,571	68,521	73,533	169,346	102,916	208,801
Net investment income	(5,781,568)	6,073,410	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	(4,293,080)	(5,038,595)	(3,804,703)	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Administrative expenses	(106,763)	(97,520)	(97,657)	(100,691)	(91,942)	(91,961)	(94,732)	(89,064)	(96,476)
Net change in plan fiduciary net position	(5,912,608)	5,280,814	2,958,409	977,302	1,606,333	1,594,119	(726,242)	(2,331,491)	1,638,790
Plan fiduciary net position – beginning	41,545,013	36,264,199	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)	\$ 35,632,405	\$ 41,545,013	\$ 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)	\$ 18,826,325	\$ 11,906,263	\$ 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	65.43%	77.73%	66.65%	62.37%	61.92%	60.66%	57.43%	57.56%	60.96%
Covered-employee payroll	\$ 884,686	\$ 966,547	\$ 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-employee payroll	2128.02%	1231.83%	1694.01%	1928.41%	2048.15%	1912.71%	1692.19%	1759.58%	1545.70%

Note to Schedule:

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, 2022, the investment return assumption was lowered from 6.70% to 6.55%.

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)

Firefighters' Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios

Last Nine Fiscal Years

Fiscal Year:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 88,985	\$ 116,494	\$ 135,109	\$ 241,178	\$ 260,076	\$ 285,547	\$ 302,838	\$ 332,003	\$ 297,315
Interest	4,419,682	4,538,137	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	140,211	297,992	(515,400)	(61,252)	(544,886)	(322,397)	120,719	198,870	(241,254)
Changes of assumptions	769,244	(1,194,501)	624,869	621,002	613,640	185,206	608,377	978,453	-
Benefit payments, including refunds of member contributions	(4,357,970)	(5,356,076)	(4,811,072)	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Other	316,920	381,560	-	97,844	424,869	1,531,430	547,964	1,101,767	275,168
Net change in total pension liability	1,377,072	(1,216,394)	70,189	1,016,253	161,621	2,229,516	2,353,313	3,910,029	1,446,464
Total pension liability – beginning	65,984,902	67,201,296	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)	\$ 67,361,974	\$ 65,984,902	\$ 67,201,296	\$ 67,131,107	\$ 66,114,854	\$ 65,953,233	\$ 63,723,717	\$ 61,370,404	\$ 57,460,375
Plan fiduciary net position									
Contributions – employer and state	\$ 3,649,567	\$ 3,457,426	\$ 3,243,971	\$ 2,872,622	\$ 2,794,091	\$ 2,811,277	\$ 2,709,016	\$ 2,550,030	\$ 2,625,210
Contributions – member	17,436	31,675	50,167	169,763	84,971	105,985	108,980	118,270	123,344
Net investment income	(9,166,175)	9,655,107	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	(4,357,970)	(5,356,076)	(4,811,072)	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Administrative expenses	(88,312)	(92,173)	(90,029)	(86,312)	(84,970)	(70,801)	(80,852)	(92,510)	(217,064)
Rollover	316,920	381,560	-	-	424,869	1,531,430	547,964	1,101,767	275,168
Net change in plan fiduciary net position	(9,628,534)	8,077,519	3,869,840	(120,035)	2,858,713	4,471,289	2,156,761	(335,604)	2,668,574
Plan fiduciary net position – beginning	58,949,730	50,872,211	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)	\$ 49,321,196	\$ 58,949,730	\$ 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)	\$ 18,040,778	\$ 7,035,172	\$ 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	73.22%	89.34%	75.70%	70.02%	71.27%	67.11%	62.45%	61.33%	66.08%
Covered-employee payroll	\$ 151,045	\$ 284,938	\$ 445,929	\$ 639,283	\$ 755,301	\$ 942,090	\$ 968,706	\$ 1,050,059	\$ 1,073,629
City net pension liability as percentage of covered-employee payroll	11943.98%	2469.02%	3661.81%	3148.64%	2514.55%	2302.28%	2470.44%	2260.33%	1815.26%

Note to Schedule:

- 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.
- Effective October 1, 2021, the investment return assumption was lowered from 6.90% to 6.70%.

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
2023	\$ 4,112,865	\$ 4,112,865	\$ -	\$ 18,729,934	22.0%
2022	4,422,607	4,422,607	-	18,321,112	24.1%
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%

Notes to Schedule:

Valuation date: October 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	16 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	7.00%
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Regular Class members in their July 1, 2020 actuarial valuation (with mortality improvements projected for nondisabled lives to all future years after 2010 using Scale MP 2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one 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
2023	\$ 3,951,568	\$ 3,951,568	\$ -	\$ 900,136	439.0%
2022	3,910,269	3,910,269	-	884,686	442.0%
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%

Notes to Schedule:

Valuation date:

October 1, 2021

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	6.55%
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk employees in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)
Firefighters' Pension Trust – 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
2023	\$ 3,632,101	\$ 3,632,101	\$ -	\$ 129,698	2800.4%
2022	3,649,567	3,649,567	-	151,045	2416.2%
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%

Notes to Schedule:

Valuation date: October 1, 2021

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	6.90%
Mortality	The same versions of Pub 2010 Headcount Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk class members in their July 1, 2019 actuarial valuation (with mortality improvements projected for non disabled lives to all future years after 2010 using Scale MP 2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

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
2023	9.27 %	8.41 %	9.83 %
2022	(13.87)	(14.16)	(15.37)
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

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 Six Fiscal Years

Fiscal year ending September 30:	2023	2022	2021	2020	2019	2018
Measurement date September 30:	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	\$ 39,496	\$ 34,219	\$ 30,431	\$ 28,506	\$ 21,674	\$ 21,929
Interest on total OPEB liability	41,045	46,166	56,531	76,947	63,806	62,760
Changes in benefit terms	131,492	-	-	-	184,337	-
Differences between expected and actual experience of the Total OPEB Liability	(178,744)	-	(182,151)	-	141,142	-
Changes of assumptions	(524,378)	41,493	154,785	189,844	7,230	(63,321)
Benefit payments	(183,678)	(153,445)	(253,448)	(247,744)	(230,272)	(214,928)
Net change in total OPEB liability	(674,767)	(31,567)	(193,852)	47,553	187,917	(193,560)
Total OPEB liability – beginning	1,926,549	1,958,116	2,151,968	2,104,415	1,916,498	2,110,058
Total OPEB liability – ending	<u>\$ 1,251,782</u>	<u>\$ 1,926,549</u>	<u>\$ 1,958,116</u>	<u>\$ 2,151,968</u>	<u>\$ 2,104,415</u>	<u>\$ 1,916,498</u>
Covered-employee payroll	\$ 19,533,451	\$ 18,038,343	\$ 19,192,059	\$ 19,767,821	\$ 19,192,059	\$ 19,430,154
Total OPEB liability as percentage of covered-employee payroll	6.41%	10.68%	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 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022
- The Normal Retirement eligibility criteria was revised to add attainment of the rule of 80 for active IBEW employees hired prior to October 1, 2010.

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

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.

Public Education Fund

To account for revenues and expenditures associated with educational initiatives

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.

City of Lake Worth Beach, Florida

Nonmajor Governmental Funds

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.

Electric Utility Rate Stabilization Fund

To account for reserve set aside to manage and stabilize rate for the electric utility. The primary purpose of this fund is to maintain rate competitiveness and rate stability by mitigating costs increases due to fluctuations in power costs or other emergencies that would otherwise be passed along to the customers of the Electric Utility.

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) Fund

To account for principal and interest costs on the GOB series 2017 and 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.

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.

City of Lake Worth Beach, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 7,433,366	\$ 784,935	\$ 16,001,480	\$ 24,219,781
Investments	6,691,752	-	9,254,950	15,946,702
Accounts receivable, net	140,648	-	780,038	920,686
Lease receivable	7,884,643	-	452,042	8,336,685
Accrued interest receivable	24,324	-	36,916	61,240
Inventories	14,173	-	-	14,173
Land held for resale	111,589	-	-	111,589
Restricted assets:				
Investments	538,547	-	1,152,512	1,691,059
Total assets	\$ 22,839,042	\$ 784,935	\$ 27,677,938	\$ 51,301,915
Liabilities				
Accounts and contracts payable	\$ 81,174	\$ -	\$ 94,370	\$ 175,544
Accrued liabilities	149,530	-	-	149,530
Due to other funds	76,377	-	-	76,377
Unearned revenue	81,164	-	-	81,164
Total liabilities	388,245	-	94,370	482,615
Deferred Inflows of Resources				
Deferred inflows from leases	\$ 7,614,361	\$ -	\$ 427,246	\$ 8,041,607
Total deferred inflows of resources	7,614,361	-	427,246	8,041,607
Fund balances:				
Nonspendable:				
Inventories	14,173	-	-	14,173
Land held for resale	111,589	-	-	111,589
Restricted for:				
Debt service	-	784,935	-	784,935
Public safety	9,454,604	-	-	9,454,604
Grants	882,072	-	-	882,072
Capital projects	538,547	-	14,484,490	15,023,037
Parking improvements	72,105	-	-	72,105
Rate Stabilization	2,500,000	-	-	2,500,000
Tree preservation	30,643	-	-	30,643
Energy conservation	183,519	-	-	183,519
Culture and recreation	1,049,184	-	-	1,049,184
Assigned to:				
Capital projects	-	-	12,671,832	12,671,832
Total fund balances	14,836,436	784,935	27,156,322	42,777,693
Total liabilities, deferred inflows of resources and fund balances	\$ 22,839,042	\$ 784,935	\$ 27,677,938	\$ 51,301,915

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 2,398,388	\$ -	\$ 2,398,388
Utility and other taxes	-	-	580,503	580,503
Licenses and permits	1,689,527	-	-	1,689,527
Fines and forfeitures	629,313	-	-	629,313
Charges for services	5,852,195	-	-	5,852,195
Intergovernmental	307,580	-	4,174,526	4,482,106
Investment income	482,281	28,043	800,442	1,310,766
Miscellaneous	51,944	-	353,357	405,301
Total revenues	9,012,840	2,426,431	5,908,828	17,348,099
Expenditures:				
Current:				
General government	156,163	-	1,111	157,274
Public safety	1,998,913	-	-	1,998,913
Physical environment	-	-	-	-
Transportation	1,108,458	-	420	1,108,878
Culture and recreation	4,158,818	-	-	4,158,818
Capital outlay	87,786	-	3,160,141	3,247,927
Debt service:				
Principal	555,296	850,000	-	1,405,296
Interest	192,405	1,309,088	-	1,501,493
Total expenditures	8,257,839	2,159,088	3,161,672	13,578,599
Excess (deficiency) of revenues over (under) expenditures	755,001	267,343	2,747,156	3,769,500
Other financing sources (uses):				
Transfers in	2,500,000	-	2,744,175	5,244,175
Transfers out	(555,000)	-	(1,495,000)	(2,050,000)
Total other financing sources	1,945,000	-	1,249,175	3,194,175
Net change in fund balance	2,700,001	267,343	3,996,331	6,963,675
Fund balances, beginning of year	12,136,435	517,592	23,159,991	35,814,018
Fund balances, end of year	\$ 14,836,436	\$ 784,935	\$ 27,156,322	\$ 42,777,693

