

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

Financial Report  
Fiscal Year Ended September 30, 2020

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

**THE ORGANIZATION**

The Lake Worth Beach Community Redevelopment Agency CRA (the CRA), a component unit of the City of Lake Worth Beach, Florida was established under the authority of Florida Statute Chapter 163, Part III in 1989 to promote and guide the physical and economic redevelopment of targeted areas within the City. The CRA's board, appointed by the City Commission as required by State Statute has full administrative responsibility. The financial statements and statutorily required report can be obtained by contacting the Lake Worth Beach CRA office at 1121 Lucerne Avenue, Lake Worth Beach, Florida 33460.

The Board is comprised of seven citizen members who serve on a volunteer basis and are appointed by the Lake Worth Beach City Commission for terms of up to four years. The Board Chair is nominated by the membership of the Board. The Vice-Chair is appointed by the Board. Board members of the CRA for the year ended September 30, 2020, were as follows:

**BOARD OF DIRECTORS**

Drew Bartlett  
John Paxman  
Tom Copeland  
Leah Foertsch  
Mark Rickards, Vice Chair  
Brent Whitfield

**CHAIRMAN OF THE BOARD**

Brendan Lynch

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RSM US LLP

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lake Worth Beach Community Redevelopment Agency (the CRA), a component unit of the City of Lake Worth Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the CRA as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 7 to the accompanying financial statements, the October 1, 2019 beginning net position of the governmental activities has been restated to correct an error. Our opinion is not modified with respect to this matter.

As discussed in Note 7 to the accompanying financial statements, the October 1, 2019 beginning fund balance of the aggregate remaining fund information has been restated to correct an error. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

Management has omitted *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, on our consideration of the CRA'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 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 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 the CRA's internal control over financial reporting and compliance.

*RSM US LLP*

West Palm Beach, Florida  
October 20, 2021

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

**Statement of Net Position**  
**September 30, 2020**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 1,897,813
Investments	1,180,011
Accounts receivable, net	1,170
Land held for resale	9,633,626
Prepaid items	11,400
Capital assets:	
Nondepreciable	2,649,102
Depreciable, net	5,770,816
	<hr/>
<b>Total assets</b>	<b>\$ 21,143,938</b>
	<hr/> <hr/>
<b>Liabilities</b>	
Accounts and contracts payable	\$ 78,119
Accrued liabilities	20,832
Due to primary government	255
Long-term debt, due within one year	831,625
Long-term debt, due in more than one year	3,202,628
	<hr/>
<b>Total liabilities</b>	<b>4,133,459</b>
	<hr/> <hr/>
Net position:	
Net investment in capital assets	4,385,665
Restricted for community redevelopment	12,613,414
Unrestricted	11,400
	<hr/>
<b>Total net position</b>	<b>\$ 17,010,479</b>
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See notes to financial statements.

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

**Statement of Activities  
September 30, 2020**

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position  Governmental Activities
General Government	\$ 4,157,647	\$ 16,780	\$ (4,140,867)
General revenue:			
Taxes:			
Property taxes			\$ 3,365,636
Investment income – unrestricted			17,494
Miscellaneous			41,420
			<u>3,424,550</u>
			<b>Change in net position</b> (716,317)
Net Position – beginning of year, as restated (Note 7)			<u>17,726,796</u>
Net Position – end of year			<u><u>\$ 17,010,479</u></u>

See notes to financial statements.



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

**Balance Sheet  
Governmental Funds  
Fiscal Year Ended September 30, 2020**

	General Fund	CRA Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,101,717	\$ 457,009	\$ 339,087	\$ 1,897,813
Investments	1,074,567	105,444	-	1,180,011
Accounts receivable, net	914	-	256	1,170
Land held for resale	-	8,778,577	855,049	9,633,626
Prepaid items	6,013	5,387	-	11,400
<b>Total assets</b>	<b>\$ 2,183,211</b>	<b>\$ 9,346,417</b>	<b>\$ 1,194,392</b>	<b>\$ 12,724,020</b>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 70,285	\$ 7,369	\$ 465	\$ 78,119
Accrued liabilities	20,832	-	-	20,832
Due to other governments	255	-	-	255
<b>Total liabilities</b>	<b>91,372</b>	<b>7,369</b>	<b>465</b>	<b>99,206</b>
<b>Fund balances:</b>				
Nonspendable – prepaid items	6,013	5,387	-	11,400
Restricted for community redevelopment	2,085,826	9,333,661	1,193,927	12,613,414
<b>Total fund balances</b>	<b>2,091,839</b>	<b>9,339,048</b>	<b>1,193,927</b>	<b>12,624,814</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,183,211</b>	<b>\$ 9,346,417</b>	<b>\$ 1,194,392</b>	<b>\$ 12,724,020</b>

See notes to financial statements.