City of Lake Worth Beach, Florida

Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2023

	Beach Fund	Building Permit	Public Education Fund	Electric Utility Rate Stabilization Fund	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
Assets:															
Cash and cash equivalents	\$ 2,418,985	\$ 512,648	\$ 76,582	\$ 2,500,000	\$ 890,196	\$ 25,197	\$ 22,842	\$ 750,501	\$ 30,643	\$ 51	\$ 18,145	\$ 55,397	\$ 108,193	\$ 23,986	\$ 7,433,366
Investments	1,793,743	4,017,950	-	-	-	46,739	466,434	-	-	259,247	98,425	-	-	9,214	6,691,752
Accounts receivable, net	7,881	-	-	-	-	-	1,196	131,571	-	-	-	-	-	-	140,648
Lease receivable	7,717,460	-	-	-	167,183	-	-	-	-	-	-	-	-	-	7,884,643
Accrued interest receivable	6,464	14,677	-	-	-	171	1,776	-	-	848	353	-	-	35	24,324
Inventories	-	-	-	-	14,173	-	-	-	-	-	-	-	-	-	14,173
Land held for resale	-	-	-	-	-	-	111,589	-	-	-	-	-	-	-	111,589
Restricted assets:															
Investments	519,674	-	-	-	18,873	-	-	-	-	-	-	-	-	-	538,547
Total assets	\$ 12,464,207	\$ 4,545,275	\$ 76,582	\$ 2,500,000	\$ 1,090,425	\$ 72,107	\$ 603,837	\$ 882,072	\$ 30,643	\$ 260,146	\$ 116,923	\$ 55,397	\$ 108,193	\$ 33,235	\$ 22,839,042
Liabilities:															
Accounts and contracts payable	\$ 64,986	\$ 9,346	\$ -	\$ -	\$ 1,313	\$ 2	\$ 5,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,174
Accrued liabilities	86,770	45,946	-	-	16,542	-	18	-	-	250	4	-	-	-	149,530
Due to other funds	-	-	-	-	-	-	-	-	-	76,377	-	-	-	-	76,377
Unearned revenue	-	8,027	-	-	73,137	-	-	-	-	-	-	-	-	-	81,164
Total liabilities	151,756	63,319	-	-	90,992	2	5,545	-	-	76,627	4	-	-	-	388,245
Deferred Inflows of Resources															
Deferred inflows from leases	\$ 7,448,260	\$ -	\$ -	\$ -	\$ 166,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,614,361
Total deferred inflows of resources	7,448,260	-	-	-	166,101	-	-	-	-	-	-	-	-	-	7,614,361
Fund balances:															
Nonspendable:															
Inventories	-	-	-	-	14,173	-	-	-	-	-	-	-	-	-	14,173
Land held for resale	-	-	-	-	-	-	111,589	-	-	-	-	-	-	-	111,589
Restricted for:															
Public safety	4,344,517	4,481,956	-	-	-	-	486,703	-	-	-	-	-	108,193	33,235	9,454,604
Grants	-	-	-	-	-	-	-	882,072	-	-	-	-	-	-	882,072
Capital projects	519,674	-	-	-	18,873	-	-	-	-	-	-	-	-	-	538,547
Parking improvements	-	-	-	-	-	72,105	-	-	-	-	-	-	-	-	72,105
Rate stabilization	-	-	-	2,500,000	-	-	-	-	-	-	-	-	-	-	2,500,000
Tree preservation	-	-	-	-	-	-	-	-	30,643	-	-	-	-	-	30,643
Energy conservation	-	-	-	-	-	-	-	-	-	183,519	-	-	-	-	183,519
Culture and recreation	-	-	76,582	-	800,286	-	-	-	-	-	116,919	55,397	-	-	1,049,184
Total fund balances	4,864,191	4,481,956	76,582	2,500,000	833,332	72,105	598,292	882,072	30,643	183,519	116,919	55,397	108,193	33,235	14,836,436
Total liabilities, deferred inflows of resources and fund balances	\$ 12,464,207	\$ 4,545,275	\$ 76,582	\$ 2,500,000	\$ 1,090,425	\$ 72,107	\$ 603,837	\$ 882,072	\$ 30,643	\$ 260,146	\$ 116,923	\$ 55,397	\$ 108,193	\$ 33,235	\$ 22,839,042

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, 2023

	Beach Fund	Building Permit	Public Education Fund	Electric Utility Rate Stabilization Fund	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
Revenues:															
Licenses and permits	\$ -	\$ 1,689,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,689,527
Fines and forfeitures	629,313	-	-	-	-	-	-	-	-	-	-	-	-	-	629,313
Charges for services	3,812,111	-	-	-	2,040,084	-	-	-	-	-	-	-	-	-	5,852,195
Intergovernmental	-	-	-	-	-	-	-	297,592	-	-	-	-	5,854	4,134	307,580
Investment income	207,896	195,429	1,582	-	19,457	2,498	20,891	14,223	633	10,966	4,591	1,276	2,007	832	482,281
Miscellaneous	16,775	-	-	-	9,375	-	25,594	-	100	-	-	100	-	-	51,944
Total revenues	4,666,095	1,884,956	1,582	-	2,068,916	2,498	46,485	311,815	733	10,966	4,591	1,376	7,861	4,966	9,012,840
Expenditures:															
Current:															
General government	156,125	-	-	-	-	-	-	-	-	28	10	-	-	-	156,163
Public safety	-	1,856,272	-	-	-	-	87,540	55,099	-	-	-	-	-	2	1,998,913
Transportation	1,108,453	-	-	-	-	5	-	-	-	-	-	-	-	-	1,108,458
Culture and recreation	2,689,609	-	-	-	1,428,111	-	-	41,098	-	-	-	-	-	-	4,158,818
Capital outlay	-	87,786	-	-	-	-	-	-	-	-	-	-	-	-	87,786
Debt service:															
Principal	488,317	-	-	-	66,979	-	-	-	-	-	-	-	-	-	555,296
Interest and other costs	185,542	-	-	-	6,863	-	-	-	-	-	-	-	-	-	192,405
Total expenditures	4,628,046	1,944,058	-	-	1,501,953	5	87,540	96,197	-	28	10	-	-	2	8,257,839
Excess (deficiency) of revenues over (under) expenditures	38,049	(59,102)	1,582	-	566,963	2,493	(41,055)	215,618	733	10,938	4,581	1,376	7,861	4,964	755,001
Other financing sources (uses):															
Transfers in	-	-	-	2,500,000	-	-	-	-	-	-	-	-	-	-	2,500,000
Transfers out	-	(555,000)	-	-	-	-	-	-	-	-	-	-	-	-	(555,000)
Total other financing sources (uses)	-	(555,000)	-	2,500,000	-	-	-	-	-	-	-	-	-	-	1,945,000
Net change in fund balances	38,049	(614,102)	1,582	2,500,000	566,963	2,493	(41,055)	215,618	733	10,938	4,581	1,376	7,861	4,964	2,700,001
Fund balances, beginning of year	4,826,142	5,096,058	75,000	-	266,369	69,612	639,347	666,454	29,910	172,581	112,338	54,021	100,332	28,271	12,136,435
Fund balances, end of year	\$ 4,864,191	\$ 4,481,956	\$ 76,582	\$ 2,500,000	\$ 833,332	\$ 72,105	\$ 598,292	\$ 882,072	\$ 30,643	\$ 183,519	\$ 116,919	\$ 55,397	\$ 108,193	\$ 33,235	\$ 14,836,436

City of Lake Worth Beach, Florida

Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2023

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Neighborhood Road Program Fund	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	\$ 818,244	\$ 9,868,516	\$ 4,686,612	\$ 628,108	\$ 16,001,480
Investments	4,358,261	3,912,834	983,855	-	9,254,950
Accounts receivable, net	-	687,508	92,530	-	780,038
Lease receivable	-	-	452,042	-	452,042
Accrued interest receivable	17,240	15,782	3,894	-	36,916
Restricted assets:					
Investments	-	-	-	1,152,512	1,152,512
Total assets	\$ 5,193,745	\$ 14,484,640	\$ 6,218,933	\$ 1,780,620	\$ 27,677,938
Liabilities					
Accounts and contracts payable	\$ 168	\$ 150	\$ 94,052	\$ -	\$ 94,370
Total liabilities	168	150	94,052	-	94,370
Deferred Inflows of Resources					
Deferred inflows from leases	\$ -	\$ -	\$ 427,246	\$ -	\$ 427,246
Total deferred inflows of resources	-	-	427,246	-	427,246
Fund balances:					
Restricted for:					
Capital Projects	-	14,484,490	-	-	14,484,490
Assigned to:					
Capital projects	5,193,577	-	5,697,635	1,780,620	12,671,832
Total fund balances	5,193,577	14,484,490	5,697,635	1,780,620	27,156,322
Total liabilities, deferred inflows of resources and fund balances	\$ 5,193,745	\$ 14,484,640	\$ 6,218,933	\$ 1,780,620	\$ 27,677,938

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, 2023

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Neighborhood Road Program Fund	Total Nonmajor Capital Projects Funds
Revenues:					
Utility and other taxes	\$ -	\$ -	\$ 580,503	\$ -	\$ 580,503
Intergovernmental	-	4,174,526	-	-	4,174,526
Investment income	200,084	366,163	106,780	127,415	800,442
Miscellaneous	140,223	-	213,134	-	353,357
Total revenues	340,307	4,540,689	900,417	127,415	5,908,828
Expenditures:					
Current:					
General government	468	-	643	-	1,111
Transportation	-	420	-	-	420
Capital outlay	-	-	2,189,129	971,012	3,160,141
Total expenditures	468	420	2,189,772	971,012	3,161,672
Excess (deficiency) of revenues over (under) expenditures	339,839	4,540,269	(1,289,355)	(843,597)	2,747,156
Other financing sources (uses):					
Transfers in	-	-	2,744,175	-	2,744,175
Transfers out	-	(1,495,000)	-	-	(1,495,000)
Total other financing sources (uses)	-	(1,495,000)	2,744,175	-	1,249,175
Net change in fund balances	339,839	3,045,269	1,454,820	(843,597)	3,996,331
Fund balances, beginning of year	4,853,738	11,439,221	4,242,815	2,624,217	23,159,991
Fund balances, end of year	\$ 5,193,577	\$ 14,484,490	\$ 5,697,635	\$ 1,780,620	\$ 27,156,322

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,858,949	\$ 3,858,949	\$ 3,812,111	\$ (46,838)
Fines and forfeitures	700,000	700,000	629,313	(70,687)
Investment income	13,000	13,000	207,896	194,896
Miscellaneous	-	-	16,775	16,775
Total revenues	4,571,949	4,571,949	4,666,095	94,146
Expenditures:				
Current:				
General Government	156,125	156,125	156,125	-
Transportation	925,377	1,016,746	1,108,453	(91,707)
Culture and recreation	2,858,195	3,123,056	2,689,609	433,447
Debt service:				
Principal	510,000	510,000	488,317	21,683
Interest	-	-	185,542	(185,542)
Total expenditures	4,449,697	4,805,927	4,628,046	177,881
Excess (deficiency) of revenues over (under) expenditures	122,252	(233,978)	38,049	272,027
Other financing sources:				
Transfers out	100,000	100,000	-	(100,000)
Appropriated fund balance	(222,252)	133,978	-	(133,978)
Total other financing sources	(122,252)	233,978	-	(233,978)
Net change in fund balance	\$ -	\$ -	38,049	\$ 38,049
Fund balance, beginning of year			4,826,142	
Fund balance, end of year			<u>\$ 4,864,191</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Licenses and permits	\$ 1,452,000	\$ 1,452,000	\$ 1,689,527	\$ 237,527
Investment income	-	-	195,429	195,429
Total revenues	1,452,000	1,452,000	1,884,956	432,956
Expenditures:				
Current:				
Public safety	2,302,717	2,351,434	1,856,272	495,162
Capital outlay	15,000	102,786	87,786	15,000
Total expenditures	2,317,717	2,454,220	1,944,058	510,162
Excess (deficiency) of revenues over (under) expenditures	(865,717)	(1,002,220)	(59,102)	943,118
Other financing sources (uses):				
Transfers out	(75,925)	(75,925)	(555,000)	(479,075)
Appropriated fund balance	941,642	1,078,145	-	(1,078,145)
Total other financing sources (uses)	865,717	1,002,220	(555,000)	(1,557,220)
Net change in fund balance	\$ -	\$ -	(614,102)	\$ (614,102)
Fund balance, beginning of year			5,096,058	
Fund balance, end of year			<u>\$ 4,481,956</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,518,500	\$ 1,518,500	\$ 2,040,084	\$ 521,584
Investment income	-	-	19,457	19,457
Miscellaneous	10,000	10,000	9,375	(625)
Total revenues	1,528,500	1,528,500	2,068,916	540,416
Expenditures:				
Current:				
Culture and recreation	1,517,796	1,511,255	1,428,111	83,144
Debt service:				
Principal	8,629	8,629	66,979	(58,350)
Interest	-	-	6,863	(6,863)
Total expenditures	1,526,425	1,519,884	1,501,953	17,931
Excess (deficiency) of revenues over (under) expenditures	2,075	8,616	566,963	558,347
Other financing sources (uses):				
Appropriated fund balance	(2,075)	(8,616)	-	8,616
Total other financing sources (uses)	(2,075)	(8,616)	-	8,616
Net change in fund balance	\$ -	\$ -	566,963	\$ 566,963
Fund balance, beginning of year			266,369	
Fund balance, end of year			<u>\$ 833,332</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Investment income	\$ 3,000	\$ 3,000	\$ 20,891	\$ 17,891
Miscellaneous	241,000	241,000	25,594	(215,406)
Total revenues	244,000	244,000	46,485	(197,515)
Expenditures:				
Current:				
Public safety	208,000	208,000	87,540	120,460
Total expenditures	208,000	208,000	87,540	120,460
Excess (deficiency) of revenues over (under) expenditures	36,000	36,000	(41,055)	(77,055)
Other financing sources (uses):				
Appropriated fund balance	(36,000)	(36,000)	-	36,000
Total other financing sources (uses)	(36,000)	(36,000)	-	36,000
Net change in fund balance	\$ -	\$ -	(41,055)	\$ (41,055)
Fund balance, beginning of year			639,347	
Fund balance, end of year			<u>\$ 598,292</u>	

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 709,504	\$ 709,504	\$ 297,592	\$ (411,912)
Investment income	-	-	14,223	14,223
Total revenues	709,504	709,504	311,815	(397,689)
Expenditures:				
Current:				
Public safety	115,881	115,881	55,099	60,782
Culture and recreation	111,964	111,964	41,098	70,866
Capital Outlay	-	266,560	-	266,560
Total expenditures	227,845	494,405	96,197	398,208
Excess (deficiency) of revenues over (under) expenditures	481,659	215,099	215,618	519
Other financing sources (uses):				
Transfers out	-	306,691	-	(306,691)
Transfers in	115,881	115,881	-	(115,881)
Appropriated fund balance	(597,540)	(330,980)	-	330,980
Total other financing sources (uses)	(481,659)	91,592	-	(91,592)
Net change in fund balance	\$ -	\$ 306,691	215,618	\$ (91,073)
Fund balance, beginning of year			666,454	
Fund balance, end of year			<u>\$ 882,072</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Property taxes	\$ 2,159,088	\$ 2,159,088	\$ 2,398,388	\$ 239,300
Investment income	-	-	28,043	28,043
Total revenues	<u>2,159,088</u>	<u>2,159,088</u>	<u>2,426,431</u>	<u>267,343</u>
Current:				
Debt service:				
Principal	850,000	850,000	850,000	-
Interest	1,309,088	1,309,088	1,309,088	-
Total expenditures	<u>2,159,088</u>	<u>2,159,088</u>	<u>2,159,088</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>267,343</u>	<u>267,343</u>
Other financing sources (uses):				
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>267,343</u>	<u>\$ 267,343</u>
Fund balance, beginning of year			\$ 517,592	
Fund balance, end of year			<u>\$ 784,935</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	200,084	200,084
Miscellaneous	-	-	140,223	140,223
Total revenues	-	-	340,307	340,307
Expenditures:				
Current:				
General government	-	-	468	(468)
Capital outlay	-	462,222	-	462,222
Total expenditures	-	462,222	468	461,754
Excess (deficiency) of revenues over (under) expenditures	-	(462,222)	339,839	802,061
Other financing sources (uses):				
Transfers in	-	-	-	-
Appropriated fund balance	-	462,222	-	(462,222)
Total other financing sources (uses)	-	462,222	-	(462,222)
Net change in fund balance	\$ -	\$ -	339,839	\$ 339,839
Fund balance, beginning of year			4,853,738	
Fund balance, end of year			\$ 5,193,577	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Utility and other taxes	\$ -	\$ -	\$ 580,503	\$ 580,503
Investment income	-	-	106,780	106,780
Miscellaneous	-	-	213,134	213,134
Total revenues	-	-	900,417	900,417
Expenditures:				
Current:				
General government	-	38	643	(605)
Capital outlay	20,554,670	27,306,121	2,189,129	25,116,992
Total expenditures	20,554,670	27,306,159	2,189,772	25,116,387
Excess (deficiency) of revenues over (under) expenditures	(20,554,670)	(27,306,159)	(1,289,355)	26,016,804
Other financing sources (uses):				
Transfers in	10,391,111	10,697,802	2,744,175	(7,953,627)
Appropriated fund balance	10,163,559	16,608,357	-	(16,608,357)
Total other financing sources (uses)	20,554,670	27,306,159	2,744,175	(24,561,984)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,454,820	<u>\$ 1,454,820</u>
Fund balance, beginning of year			<u>4,242,815</u>	
Fund balance, end of year			<u><u>\$ 5,697,635</u></u>	

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 127,415	\$ 127,415
Total revenues	-	-	127,415	127,415
Expenditures:				
Capital outlay	4,743,533	4,743,533	971,012	3,772,521
Total expenditures	4,743,533	4,743,533	971,012	3,772,521
Excess (deficiency) of revenues over (under) expenditures	(4,743,533)	(4,743,533)	(843,597)	3,899,936
Other financing sources (uses):				
Appropriated fund balance	4,743,533	4,743,533	-	(4,743,533)
Total other financing sources (uses)	4,743,533	4,743,533	-	(4,743,533)
Net change in fund balance	\$ -	\$ -	(843,597)	\$ (843,597)
Fund balance, beginning of year			2,624,217	
Fund balance, end of year			\$ 1,780,620	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Sales tax	\$ -	\$ -	\$ 4,174,526	\$ 4,174,526
Investment income	-	-	366,163	366,163
Total revenues	-	-	4,540,689	4,540,689
Expenditures:				
Current:				
Transportation	-	-	420	(420)
Total expenditures	-	-	420	(420)
Excess (deficiency) of revenues over (under) expenditures	-	-	4,540,269	4,540,269
Other financing sources (uses):				
Transfers out	-	-	(1,495,000)	(1,495,000)
Total other financing sources (uses)	-	-	(1,495,000)	(1,495,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,045,269	<u>\$ 3,045,269</u>
Fund balance, beginning of year			<u>11,439,221</u>	
Fund balance, end of year			<u>\$ 14,484,490</u>	

Nonmajor Enterprise Funds

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, 2023

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,031,280	\$ 1,301,810	\$ 2,333,090
Investments	3,852,141	7,370,296	11,222,437
Accounts receivable, net	-	508,239	508,239
Accrued interest receivable	12,323	26,544	38,867
Total current assets	4,895,744	9,206,889	14,102,633
Non-current assets:			
Restricted assets:			
Cash and cash equivalents	1,462,102	28,399	1,490,501
Capital assets:			
Land	138,346	593,700	732,046
Construction in progress	206,788	-	206,788
Land improvements	241,637	-	241,637
Buildings and structures	-	296,994	296,994
Infrastructure	9,432,019	43,655	9,475,674
Machinery and equipment	449,553	231,739	681,292
Vehicles	183,453	4,772,967	4,956,420
Accumulated depreciation	(3,886,758)	(3,944,498)	(7,831,256)
Total non-current assets	8,227,140	2,022,956	10,250,096
Total assets	13,122,884	11,229,845	24,352,729
Deferred outflows of resources:			
Deferred outflows relating to pensions	269,088	1,057,692	1,326,780
Deferred outflows relating to OPEB	3,546	15,138	18,684
Total deferred outflows of resources	272,634	1,072,830	1,345,464
Liabilities			
Current liabilities:			
Accounts and contracts payable	\$ 66,963	\$ 60,619	\$ 127,582
Accrued liabilities	25,216	68,690	93,906
Bonds payable	281,125	34,821	315,946
Compensated absences	810	4,625	5,435
Total current liabilities	374,114	168,755	542,869
Non-current liabilities:			
Compensated absences	16,844	93,155	109,999
Bonds payable	3,162,370	423,959	3,586,329
Total OPEB liability	27,803	110,060	137,863
Net pension liability	945,238	3,320,454	4,265,692
Total non-current liabilities	4,152,255	3,947,628	8,099,883
Total liabilities	4,526,369	4,116,383	8,642,752
Deferred inflows of resources:			
Deferred inflows relating to pensions	40,983	33,249	74,232
Deferred inflows relating to OPEB	8,864	56,317	65,181
Total deferred inflows of resources	49,847	89,566	139,413
Net position:			
Net investment in capital assets	4,783,646	1,562,321	6,345,967
Restricted for:			
Debt service	281,125	34,821	315,946
Unrestricted	3,754,531	6,499,584	10,254,115
Total net position	8,819,302	8,096,726	16,916,028

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, 2023

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,930,376	\$ 6,805,438	\$ 8,735,814
Operating expenses:			
Cost of services	1,094,854	5,323,353	6,418,207
General and administrative	291,037	790,129	1,081,166
Depreciation	344,351	513,106	857,457
Total operating expenses	1,730,242	6,626,588	8,356,830
Operating income	200,134	178,850	378,984
Non-operating revenues (expenses):			
Investment income	195,961	365,815	561,776
Interest and fiscal charges	(84,036)	(9,252)	(93,288)
Other	28,875	826	29,701
Total non-operating revenues (expenses)	140,800	357,389	498,189
Income before transfers	340,934	536,239	877,173
Other financing sources (uses):			
Transfers in	29,656	-	29,656
Transfers out	-	-	-
Total other financing sources (uses)	29,656	-	29,656
Change in net position	370,590	536,239	906,829
Net position, beginning of year	8,448,712	7,560,487	16,009,199
Net position, end of year	\$ 8,819,302	\$ 8,096,726	\$ 16,916,028

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2023

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 1,930,376	\$ 6,765,773	\$ 8,696,149
Payments to suppliers	(589,350)	(3,004,907)	(3,594,257)
Payments to employees	(546,233)	(1,797,522)	(2,343,755)
Payments for interfund services received	(381,661)	(1,275,717)	(1,657,378)
Net cash provided by operating activities	413,132	687,627	1,100,759
Cash flows from non-capital financing activities:			
Other receipts	28,875	826	29,701
Transfers from other funds	29,656	-	29,656
Net cash provided by (used in) non-capital financing activities	58,531	826	59,357
Cash flows from capital and related financing activities:			
Acquisition and construction of capital asset, net	(96,848)	(738,109)	(834,957)
Principal paid on revenue bonds and notes	(272,211)	(33,718)	(305,929)
Interest and other fiscal charges	(103,843)	(13,603)	(117,446)
Net cash (used in) capital and related financing activities	(472,902)	(785,430)	(1,258,332)
Cash flows from investing activities:			
Purchase of investments	(3,712,872)	(7,103,832)	(10,816,704)
Interest and gains or losses on investments	3,743,627	7,158,403	10,902,030
Net cash provided by investing activities	30,755	54,571	85,326
Net change in cash and cash equivalents	29,516	(42,406)	(12,890)
Cash and cash equivalents, beginning	2,463,866	1,372,615	3,836,481
Cash and cash equivalents, ending	\$ 2,493,382	\$ 1,330,209	\$ 3,823,591

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows
Nonmajor Enterprise Funds (Continued)
For the Fiscal Year Ended September 30, 2023