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

**Reconciliation of the Balance Sheet of Governmental Funds  
to Statement of Net Position  
September 30, 2020**

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Total fund balance – governmental funds	\$ 12,624,814
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the funds.	8,419,918
Long-term liabilities are not due and payable in the current period and therefore are not reported in the government funds. These liabilities are comprised of the following:	
Notes payable	\$ (3,131,250)
Line of credit	<u>(903,003)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 17,010,479</u></u></b>

See notes to financial statements.

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Fiscal Year Ended September 30, 2020**

	General Fund	CRA Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 3,365,636	\$ -	\$ -	\$ 3,365,636
Intergovernmental	16,780	-	-	16,780
Investment income	16,054	1,440	-	17,494
Miscellaneous	4,885	-	36,535	41,420
<b>Total revenues</b>	<b>3,403,355</b>	<b>1,440</b>	<b>36,535</b>	<b>3,441,330</b>
<b>Expenditures:</b>				
Current:				
Community redevelopment	3,228,920	351,623	25,340	3,605,883
Debt service:				
Principal	521,875	-	-	521,875
Interest	187,748	-	-	187,748
<b>Total expenditures</b>	<b>3,938,543</b>	<b>351,623</b>	<b>25,340</b>	<b>4,315,506</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(535,188)</b>	<b>(350,183)</b>	<b>11,195</b>	<b>(874,176)</b>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of debt	-	903,003	-	903,003
Transfers in	-	36,520	-	36,520
Transfers out	(36,520)	-	-	(36,520)
<b>Total other financing sources (uses)</b>	<b>(36,520)</b>	<b>939,523</b>	<b>-</b>	<b>903,003</b>
<b>Net change in fund balances</b>	<b>(571,708)</b>	<b>589,340</b>	<b>11,195</b>	<b>28,827</b>
Fund balances – beginning of year, as restated (Note 7)	2,663,547	8,749,708	1,182,732	12,595,987
Fund balances, end of year	\$ 2,091,839	\$ 9,339,048	\$ 1,193,927	\$ 12,624,814

See notes to financial statements.

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

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Fiscal Year Ended September 30, 2020**

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Net change in fund balances, total governmental funds	\$	28,827
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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:</p>		
Capital outlay	\$	26,375
Depreciation expense		(390,391)
		<u>(364,016)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Principal payment on notes payable		521,875
Issuance of debt – line of credit		<u>(903,003)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>(716,317)</u></u></b>

See notes to financial statements.

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

**Notes to Financial Statements**

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

A. Financial Reporting Entity

The Lake Worth Beach Community Redevelopment Agency (the CRA) was established under the authority of Florida Statute Chapter 163, Part III in 1989 to promote and guide the physical and economic redevelopment of targeted areas within the City. The CRA's board, appointed by the City Commission as required by State Statute has full administrative responsibility. The governing body of the CRA is the Board of Directors, composed of seven members.

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

**Notes to Financial Statements**

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

Governmental fund financial statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

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

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

**Major Funds:**

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

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

**Non-major fund:**

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

**D. Assets, Liabilities and Net Position**

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

Capital assets: Capital assets are reported in the government-wide financial statements. The CRA capitalizes all capital assets with a cost in excess of a \$1,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

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

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

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

**Notes to Financial Statements**

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

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

Unspent tax increment financing revenues are restricted for future redevelopment projects and are reported as restricted fund balance in the financial statements. Unassigned fund balance represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

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

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

**Note 2. Deposits and Investments**

At year-end, the carrying amount of the Community Redevelopment Agency's bank deposits was \$1,897,813. These are defined as public deposits. All CRA public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The CRA's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

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

**Notes to Financial Statements**

**Note 2. Deposits and Investments (Continued)**

As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. The CRA does not have a separate deposit and investment policy and therefore it follows the deposit and investment policies of the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The CRA is authorized to invest in the State Board of Administration funds (Florida Prime), the Florida Public Assets for Liquidity Management (FL PALM), obligations of the U.S. Treasury, its agencies, repurchase agreements collateralized by U.S. Treasury, money market mutual funds comprised of U.S. Treasury and/or U.S. Government Agency-Backed Obligations.

**Credit Risk** – The investment policy does not address the requirement of ratings by a nationally recognized statistical rating organization (NRSRO), i.e. Standard and Poor's and Moody's Investment Services. The investment policy is designed to ensure the prudent management of public funds. At year end the CRA investments had the following ratings:

Investments	Community Redevelopment Agency	
	Balance	Ratings
Money Market Fund	\$ 181,421	Not rated
U.S. Agencies	998,590	AA+
	<u>\$ 1,180,011</u>	

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

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

Investments	Balance	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Agencies	\$ 998,590	\$ 998,590	\$ -	\$ -

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



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

**Notes to Financial Statements**

**Note 2. Deposits and Investments (Continued)**

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

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

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

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

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

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

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

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

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Agencies	\$ 998,590	\$ -	\$ 998,590	\$ -
Total investments measured at fair value	998,590	\$ -	\$ 998,590	\$ -
Investments measured at amortized cost:				
Money market funds	181,421			
Total investments	\$ 1,180,011			