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 200,134	\$ 178,850	\$ 378,984
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	344,351	513,106	857,457
Capital asset disposals	83,750	-	83,750
Decrease (increase) in assets and deferred outflows:			
Accounts receivable	-	(39,665)	(39,665)
Deferred outflows relating to pensions	(158,314)	(648,234)	(806,548)
Deferred outflows relating to OPEB	2,252	15,287	17,539
Increase (decrease) in liabilities and deferred inflows:			
Accounts and contracts payable	(96,499)	(19,850)	(116,349)
Accrued liabilities	(131,248)	2,238	(129,010)
Compensated absences	2,060	17,096	19,156
Total OPEB liability	(12,274)	(83,336)	(95,610)
Net pension liability	330,619	1,353,757	1,684,376
Deferred inflows relating to OPEB	7,246	49,196	56,442
Deferred inflows relating to pensions	(158,945)	(650,818)	(809,763)
Total adjustments	212,998	508,777	721,775
Net cash provided by operating activities	\$ 413,132	\$ 687,627	\$ 1,100,759

City of Lake Worth Beach, Florida



Internal Service Funds

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, 2023

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 699,924	\$ 1,881,737	\$ 4,805,332	\$ 709,548	\$ 8,096,541
Investments	-	6,954,277	1,109,475	1,669,892	9,733,644
Accounts receivable, net	-	-	-	-	-
Accrued interest receivable	-	26,450	3,894	6,013	36,357
Inventories	-	-	71,637	-	71,637
Total current assets	699,924	8,862,464	5,990,338	2,385,453	17,938,179
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	350,000	-	1,149,419	\$ -	1,499,419
Construction in progress	-	-	616,286	-	616,286
Right-to-use - IT subscription	573,412	-	-	-	573,412
Machinery and equipment	1,990,944	59,010	-	-	2,049,954
Vehicles	36,064	-	4,152,566	-	4,188,630
Accumulated depreciation	(2,106,941)	(35,543)	(3,797,395)	-	(5,939,879)
Total non-current assets	843,479	23,467	2,120,876	-	2,987,822
Total assets	\$ 1,543,403	\$ 8,885,931	\$ 8,111,214	\$ 2,385,453	\$ 20,926,001
Liabilities					
Current liabilities:					
Accounts and contracts payable	\$ 79,550	\$ 31,541	\$ 47,463	\$ 22,728	\$ 181,282
Accrued liabilities	67,641	1,158,202	14,424	13,722	1,253,989
Due to other funds	-	-	-	1,061,761	1,061,761
Bonds payable	27,826	-	119,255	-	147,081
Compensated absences	2,182	-	-	-	2,182
Total current liabilities	177,199	1,189,743	181,142	1,098,211	2,646,295
Non-current liabilities:					
Insurance claims payable	-	3,757,388	-	-	3,757,388
Compensated absences	39,532	-	21,309	-	60,841
IT Subscription Liability	386,704	-	-	-	386,704
Bonds payable	279,688	-	1,198,662	-	1,478,350
Total non-current liabilities	705,924	3,757,388	1,219,971	-	5,683,283
Total liabilities	883,123	4,947,131	1,401,113	1,098,211	8,329,578
Net position:					
Net investment in capital assets	149,261	23,467	802,959	-	975,687
Unrestricted	511,019	3,915,333	5,907,142	1,287,242	11,620,736
Total net position	\$ 660,280	\$ 3,938,800	\$ 6,710,101	\$ 1,287,242	\$ 12,596,423

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, 2023

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 2,591,322	\$ 3,523,403	\$ 1,369,352	\$ 4,657,021	\$ 12,141,098
Total operating revenues	2,591,322	3,523,403	1,369,352	4,657,021	12,141,098
Operating expenses:					
Cost of services	2,322,630	3,563,906	1,010,514	4,124,356	11,021,406
Depreciation	207,155	5,780	213,052	-	425,987
Total operating expenses	2,529,785	3,569,686	1,223,566	4,124,356	11,447,393
Operating income (loss)	61,537	(46,283)	145,786	532,665	693,705
Non-operating revenues (expenses):					
Interest and fiscal charges	(17,572)	(746)	(43,995)	-	(62,313)
Investment income	13,986	330,562	136,753	74,582	555,883
Other	94	1,494,620	57,568	94	1,552,376
Total non-operating revenues (expenses)	(3,492)	1,824,436	150,326	74,676	2,045,946
Income before transfers and contributions	58,045	1,778,153	296,112	607,341	2,739,651
Transfers in	350,000	-	-	-	350,000
Change in net position	408,045	1,778,153	296,112	607,341	3,089,651
Net position, beginning of year	252,235	2,160,647	6,413,989	679,901	9,506,772
Net position, end of year	\$ 660,280	\$ 3,938,800	\$ 6,710,101	\$ 1,287,242	\$ 12,596,423

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from interfund charges	\$ 2,591,322	\$ 4,658,694	\$ 1,369,352	\$ 4,657,021	\$ 13,276,389
Payments to suppliers	(1,606,306)	(5,257,748)	(689,186)	(4,076,094)	(11,629,334)
Payments to employees	(707,619)	(233,424)	(369,150)	(23,469)	(1,333,662)
Net cash (used in) provided by operating activities	277,397	(832,478)	311,016	557,458	313,393
Cash flows from non-capital financing activities:					
Other receipts	94	1,494,620	57,568	94	1,552,376
Payments received from other funds	-	-	-	-	-
Transfers out	350,000	-	-	-	350,000
Net cash provided by non-capital financing activities	350,094	1,494,620	57,568	94	1,902,376
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets, net	(38,101)	-	(353,525)	-	(391,626)
Contributed capital, cash transactions	-	-	-	-	-
Principal paid on revenue bonds and notes	(213,652)	-	(115,474)	-	(329,126)
Interest and other fiscal charges	(17,572)	(746)	(43,995)	-	(62,313)
Net cash used in capital and related financing activities	(269,325)	(746)	(512,994)	-	(783,065)
Cash flows from investing activities:					
Purchase of investments	-	(6,702,854)	(1,069,363)	(1,609,519)	(9,381,736)
Interest and gains or losses on investments	13,986	6,739,740	1,159,262	1,613,583	9,526,571
Net cash provided by investing activities	13,986	36,886	89,899	4,064	144,835
Net change in cash and cash equivalents	372,152	698,282	(54,511)	561,616	1,577,539
Cash and cash equivalents, beginning	677,772	1,183,455	6,009,262	147,932	8,018,421
Cash and cash equivalents, ending	\$ 1,049,924	\$ 1,881,737	\$ 5,954,751	\$ 709,548	\$ 9,595,960

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds (Continued)
For the Fiscal Year Ended September 30, 2023

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:					
Operating income (loss)	61,537	(46,283)	145,786	532,665	693,705
Adjustments to reconcile operating income (loss) to net cash provided by (used in) by (used in) operating activities:					
Depreciation	207,155	5,780	213,052	-	425,987
Decrease (increase) in assets:					
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	1,135,291	-	-	1,135,291
Prepaid items	-	-	-	-	-
Inventories	-	-	(33,743)	-	(33,743)
Increase (decrease) in liabilities:					
Accounts and contracts payable	(36,188)	18,439	(7,917)	15,549	(10,117)
Accrued liabilities	40,112	(2,397,656)	(8,690)	9,244	(2,356,990)
Insurance claims payable	-	451,951	-	-	451,951
Compensated absences	4,781	-	2,528	-	7,309
Total adjustments	215,860	(786,195)	165,230	24,793	(380,312)
Net cash (used in) provided by operating activities	\$ 277,397	\$ (832,478)	\$ 311,016	\$ 557,458	\$ 313,393
Supplemental disclosure of noncash investing and non-capital financing activities:					
Due from other governments	\$ -	\$ 1,492,552	\$ -	\$ -	\$ 1,492,552

City of Lake Worth Beach, Florida



Fiduciary Funds

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

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, 2023

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
Assets:				
Cash and cash equivalents	\$ 1,532,695	\$ 477,414	\$ 581,833	\$ 2,591,942
Investments at fair value:				
Government securities	6,298,371	3,167,547	13,258,227	22,724,145
Corporate bonds	6,023,072	3,401,841	2,056,840	11,481,753
Equity securities	45,797,639	26,617,964	31,044,795	103,460,398
Real estate funds	11,116,660	5,567,671	4,590,290	21,274,621
Money market funds	664,190	866,321	856,727	2,387,238
Accrued interest, dividends and contributions receivable	228,698	769,296	161,410	1,159,404
Prepaid items	3,757	8,140	-	11,897
Total assets	71,665,082	40,876,194	52,550,122	165,091,398
Liabilities:				
Accounts payable	60,304	28,872	41,112	130,288
Deferred Inflows:				
Advanced contributions from employer	142,562	1,482,465	-	1,625,027
Net position restricted for pension benefits	\$ 71,462,216	\$ 39,364,857	\$ 52,509,010	\$ 163,336,083

City of Lake Worth Beach, Florida

**Combining Statement of Changes in Net Position
Pension Trust Funds
For the Fiscal Year Ended September 30, 2023**

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 4,112,865	\$ 3,668,163	\$ 3,621,799	\$ 11,402,827
Chapter 175/185	-	-	21,645	21,645
Plan members	1,222,731	63,550	14,591	1,300,872
State	-	651,222	-	651,222
Total contributions	5,335,596	4,382,935	3,658,035	13,376,566
Investment income:				
Interest and dividends	1,936,535	1,147,651	2,240,087	5,324,273
Net change in fair value of investments	4,505,324	1,998,653	2,543,031	9,047,008
Other income	1,150	12,832	329	14,311
Total investment income	6,443,009	3,159,136	4,783,447	14,385,592
Less investment expenses	(336,960)	(166,863)	(181,561)	(685,384)
Net investment income	6,106,049	2,992,273	4,601,886	13,700,208
Total additions	11,441,645	7,375,208	8,259,921	27,076,774
Deductions:				
Pension benefits	8,557,401	3,536,523	4,970,809	17,064,733
Administrative expenses	150,032	106,233	101,298	357,563
Total deductions	8,707,433	3,642,756	5,072,107	17,422,296
Change in net position	2,734,212	3,732,452	3,187,814	9,654,478
Net position, beginning of year	68,728,004	35,632,405	49,321,196	153,681,605
Net position, end of year	\$ 71,462,216	\$ 39,364,857	\$ 52,509,010	\$ 163,336,083

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

Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120– 124
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	125 – 129
Debt Capacity 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.	130 – 136
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	137 – 139
Operating Information 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.	140 - 142

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net investment in capital assets	\$ 59,907,246	\$ 58,548,019	\$ 56,328,679	\$ 55,276,904	\$ 57,137,390	\$ 55,217,776	\$ 38,366,100	\$ 38,748,868	\$ 40,565,842	\$ 41,096,277
Restricted	1,803,743	2,159,736	2,882,658	23,188,479	3,620,665	4,501,754	12,750,283	20,955,066	23,431,383	32,216,327
Unrestricted (deficit)	(45,102,488)	(42,865,854)	(42,528,582)	(63,480,001)	(42,749,218)	(38,108,305)	(28,126,765)	(28,343,982)	(15,835,518)	(8,101,683)
Total governmental activities net position	16,608,501	17,841,901	16,682,755	14,985,382	18,008,837	21,611,225	22,989,618	31,359,952	48,161,707	65,210,921
Business-Type Activities:										
Net investment in capital assets	65,053,346	67,396,574	74,381,420	83,094,062	90,093,724	95,692,038	95,049,432	100,838,508	93,198,222	92,610,275
Restricted	4,330,029	3,954,649	4,023,055	5,084,192	8,797,790	8,877,209	8,670,291	7,932,254	8,466,405	9,068,621
Unrestricted	59,487,552	64,875,277	71,056,620	64,199,523	48,072,470	46,249,865	50,052,179	50,971,119	60,076,175	73,207,984
Total business-type activities net position	128,870,927	136,226,500	149,461,095	152,377,777	146,963,984	150,819,112	153,771,902	159,741,881	161,740,802	174,886,880
Total Government:										
Net investment in capital assets	124,960,592	125,944,593	130,710,099	138,370,966	147,231,114	150,909,814	133,415,532	139,587,376	133,764,064	133,706,552
Restricted	6,133,772	6,114,385	6,905,713	28,272,671	12,418,455	13,378,963	21,420,574	28,887,320	31,897,788	41,284,948
Unrestricted	14,385,064	22,009,423	28,528,038	719,522	5,323,252	8,141,560	21,925,414	22,627,137	44,240,657	65,106,301
Total government net position	\$ 145,479,428	\$ 154,068,401	\$ 166,143,850	\$ 167,363,159	\$ 164,972,821	\$ 172,430,337	\$ 176,761,520	\$ 191,101,833	\$ 209,902,509	\$ 240,097,801

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.

City of Lake Worth Beach, Florida

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
General Government	\$ 2,297,354	\$ 2,422,314	\$ 3,059,477	\$ 4,090,775	\$ 3,962,157	\$ 6,230,789	\$ 4,402,551	\$ 4,227,216	\$ 3,211,278	\$ 3,081,370
Public Safety	19,971,563	18,613,494	21,521,291	21,020,172	20,375,323	21,711,159	22,422,289	21,210,213	16,032,830	23,613,179
Physical Environment	1,709,220	2,684,500	1,791,681	2,118,859	2,432,633	3,618,684	3,282,429	2,391,933	2,075,464	2,257,275
Transportation	3,775,229	3,798,644	4,224,006	4,462,603	4,343,667	5,652,177	5,372,627	5,489,348	5,083,534	5,278,472
Culture and Recreation	4,219,879	4,102,901	5,672,028	6,605,043	6,892,253	6,652,731	6,491,360	7,836,192	7,749,604	8,051,627
Interest on Long-Term Debt	-	-	-	328,454	1,298,123	1,412,098	1,450,715	1,803,968	1,889,125	1,803,398
Total Governmental Activities Expenses	31,973,245	31,621,853	36,268,483	38,625,906	39,304,156	45,277,638	43,421,971	42,958,870	36,041,835	44,085,321
Business-Type Activities:										
Electric	50,529,559	48,719,483	47,510,501	54,793,486	56,923,415	52,460,343	52,993,465	54,964,184	69,368,859	60,403,096
Water	10,218,577	9,541,300	10,173,782	11,754,509	11,663,352	12,713,290	15,805,291	15,987,210	16,537,525	16,672,079
Local Sewer	6,522,133	6,523,547	6,819,673	7,356,239	8,892,409	8,885,400	10,047,624	9,902,290	9,961,691	11,867,881
Regional Sewer	5,827,196	7,360,670	5,084,878	4,868,053	6,535,365	4,804,777	7,963,192	8,651,434	8,578,505	9,307,473
Stormwater Utility	1,365,026	1,160,138	1,109,596	1,183,318	1,382,758	1,452,752	1,838,722	1,722,339	1,661,991	1,814,278
Refuse Collection and Disposal	4,880,048	4,231,967	4,308,118	4,884,890	4,615,148	5,150,043	6,579,918	5,967,285	7,329,740	6,635,840
Total Business-Type Activities Expenses	79,342,539	77,537,105	75,006,548	84,840,495	90,012,447	85,466,605	95,228,212	97,194,742	113,438,311	106,700,647
Total Primary Government Expenses	\$111,315,784	\$109,158,958	\$111,275,031	\$123,466,401	\$129,316,603	\$130,744,243	\$138,650,183	\$140,153,612	\$149,480,146	\$150,785,968
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,791,964	\$ 2,709,695	\$ 2,888,193	\$ 2,483,748	\$ 2,972,515	\$ 3,286,187	\$ 10,709,621	\$ 11,317,341	\$ 11,536,299	\$ 12,031,354
Public Safety	934,486	1,283,169	1,562,712	1,374,166	1,290,577	1,564,369	1,545,925	1,806,106	1,965,754	1,699,215
Physical Environment	15,420	11,350	16,250	19,125	19,700	20,175	25,150	26,725	30,420	53,578
Transportation	1,425,139	1,565,500	1,675,853	1,881,827	1,907,733	2,347,327	1,837,134	2,721,033	2,752,773	3,300,461
Culture and Recreation	1,936,822	2,229,513	2,069,347	2,160,482	2,185,279	2,616,295	2,274,234	2,405,908	2,878,728	3,427,563
Operating Grants and Contributions	809,270	1,033,222	1,267,255	878,208	543,186	45,135	48,206	68,415	1,000,041	931,919
Capital Grants and Contributions	559,996	292,129	51,440	18,850	657,045	1,029,905	982,181	2,823,576	706,224	264,440
Total Governmental Activities Program Revenues	7,473,097	9,124,578	9,531,050	8,816,406	9,576,035	10,909,393	17,422,451	21,169,104	20,870,239	21,708,530
Business-Type Activities:										
Charges for Services:										
Electric	54,537,479	54,269,092	57,011,403	55,850,044	54,280,835	55,128,532	53,508,982	57,265,178	66,125,824	69,986,266
Water	12,005,357	13,053,300	13,960,788	14,652,277	13,990,442	15,121,045	14,691,895	15,612,994	17,729,670	16,355,681
Local Sewer	6,322,018	7,228,749	7,694,525	7,183,903	7,083,494	7,770,255	8,827,767	9,991,750	10,046,432	11,082,429
Regional Sewer	4,657,237	6,137,326	6,543,368	6,981,203	8,037,738	9,056,597	10,607,742	9,532,063	8,597,871	11,657,412
Stormwater Utility	1,811,731	1,807,513	1,853,597	1,839,490	1,877,395	1,892,168	1,930,639	1,936,696	1,943,647	1,984,920
Refuse Collection and Disposal	5,840,137	5,905,283	5,859,424	5,937,437	6,029,714	6,443,982	6,586,508	6,954,673	8,049,541	7,029,075
Capital Grants and Contributions	398,574	824,131	668,015	937,910	620,434	907,493	1,196,278	832,469	1,535,043	1,943,889
Total Business-Type Activities Program Revenues	85,572,533	89,225,394	93,591,120	93,382,264	91,920,052	96,320,072	97,349,811	102,125,823	114,028,028	120,039,672
Total Primary Program Revenues	\$ 93,045,630	\$ 98,349,972	\$103,122,170	\$102,198,670	\$101,496,087	\$107,229,465	\$114,772,262	\$123,294,927	\$134,898,267	\$141,748,202

City of Lake Worth Beach, Florida

CHANGES IN NET POSITION (UNAUDITED)

LAST TEN FISCAL YEARS (accrual basis of accounting) (continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense) / Revenue:										
Governmental Activities	\$ (24,500,148)	\$ (22,497,275)	\$ (26,737,433)	\$ (29,809,500)	\$ (29,728,121)	\$ (34,368,245)	\$ (25,999,520)	\$ (21,789,766)	\$ (15,171,596)	\$ (22,376,791)
Business-Type Activities	6,229,994	11,688,289	18,584,572	8,541,769	1,907,605	10,853,467	2,121,599	4,931,081	589,717	13,339,025
Total Primary Government										
Net Expenses	(18,270,154)	(10,808,986)	(8,152,861)	(21,267,731)	(27,820,516)	(23,514,778)	(23,877,921)	(16,858,685)	(14,581,879)	(9,037,766)
General Revenues:										
Governmental Activities:										
Taxes:										
Property Taxes	6,530,263	7,016,336	7,933,054	8,501,004	10,446,929	12,236,801	13,044,494	14,234,595	14,999,085	16,757,743
Franchise Taxes	36,127	39,358	40,559	57,146	149,379	130,486	138,871	156,700	179,866	186,920
Utility Taxes	5,118,045	5,040,381	5,249,541	5,323,406	5,157,559	5,378,990	5,473,291	5,802,645	5,793,174	5,067,445
Gas Taxes and Shared Revenues	3,488,545	3,731,994	3,913,702	5,866,094	6,780,214	6,914,217	6,444,705	7,471,341	8,827,147	9,643,038
Intergovernmental – Unrestricted	661,551	1,469,121	1,528,273	1,669,080	1,647,276	1,689,341	1,534,497	1,764,666	2,229,566	2,696,507
Investment Income – Unrestricted	72,073	84,656	73,088	96,906	399,621	1,076,109	485,389	28,179	135,659	2,009,977
Miscellaneous	104,778	202,581	79,538	176,950	294,959	209,266	218,393	701,974	204,652	944,031
Transfers	5,949,062	6,146,248	6,760,532	6,991,921	7,875,639	10,335,423	352,000	-	(395,798)	2,120,344
Total Governmental Activities										
Revenues	21,960,444	23,730,675	25,578,287	28,682,507	32,751,576	37,970,633	27,691,640	30,160,100	31,973,351	39,426,005
Business-Type Activities:										
Investment Income – Unrestricted	293,379	638,789	584,317	371,686	580,489	1,379,774	505,611	11,746	152,327	1,824,493
Miscellaneous	1,794,210	731,768	826,238	959,846	1,343,752	1,057,737	410,438	1,027,152	861,079	102,904
Transfers	(5,949,062)	(6,146,248)	(6,760,532)	(6,991,921)	(9,245,639)	(10,335,423)	(352,000)	-	395,798	(2,120,344)
Total Business-Type Activities										
Revenues	(3,861,473)	(4,775,691)	(5,349,977)	(5,660,389)	(7,321,398)	(7,897,912)	564,049	1,038,898	1,409,204	(192,947)
Total Primary Government										
General Revenues	\$ 18,098,971	\$ 18,954,984	\$ 20,228,310	\$ 23,022,118	\$ 25,430,178	\$ 30,072,721	\$ 28,255,689	\$ 31,198,998	\$ 33,382,555	\$ 39,233,058
Change in Net Position:										
Governmental Activities	\$ (2,539,704)	\$ 1,233,400	\$ (1,159,146)	\$ (1,126,993)	\$ 3,023,455	\$ 3,602,388	\$ 1,692,120	\$ 8,370,334	\$ 16,801,755	\$ 17,049,214
Business-type Activities	2,368,521	6,912,598	13,234,595	2,881,380	(5,413,793)	2,955,555	2,685,648	5,969,979	1,998,921	13,146,078
Total Primary Government	\$ (171,183)	\$ 8,145,998	\$ 12,075,449	\$ 1,754,387	\$ (2,390,338)	\$ 6,557,943	\$ 4,377,768	\$ 14,340,313	\$ 18,800,676	\$ 30,195,292

City of Lake Worth Beach, Florida

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 22,256	\$ 18,703	\$ 11,352	\$ 13,245	\$ 27,397	\$ 20,856	\$ 27,558	\$ 1,116	\$ 7,597	\$ 9,968
Restricted	-	-	-	-	-	-	-	1,626,000	1,475,433	1,854,470
Assigned	9,267	78,156	374,534	435,487	739,511	9,267	9,267	9,267	9,267	9,462
Unassigned	4,359,619	4,867,733	5,596,137	4,406,420	3,883,141	4,852,376	11,879,169	10,056,328	10,252,587	15,169,813
Total General Fund	\$ 4,391,142	\$ 4,964,592	\$ 5,982,023	\$ 4,855,152	\$ 4,650,049	\$ 4,882,499	\$ 11,915,994	\$ 11,692,711	\$ 11,744,884	\$ 17,043,713
All Other Governmental Funds:										
Nonspendable	15,327	74,520	8,534	8,321	13,052	12,347	259,524	147,176	124,891	125,762
Restricted	1,803,743	2,159,736	2,882,658	22,764,757	26,574,399	18,717,321	18,991,532	24,003,876	23,968,357	30,361,857
Committed	2,021,065	1,692,430	1,463,513	1,459,827	1,468,669	1,417,849	-	-	-	-
Assigned	3,601,203	2,926,266	2,476,999	4,284,028	6,585,253	10,232,006	9,937,392	7,629,245	11,720,770	12,671,832
Unassigned (deficit)	(5,602,675)	(4,823,306)	(4,291,069)	(3,909,745)	(3,777,022)	(3,352,766)	(16,433)	-	(3,395)	-
Total All Other Governmental Funds	1,838,663	2,029,646	2,540,635	24,607,188	30,864,351	27,026,757	29,172,015	31,780,297	35,810,623	43,159,451
Total Governmental Funds	\$ 6,229,805	\$ 6,994,238	\$ 8,522,658	\$ 29,462,340	\$ 35,514,400	\$ 31,909,256	\$ 41,088,009	\$ 43,473,008	\$ 47,555,507	\$ 60,203,164

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.

City of Lake Worth Beach, Florida

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property Taxes	\$ 5,762,505	\$ 6,316,354	\$ 7,217,524	\$ 7,902,965	\$ 9,903,427	\$ 11,698,612	\$ 12,763,120	\$ 13,932,886	\$ 14,926,191	\$ 16,757,744
Utility and Other Taxes	5,311,296	5,237,870	5,454,398	5,556,899	5,477,082	5,648,150	5,645,711	5,941,831	5,984,366	6,231,256
Licenses and Permits	1,374,635	2,306,549	2,298,863	1,913,624	2,372,876	2,766,369	2,398,276	2,627,871	3,005,204	2,805,743
Fines and Forfeitures	507,709	990,180	1,196,984	1,136,209	941,176	1,200,141	1,331,593	1,498,632	1,612,772	1,639,256
Charges for Services	8,309,647	8,113,998	8,319,650	8,411,704	9,298,864	10,355,013	17,306,080	19,478,042	20,971,418	22,615,826
Intergovernmental	6,145,110	6,324,240	6,521,260	8,072,671	9,008,012	9,456,191	8,395,719	11,580,243	11,756,665	12,622,697
Investment Income	72,073	99,182	73,088	98,989	400,146	1,076,208	485,649	23,544	136,591	2,009,899
Rents and Royalties	21,921	21,099	20,974	20,703	20,642	19,841	19,445	19,598	20,079	18,999
Miscellaneous	165,899	299,088	224,878	413,554	513,776	481,431	329,152	1,154,898	340,538	1,172,563
Total Revenues	27,670,795	29,708,560	31,327,619	33,527,318	37,936,001	42,701,956	48,674,745	56,257,545	58,753,824	65,873,983
Expenditures:										
Current:										
General Government	5,751,549	5,634,202	6,199,180	6,917,043	7,575,275	9,535,056	8,412,275	8,546,750	9,506,679	9,830,583
Public Safety	19,773,044	20,326,650	20,746,172	21,418,839	21,329,407	22,028,842	23,123,385	24,415,181	24,594,678	25,823,699
Physical Environment	1,683,387	1,755,019	1,773,092	2,070,505	2,310,527	2,519,813	2,285,176	2,211,880	2,341,203	2,294,698
Transportation	1,129,732	1,284,203	1,652,394	1,845,235	2,026,304	2,839,274	2,770,493	2,179,469	2,552,097	2,981,013
Culture and Recreation	4,252,002	4,370,469	4,606,962	5,291,682	5,812,796	5,986,881	5,926,539	6,423,235	7,359,039	7,330,553
Capital Outlay	1,825,165	1,719,832	2,431,377	4,128,562	17,016,282	11,642,411	9,696,551	7,529,092	2,136,573	3,247,927
Debt Service:										
Principal	-	-	-	-	423,722	702,238	780,664	1,628,864	3,886,071	2,024,173
Interest and Other Fiscal Charges	-	-	-	303,736	817,195	1,388,008	1,450,715	1,823,773	1,899,187	1,814,024
Cost of Issuance	-	-	-	-	172,597	-	-	-	-	-
Total Expenditures	34,414,879	35,090,375	37,409,177	41,975,602	57,484,105	56,642,523	54,445,798	54,758,244	54,275,527	55,346,670
Excess (Deficiency) of Revenues Over Expenditures	(6,744,084)	(5,381,815)	(6,081,558)	(8,448,284)	(19,548,104)	(13,940,567)	(5,771,053)	1,499,301	4,478,297	10,527,313
Other Financing Sources (Uses):										
Transfers In	9,083,001	7,503,308	6,820,532	7,122,980	10,248,836	10,663,633	435,593	2,120,000	2,529,459	5,244,175
Transfers Out	(3,133,939)	(1,357,060)	(60,000)	(131,059)	(2,373,197)	(328,210)	(83,593)	(2,120,000)	(2,925,257)	(3,123,831)
Advances Forgiven	-	-	-	-	-	-	-	-	-	-
Proceeds from debt issuance	-	-	849,446	22,396,045	17,724,525	-	13,991,367	760,000	-	-
Proceeds from bond premiums	-	-	-	-	-	-	907,884	125,699	-	-
Total Other Financing Sources (Uses)	5,949,062	6,146,248	7,609,978	29,387,966	25,600,164	10,335,423	15,251,251	885,699	(395,798)	2,120,344
Net Change in Fund Balances	\$ (795,022)	\$ 764,433	\$ 1,528,420	\$ 20,939,682	\$ 6,052,060	\$ (3,605,144)	\$ 9,480,198	\$ 2,385,000	\$ 4,082,499	\$ 12,647,657
Debt Service as a Percentage of Non-Capital Expenditures	0.00%	0.00%	0.00%	0.80%	3.49%	4.64%	4.99%	7.31%	11.10%	7.37%

NOTE: In 2012 the City's Community Redevelopment Agency no longer qualified as a blended component unit and therefore is no longer included in this table.

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

Fiscal Year Ended September 30,	Tax Revenue Year	Real Property		Railroad Property	Total Net Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property			
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
2022	2021	2,704,149	58,266	7,963	2,770,378	10.06
2023	2022	3,127,783	80,749	8,706	3,217,238	9.87

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.

City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	Tax Roll Year	City of Lake Worth					Overlapping Rates (1)					Total Direct and Overlapping Rates
		General Operations	MSTU	Debt Service	Total City	Palm Beach County	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Palm Beach County Health Care District	Children's Services Council	
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	23.77
2020	2019	5.49	3.46	1.11	10.06	4.81	7.01	0.27	0.03	0.73	0.65	23.56
2021	2020	5.49	3.46	1.11	10.06	4.78	6.88	0.37	0.03	0.73	0.65	23.50
2022	2021	5.49	3.46	1.11	10.06	4.78	6.52	0.33	0.03	0.73	0.62	23.07
2023	2022	5.49	3.46	0.92	9.87	4.78	6.46	0.33	0.03	0.73	0.55	22.75

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 September 30,	Total Taxes Levied for Year (2)	Collected Within the Fiscal Year of the Levy (1)	Percent of Levy	Collections in Subsequent Year's	Total Collections to Date	Percent of Levy
		Amount			Amount	
2014	\$ 6,561,373	\$ 5,694,788	86.79%	\$ 374,692	\$ 6,069,480	92.50%
2015	6,668,511	6,277,985	94.14%	132,548	6,410,533	96.13%
2016	7,225,095	6,951,573	96.21%	5,404	6,956,977	96.29%
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%
2022	15,440,103	14,910,711	96.57%	-	14,910,711	96.57%
2023	17,185,722	16,718,289	97.28%	-	16,718,289	97.28%

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>

City of Lake Worth Beach, Florida

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

	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
1017 LAKE AVE LLC	\$ 42,017,021	1	1.34%	\$ -	-	-
1601 DIXIE LLC	40,137,269	2	1.28%	-	-	-
SL BOUTWELL BUSINESS CENTER II LLC	36,020,197	3	1.15%	-	-	-
OAKWOOD TOWNHOMES LP	28,663,232	4	0.92%	-	-	-
CUBESMART LP	25,236,248	5	0.81%	-	-	-
CASE POWEER & EQUIPMENT	18,262,587	6	0.58%	-	-	-
LAKE WORTH AFL RE LLC	16,941,776	7	0.54%	-	-	-
STAG INDUSTRIAL HOLDINGS LLC	16,427,619	8	0.53%	-	-	-
PALM BEACH MOBILE HOME PARK, LLC	14,327,488	9	0.46%	7,860,851	3	0.66%
FLORIDA PUBLIC UTILITIES	13,206,113	10	0.42%	-	-	-
Palm Club Townhomes, LLC	-	-	-	9,948,799	1	0.83%
Bellsouth Telecommunications, Inc.	-	-	-	8,021,684	2	0.67%
TACKETT PATRICIA A	-	-	-	7,282,655	4	0.61%
1920 10th AVENUE LLC	-	-	-	7,162,113	5	0.60%
GSG Investments	-	-	-	6,068,487	6	0.51%
Investors Warranty of America, Inc.	-	-	-	5,136,480	7	0.43%
Lake Worth Town Plaza, LLC	-	-	-	4,903,311	8	0.41%
ARBOR SQUARE REALTY CO LLC	-	-	-	4,678,090	9	0.39%
Publix Super Markets, Inc.	-	-	-	4,665,809	10	0.39%
	\$ 251,239,550		8.03%	\$ 65,728,279		5.49%

SOURCE: 2023 Tax roll provided by the Palm Beach County Tax Collector's Office
Based on Lake Worth Top Ten Taxpayer Report.
2014 statisitcs from COLWB 2014 ACFR

City of Lake Worth Beach, Florida

SPECIAL ASSESSMENT COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Amount of Special Assessments Recorded Due During Fiscal Year	Special Assessments Collected	Total Outstanding Assessments (1)
2014	\$ -	\$ 25,284	\$ 40,958
2015	-	24,290	16,668
2016	-	9,064	7,604
2017	-	7,604	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-

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 September 30,	Primary Government							Percent of Personal Income (1)	Debt Per Capita (1)
	Governmental Activities			Business-Type Activities					
	General Obligation Bonds	Notes Payable	Leases	Revenue Bonds	Notes Payable	Leases	Total		
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	2,762
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
2022	51,524,214	-	3,315,152	157,909,718	16,650,195	225,470	229,624,749	N/A	5,386
2023	49,488,642	-	3,243,073	154,257,288	15,901,748	122,199	223,012,950	N/A	5,135

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

Fiscal Year Ended September 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2014	\$ -	\$ -	\$ -	-	\$ -
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	22,267,392	-	22,267,392	1.36%	586.82
2018	39,589,955	(14,271) (3)	39,575,684	2.18%	1,034.47
2019	38,901,061	(1,914) (3)	38,899,147	1.95%	1,010.79
2020	53,036,418	- (3)	53,036,418	2.44%	1,364.28
2021	53,053,988	(165,278) (3)	52,888,710	2.26%	1,242.34
2022	51,524,214	(517,592) (3)	51,006,622	1.84%	1,196.30
2023	49,488,642	(784,935) (3)	48,703,707	1.51%	1,121.38

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 account

City of Lake Worth Beach, Florida

COMPUTATION OF LEGAL DEBT LIMIT (UNAUDITED) **FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Taxable Assessed Valuation	\$ 3,217,238,000
Debt Limit (25% of Valuation)	804,309,500
Outstanding Debt:	49,488,642
Debt-Contracting Margin	\$ 754,820,858
Percentage Debt-Contracting Limit Remaining	93.85%

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, 2023***

<u>Government Unit:</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Lake Worth (1)</u>	<u>Amount Applicable to the City of Lake Worth</u>
Overlapping:			
Debt Repaid with Property Taxes:			
Palm Beach County	\$ 16,370,000	1.08%	\$ 176,708
Palm Beach School Board	6,240,000	1.08%	67,358
Subtotal	22,610,000		244,066
Direct Debt:			
City of Lake Worth	\$ 49,488,642	100.00%	\$ 49,488,642
Total Direct and Overlapping Debt	\$ 72,098,642		\$ 49,732,708

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 1.09%, as determined by the ratio of the City's assessed valuation of property for 2023 of \$ 3,127,783,326 to the total assessed value of taxable property in the areas (Palm Beach County) of \$ 289,753,741,184.

City of Lake Worth Beach, Florida

PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Sewer Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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	9,104,458	887,624	-	54,234	16.37
2022	9,945,459	9,079,158	866,301	67,939	104,400	5.03
2023	11,071,095	11,018,734	52,361	172,780	167,591	0.15

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 Ended September 30,	Electric Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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	-	576,200	21.41
2017	55,991,458	50,603,851	5,387,607	1,717,500	1,450,893	1.70
2018	54,539,122	53,757,573	781,549	969,166	980,044	0.40
2019	55,541,906	48,617,931	6,923,975	2,457,410	878,056	2.08
2020	53,720,691	45,720,809	7,999,882	2,556,211	849,427	2.35
2021	57,269,174	49,971,904	7,297,270	425,000	2,016,842	2.99
2022	64,562,550	63,348,353	1,214,197	493,571	2,727,150	0.38
2023	69,549,529	54,572,699	14,976,830	1,905,535	3,894,601	2.58

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 Ended September 30,	Water Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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	313,895	153,207	15.87
2017	14,768,650	7,468,404	7,300,246	2,031,395	1,171,760	2.28
2018	14,132,486	7,800,797	6,331,689	397,780	906,983	4.85
2019	15,373,494	8,352,033	7,021,461	2,575,749	842,734	2.05
2020	14,794,765	9,355,546	5,439,219	2,732,209	826,979	1.53
2021	15,613,916	10,742,381	4,871,535	880,732	1,080,103	2.48
2022	16,366,341	10,241,120	6,125,221	1,080,549	1,256,516	2.62
2023	16,418,200	11,850,831	4,567,369	1,524,390	1,212,614	1.67

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

DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED) LAST TEN FISCAL YEARS

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (4)	Per Capita Personal Income (4)	Assessed Value (Amounts Expressed in Thousands) (2)	Per Capita Assessed Value	Unemployment Rate (3)
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%
2022	42,637	N/A	N/A	2,770,378	64,976	2.8%
2023	43,432	N/A	N/A	3,127,783	72,016	2.8%

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 Employer	2023					
	Number of Employees	Rank				
Palm Beach State College	2,393	1				
Musa Holdings Inc	700	2				
City of Lake Worth Beach	358	3				
Bomar Trimming	350	4				
Eastern Metal Supply	207	5				
Sunrise Detox	206	6				
Care Health Services Inc	200	7				
Fountains Country Club	180	8				
Alivi	175	9				
Finnish American Rest Home	100	10				
	<u>4,869</u>					
	2023		2014			
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Palm Beach County	22,426	1	2.96%	21,449	1	3.44%
Palm Beach County BCC	5,753	2	0.76%	5,330	3	0.85%
Tenet Coastal Healthcare Corp	5,734	3	0.76%	6,100	2	0.98%
NextEra Energy Headquarters	5,330	4	0.70%	3,804	4	0.61%
Florida Atlantic University	5,059	5	0.67%	2,980	6	0.48%
Boca Raton Regional Hospital	3,135	6	0.41%	2,250	10	0.36%
Veterans Health Administration	2,600	7	0.34%	2,700	8	0.43%
Hospital Corporation of America-HCA	2,419	8	0.32%	2,714	7	0.43%
The Breakers	2,300	9	0.30%	-		0.00%
Bethesda Health South Florida	2,282	10	0.30%	-		0.00%
G4S (Headquarters)	-	-	-	3,000	5	0.48%
Bethesda Memorial Hospital	-	-	-	2,643	9	0.42%
Total	<u>57,038</u>		<u>7.53%</u>	<u>52,970</u>		<u>8.49%</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Employees:										
General Government	65	71	73	78	76	76	74	80	86	62
Public Safety	14	13	12	14	13	14	14	26	32	35
Physical Environment	13	15	13	20	24	24	26	16	17	18
Transportation	11	8	11	16	16	13	13	10	13	10
Culture and Recreation	28	19	22	25	25	25	27	58	26	48
Community Redevelopment	2	2	2	4	4	4	4	-	-	-
Electric	66	73	67	71	68	69	71	72	99	90
Water and Sewer	47	55	48	55	50	50	48	47	56	57
Refuse	30	30	28	33	32	32	29	31	36	38
Total Full Time Employees	276	286	276	316	308	307	306	340	365	358

Source: COLWB FY23 Position Count

City of Lake Worth Beach, Florida

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Building Department:										
Building Permits Issued-Res.	1,702	2,050	2,503	2,224	2,954	2,758	2,515	3,093	2,865	2,543
Building Permits Issued-Com.	425	703	657	751	539	677	750	605	702	684
Culture and Recreation:										
Golf Course-Attendance	59,367	42,103	34,554	39,218	38,869	48,680	41,038	47,116	43,648	53,612
Swimming Pool-Attendance	8,118	13,143	13,304	*	*	*	*	*	*	*
Fishing Pier-Attendance	90,250	87,258	88,264	89,240	91,246	92,158	*	*	99,562	109,206
Public Library:										
Circulation-All Media	62,454	44,599	48,112	43,321	36,336	29,728	8,956	8,897	12,777	24,643
Patrons Registered	23,565	19,548	15,490	15,696	16,330	19,179	19,679	20,226	21,733	21,977
Patrons Registered-Inside City	17,355	14,867	11,325	11,421	11,932	15,387	19,376	19,775	20,388	20,536
Utility System:										
Water:										
Total Number of Bills	157,646	161,573	160,395	161,410	167,222	168,259	169,418	170,513	171,230	171,527
Number of Units Billed	15,698,399	16,135,064	15,881,991	15,995,970	15,332,625	15,721,546	15,270,195	15,514,671	17,003,777	16,512,886
Total Amount Billed	11,791,811	13,318,069	13,345,940	13,709,754	12,992,941	13,572,778	13,603,381	13,890,971	15,271,106	14,520,408
Average Selling Price	0.76	0.83	0.84	0.86	0.85	0.86	0.89	0.90	0.90	0.88
Average Bill	74.80	82.43	83.21	84.94	77.70	80.67	80.29	81.47	89.19	84.66
Number of Connections	*	*	*	*	*	*	*	*	*	*
Water Main Breaks	*	*	*	*	*	*	*	*	*	*
Sewer:										
Total Number of Bills	142,187	143,379	146,821	147,742	148,476	149,150	150,298	151,291	152,040	152,286
Number of Units Billed	11,603,213	11,929,331	12,216,102	12,408,208	12,013,792	12,100,257	12,098,238	12,234,753	12,649,298	12,631,417
Total Amount Billed	6,003,365	6,725,422	7,018,882	7,283,007	7,117,298	7,755,324	8,957,673	9,655,138	10,133,063	10,702,241
Average Selling Price	0.52	0.57	0.57	0.59	0.60	0.64	0.74	0.79	0.81	0.85
Average Bill	42.23	47.00	48.00	49.30	47.94	52.00	59.60	63.82	66.65	70.12
Number of Connections	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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electric:										
Residential Customers:										
Total Number of Bills	271926	281016	283149	285434	287853	288716	290701	294390	298,610	298,230
Number of Units Billed	307934950	324881383	329044873	329388680	324223300	336004339	342054167	343634471	305,246,073	293,440,837
Total Amount Billed	30515277	33156771	32802475	32786766	30907817	31993460	32849669.45	32703568	40,719,780	39,652,598
Average Selling Price	\$ 0.10	\$ 0.11	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.07	\$ 0.08
Average Bill	\$ 112	\$ 118	\$ 116	\$ 115	\$ 107	\$ 111	\$ 113	\$ 111	\$ 136	\$ 133
Commercial Customers:										
Total Number of Bills	36429	37561	37674	37677	37808	37843	37840	38694	37,482	34,788
Number of Units Billed	108714074	152817241	125097776	127896107	126102700	126436901	131523506	118861125	95,380,158	72,456,371
Total Amount Billed	15057782	15645193	15573116	15893259	15342976	15330753	14284317.23	14490311	13,121,821	10,484,340
Average Selling Price	\$ 0.14	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.09	\$ 0.12	\$ 0.14	\$ 0.15
Average Bill	\$ 413	\$ 417	\$ 413	\$ 422	\$ 406	\$ 405	\$ 377	\$ 374	\$ 350	\$ 301
Private Area Lighting:										
Total Number of Bills	6488	6574	6536	6556	6507	6433	6538	6696	6,960	6,919
Number of Units Billed	1260696	1235578	1193692	1200994	2431880	2428976	2507128	2469312	2,570,435	2,532,374
Total Amount Billed	226235	220335	216292	217297	262582	262342	270911.75	267223	351,396	353,940
Average Selling Price	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.11	\$ 0.09	\$ 0.11	\$ 0.14	\$ 0.14
Average Bill	\$ 35	\$ 34	\$ 33	\$ 33	\$ 40	\$ 41	\$ 41	\$ 40	\$ 50	\$ 51
Commercial Demand:										
Total Number of Bills	1029	1032	1034	1031	1046	1076	1032	1034	2,132	3,615
Number of Units Billed	56307954	53104190	52771310	52555086	50615850	49801395	49284132	60827021	76,469,506	106,999,359
Total Amount Billed	6202544	5869258	5855878	5641515	5451325	5367370	5328048.85	6174503	10,422,062	15,125,336
Average Selling Price	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.09	\$ 0.10	\$ 0.08	\$ 0.15
Average Bill	\$ 6,028	\$ 5,687	\$ 5,663	\$ 5,418	\$ 5,212	\$ 4,988	\$ 5,163	\$ 5,971	\$ 4,888	\$ 4,184
Street Lights:										
Total Number of Bills	112	108	112	109	108	108	108	105	108	108
Number of Units Billed	2541824	2506800	2568936	2592168	4964044	4964880	4966112	4931792	4,995,358	5,095,120
Total Amount Billed	385858	383706	392298	395382	476141	476280	476384.17	473490	627,506	645,712
Average Selling Price	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.08	\$ 0.13
Average Bill	\$ 3,445	\$ 3,553	\$ 3,503	\$ 3,627	\$ 4,409	\$ 4,410	\$ 4,411	\$ 4,509	\$ 5,810	\$ 5,979
Solid Waste:										
Residential accounts	24	42	34	37	38	20	20	18	20	19
Commercial accounts	1104	1136	1127	1129	1119	1112	1110	1097	1,122	1,088

Sources: Various City Departments.

City of Lake Worth Beach, Florida

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	-	-	-	-	-	-	-	-	-	-
Fire:										
Fire Stations	2	2	2	2	2	3	3	3	3	3
Transportation:										
Miles of Streets:										
Streets-Paved	102	102	102	116	116	116	116	116	116	116
Streets-Unpaved	17	17	17	23	23	23	23	23	23	23
Number of Street Lights	4,102	4,102	4,305	4,526	4,526	4,526	4,526	4,526	4,526	4,526
Culture and Recreation:										
Parks	11	11	11	11	11	11	11	12	12	12
Parks Acreage	267	267	267	267	267	267	267	268	268	269
Tennis Courts	8	8	7	7	7	5	5	5	5	5
Baseball/Softball Fields	10	10	6	8	8	6	6	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	1	1	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	-
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Futsal Court	*	*	*	*	*	*	*	*	*	2
Pickleball Court	*	*	*	*	*	*	*	*	*	-
Shuffleboard	1	1	1	1	1	1	1	1	1	-
Public Library	1	1	1	1	1	1	1	1	1	1
Utility System:										
Fire Hydrants	996	1,003	1,034	1,081	1,105	1,105	1,139	1,174	1,178	1,178
Solid Waste:										
Collection Trucks	22	22	23	26	27	27	27	28	27	28
Water System:										
Total Wells	16	17	15	15	15	15	15	54	54	54
Usable Wells	13	15	15	15	15	15	15	17	17	17
Miles of Water Lines	156	157	156	165	168	169	169	180	180	180
Sewer System:										
Miles of Sewer Lines	98	98	114	117	125	126	126	124	124	125
Electric System:										
Generating Plants	1	1	1	1	1	1	1	2	2	2
Miles of Distribution Lines	147	147	147	290	296	296	296	590	590	592

Sources: Various City Departments.

Note: Miles of Distribution Lines was derived by the "GIS export of conductor length of primary, 4kV and 26kV, and secondary conductor all voltage classes".

City of Lake Worth Beach, Florida



City of Lake Worth Beach, Florida

Single Audit Report in
Accordance With the Uniform Guidance
Fiscal Year Ended September 30, 2023

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditor's Report

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2025. 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 are reported on separately by those auditors. Our report also includes an emphasis of matter paragraph for the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as of October 1, 2022. Our opinions are not modified with respect to these matters.

Report on 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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
January 31, 2025

**Report on Compliance for Each Major Federal Program; Report on
Internal Control Over Compliance; and Report on
Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

RSM US LLP

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lake Worth Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned cost as 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2025, which contained unmodified opinions on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

West Palm Beach, Florida
January 31, 2025

City of Lake Worth Beach, Florida

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through Palm Beach County Department of Housing and Economic Sustainability				
Community Development Block Grants/Entitlement Grants – Memorial Park Phase I	14.218	R2020-1884	C-1618-K	\$ 69,887
Community Development Block Grants/Entitlement Grants – Memorial Park Phase I	14.218	Various	C-1618-K	135,155
Total CDBG – Entitlement Grants Cluster				<u>205,042</u>
Passed through Florida Department of Economic Opportunity				
Community Development Block Grants Mitigation Program	14.228	I0129	N/A	<u>17,976</u>
Total U.S. Department of Housing and Urban Development				<u>223,018</u>
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0603	076040070	1,950
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-1032	076040070	31,296
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01316-JAGX	076040070	18,978
Total U.S. Department of Justice				<u>52,224</u>
United States Department of Treasury				
Passed Through Florida Division of Emergency Management				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds- American Rescue Plan	21.027	Y5177 / 1505-0271	FL0170	895,372
Passed Through Florida Department of Environmental Protection				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds- South Palm Park Sea Level Rise Mitigation	21.027	SLFP0125	N/A	<u>547</u>
Total U.S. Department of Treasury				<u>895,919</u>
U.S. Department of Environment Protection				
Drinking Water State Revolving Fund Cluster				
Passed Through Florida Department of Environmental Protection				
Drinking Water State Revolving Fund	66.468	DW501750	59-6000358	<u>67,775</u>
Total expenditures of federal awards				<u>\$ 1,238,936</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, 2023

State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Contract Number	Expenditures
Florida Department of State			
State Aid To Libraries Grant Agreement 2023	45.030	23.l.sa.000.074	\$ 8,694
Division of Arts and Culture (BiblioArte)	45.UNK	23.c.pr.105.073	<u>18,350</u>
Total Florida Department of State			<u>27,044</u>
Florida Division of Emergency Management			
Saragassum Clean Up Program	31.083	T0336	<u>4,650</u>
Total expenditures of state financial assistance			<u>\$ 31,694</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

Note 1. General and Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) includes the federal award and state financial assistance activity of all federal awards and state financial assistance projects of the City of Lake Worth Beach, Florida (the City) for the year ended September 30, 2023. 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). 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.

Note 2. Summary of Significant Accounting Policies

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

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?

Significant deficiency(ies) identified?

Noncompliance material to financial statements noted?

	Yes	<u>X</u>	No
<u>X</u>	Yes		None Reported
<u>X</u>	Yes		No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Significant deficiency(ies) identified?

	Yes	<u>X</u>	No
<u>X</u>	Yes		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>X</u>	Yes		No
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Identification of major federal programs:

Federal Assistance Listing Number
21.027

Name of Federal Program or Cluster
COVID-19 Coronavirus State and Local Fiscal
Recovery Funds - American Rescue Plan

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

\$750,000

Auditee qualified as low-risk auditee?

	Yes	<u>X</u>	No
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(Continued)

City of Lake Worth Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Section II – Financial Statement Findings

A. Internal Control

2023-001 – Financial Reporting

Criteria: Timely issuance of audited financial statements

Condition: The City's financial statements for the fiscal year ended September 30, 2023, were not issued until 16 months after the fiscal year-end, indicating significant issues in the year-end closing process.

Cause: The root cause of the delays were employee turnover during fiscal year 2023, there was turnover in both the Assistant Finance Director and Finance Director positions and the absence of a well-defined and structured closing process, leading to inefficiencies and delays in the year end close process and preparation of financial statements.

Possible or Known Effect: The late issuance of financial statements may have several consequences, including non-compliance with regulatory requirements, delays in decision-making by stakeholders such as debtors and grantors who rely on timely financial information, and an inefficient use of resources due to extended audit and reporting timelines, ultimately hindering the organization's ability to operate effectively and make informed decisions.

Recommendation: The City should establish and implement a comprehensive closing process, encompassing the development and documentation of detailed closing procedures, clear role assignments and responsibilities for accounting staff, controls for accuracy and completeness of financial data, realistic timelines and milestones, and training for accounting staff on the new process to ensure a smooth and efficient financial close.

Views of Responsible Officials: Management accepts the finding and recommendation. During fiscal year 2023, the finance department hired additional personnel to assist with the completion of the year-end closing processes and procedures. We have discussed the importance of timely submission of the City's annual audited financial statements.

B. Compliance

2023-001 – Financial Reporting

Criteria: Timely issuance of audited financial statements

Condition: The City's financial statements for the fiscal year ended September 30, 2023, were not issued until 16 months after the fiscal year-end. As such the City is not in compliance with 218.39(1) and 218.32(1)(a) *Florida Statutes*.

Cause: The root cause of the delay was employee turnover during fiscal year 2023, there was turnover in both the Assistant Finance Director and Finance Director positions and the absence of a well-defined and structured closing process, leading to inefficiencies and delays in the year end close process and preparation of financial statements.

City of Lake Worth Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Possible or Known Effect: The late issuance of financial statements may have several consequences, including non-compliance with regulatory requirements, delays in decision-making by stakeholders such as debtors and grantors who rely on timely financial information, and an inefficient use of resources due to extended audit and reporting timelines, ultimately hindering the organization's ability to operate effectively and make informed decisions. In addition, the City is not in compliance with 218.39(1) and 218.32(1)(a) *Florida Statutes* regarding timely submission.

Recommendation: The City should establish and implement a comprehensive closing process, encompassing the development and documentation of detailed closing procedures, clear role assignments and responsibilities for accounting staff, controls for accuracy and completeness of financial data, realistic timelines and milestones, and training for accounting staff on the new process to ensure a smooth and efficient financial close.

Views of Responsible Officials: Management accepts the finding and recommendation. During fiscal year 2023, the finance department hired additional personnel to assist with the completion of the year-end closing processes and procedures. We have discussed the importance of timely submission of the City's annual audited financial statements.

City of Lake Worth Beach, Florida

Schedule of Findings and Questioned Costs (Continued)

Section III – Federal Awards Findings and Questioned Costs

A. Internal Control over Compliance

2023-002 – Data Collection Form

All Assistance Listing numbers and Federal Agencies (and pass-through entities) included on the accompanying schedule of federal awards for the year ended September 30, 2023.

Criteria: Uniform Guidance requires that the City's annual audit package and data collection form are required to be submitted to the federal audit clearinghouse within 30 days after receipt of the auditor's reports or 9 months after the end of the City's fiscal year, whichever comes first.

Condition: The City's audit package and data collection form for the years ended September 30, 2023 and 2022, were not submitted timely to the federal audit clearinghouse.

Cause: Employee turnover at the City delayed the completion of the City's annual audits.

Context: See "Condition" above.

Possible or Known Effect: Failure to submit the annual audit package and data collection form to the federal audit clearinghouse in a timely manner resulted in the auditee being a high-risk auditee for fiscal years 2023 and 2024. This could also result in a loss of future grant funding.

Questioned Costs: None

Identification as a repeat finding, if applicable: Repeat of finding IC 2022-002

Recommendation: We recommend that the City establish internal control policies and procedures to allow for the timely submission of the City's annual audit package and data collection form to the federal audit clearinghouse on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: Management accepts the finding and recommendation. During fiscal year 2023, the finance department hired additional personnel to assist with the completion of the year-end closing processes and procedures. We have discussed with employees the importance of timely submission of the City's annual audit package and data collection form to the federal audit clearinghouse on an ongoing basis

B. Compliance

CF 2023-002 – Data Collection Form

All Assistance Listing numbers and Federal Agencies (and pass-through entities) included on the accompanying schedule of federal awards for the year ended September 30, 2023.

See section III – Federal Awards Findings and Questioned Costs IC 2023-002 – Data Collection Form

Identification as a repeat finding, if applicable: Repeat of finding CF 2022-002



Financial Services
7 North Dixie Highway
Lake Worth, FL 33460
561.533.7309

Summary Schedule of Prior Years' Findings

Fiscal Year Ending September 30, 2023

Finding No.	Finding Title	Current Year Status
Financial Statements Findings		
<u>Internal Control Over Financial Reporting</u>		
IC 2022-001	Financial Reporting The City's financial statements for the fiscal year ended September 30, 2022, were not issued until 19 months after the fiscal year-end, indicating significant issues in the year-end closing process.	In Progress
CF 2022-001	Financial Reporting The City's financial statements for the fiscal year ended September 30, 2022, were not issued until 19 months after the fiscal year-end. As such the City is not in compliance with 218.39(1) and 218.32(1)(a) <i>Florida Statutes</i> .	In Progress
Federal Award Findings		
IC 2022-002	Data Collection Form The City's audit package and data collection form for the years ended September 30, 2022 and 2021, were not submitted timely to the federal audit clearinghouse.	In Progress
CF 2022-002	Data Collection Form The City's audit package and data collection form for the years ended September 30, 2022 and 2021, were not submitted timely to the federal audit clearinghouse.	In Progress

CORRECTIVE ACTION PLAN
2 CFR § 200.511 (c)
FISCAL YEAR ENDING SEPTEMBER 30, 2023

Finding Number	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
IC 2023-001 — Financial Reporting	In fiscal year 2024, the finance department documented clear role assignments and responsibilities for each accounting staff with deadlines to ensure readiness for the external audit and timely submission of the City's annual audited financial statements	June 30, 2025	Yannick Ngendahayo Finance Director
CF 2023-001 Reporting	In fiscal year 2024, the finance department documented clear role assignments and responsibilities for each accounting staff with deadlines to ensure readiness for the external audit and timely submission of the City's annual audited financial statements	June 30, 2025	Yannick Ngendahayo Finance Director
IC 2023-002 CF 2023-002 Data Collection Form	In fiscal year 2024, the finance department documented clear role assignments and responsibilities for each accounting staff with deadlines to ensure readiness for the external audit and timely submission of the City's annual audit package and data collection form to the federal audit clearinghouse on an ongoing basis	June 30, 2025	Yannick Ngendahayo Finance Director

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, 2023

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Appendix A – Status of prior year’s findings and recommendations to improve financial management	3

**Management Letter Required By
Chapter 10.550 of the Rules of the
Auditor General of the State of Florida**

RSM US LLP

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, business-type activities, the aggregate discretely presented component unit, 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, 2023, and have issued our report thereon dated January 31, 2025. 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 that is reported on separately by those auditors. Our report also includes an emphasis of matter paragraph for the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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 which are dated January 31, 2025 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 A – *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. There were no current year recommendations to improve financial management that have not already been reported in the other reports noted above.

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 VS LLP

West Palm Beach, Florida
January 31, 2025

City of Lake Worth Beach, Florida

Appendix A – Status of Prior Year’s Findings and Recommendations to Improve Financial Management

Finding No.	Finding Title	Current Year Status
ML 2022-001	Electric Fund Deficit	Corrected



RSM US LLP

**Independent Accountant's Report on Compliance
with Local Government Investment Policies in Accordance with
Chapter 10.550 of the Rules of the Auditor General of the State of Florida**

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 Section 218.415, Florida Statutes, *Local Government Investment Policies* (the specified requirements) during the period October 1, 2022 to September 30, 2023. Management of the City is responsible for the City's compliance with the 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 AICPA 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the specified requirements during the period October 1, 2022 to September 30, 2023.

RSM US LLP

West Palm Beach, Florida
January 31, 2025

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