**Note 3. Accounts Receivable**

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

	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	Total
Accounts Receivable	\$ 914	\$ 256	\$ -	\$ 1,170

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

**Notes to Financial Statements**

**Note 4. Capital Assets**

Capital asset activity for the year ended follows:

	Beginning				Ending
	Balance	Additions	Deletions	Transfers	Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Construction in progress	1,849,521	26,375	-	-	1,875,896
Total capital assets not being depreciated	2,622,727	26,375	-	-	2,649,102
Capital assets being depreciated					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	161,729	-	-	-	161,729
Machinery and equipment	178,804	-	-	-	178,804
Total capital assets being depreciated	9,847,943	-	-	-	9,847,943
Accumulated depreciation					
Land improvements	94,665	11,192	-	-	105,857
Infrastructure	3,443,196	367,343	-	-	3,810,539
Buildings and structures	36,071	5,391	-	-	41,462
Machinery and equipment	112,804	6,465	-	-	119,269
Total accumulated depreciation	3,686,736	390,391	-	-	4,077,127
Total capital assets being depreciated, net	6,161,207	(390,391)	-	-	5,770,816
Total capital assets	\$ 8,783,934	\$ (364,016)	\$ -	\$ -	\$ 8,419,918

Depreciation expense was charged to the function/program follows:

Community redevelopment	<u>\$ 390,391</u>
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**Note 5. Tax Increment Financing Revenue**

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

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

**Notes to Financial Statements**

**Note 6. Long-Term Debt**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 3,653,125	\$ -	\$ (521,875)	\$ 3,131,250	\$ 521,875
Line of credit	-	903,003	-	903,003	309,750
Total	\$ 3,653,125	\$ 903,003	\$ (521,875)	\$ 4,034,253	\$ 831,625

**Community Redevelopment Agency Revenue Note, Series 2016** – In December 2016, the City authorized the CRA to issue a revenue note of up to \$4,000,000 with an interest rate of 4.70% for property acquisition and other improvements in the designated CRA area of the City. In December 2019, the CRA Board of Directors approved the refinancing of the note to lower the interest rates. The revenue note is due in annual principal installments ranging from \$334,375 to \$900,000 from January 2018 through 2026. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2020, the principal outstanding on the note is \$2,006,250.

**Community Redevelopment Agency Revenue Note, Series 2018** – In January 2018, the City authorized the CRA to issue a revenue note of up to \$1,500,000 with an interest rate of 4.70% for property acquisition and other improvements in the designated CRA area of the City. In December 2019, the CRA Board of Directors approved the refinancing of the note to lower the interest rates. The revenue note is due in annual principal installments of \$187,500 through January 2026. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2020, the principal outstanding on the note is \$1,125,000.

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.

Debt service requirements to maturity on the Revenue Notes Series 2016 and 2018 follows:

Year(s)	Series 2016		Series 2018		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 334,375	\$ 78,373	\$ 187,500	\$ 43,948	\$ 521,875	\$ 122,321
2022	334,375	64,534	187,500	36,188	521,875	100,722
2023	334,375	51,627	187,500	28,950	521,875	80,577
2024	334,375	38,721	187,500	21,713	521,875	60,434
2025	334,375	25,814	187,500	14,475	521,875	40,289
2026	334,375	12,907	187,500	7,238	521,875	20,145
	\$ 2,006,250	\$ 271,976	\$ 1,125,000	\$ 152,512	\$ 3,131,250	\$ 424,488

**Community Redevelopment Agency Convertible Line of Credit** – In January 2020, the City authorized the CRA to enter into an agreement with a bank for a convertible line of credit of \$1,500,000 with an interest rate of 2.50% for property acquisition and other improvements in the designated CRA area of the City. The line of credit is payable from a pledge of tax increment revenues. In the event of default, repayment of the line of credit will be secured by but not limited to the collateral property acquired with the loan proceeds. As of September 30, 2020, the principal drawn from the line of credit and outstanding is \$903,003.

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

**Notes to Financial Statements**

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**Note 6. Long-Term Debt (Continued)**

Debt service requirements to maturity on the line of credit follows:

Year(s)	Principal	Interest
2021	\$ 309,750	\$ 6,276
2022	84,750	17,437
2023	84,750	14,946
2024	84,750	12,490
2025	84,750	10,019
2026-2030	254,253	15,001
	<u>\$ 903,003</u>	<u>\$ 76,169</u>

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

	Discretely Presented Component Unit
	<u>Tax Increment Revenues</u>
Sources of Revenue Pledged:	
Current Revenue Pledged	\$ 3,365,636
Current Debt Service	709,623
Total Future Revenues Pledged	4,534,910
Purpose of Debt	Economic Development
Term of Commitment	2018 – 2028
Percentage of Debt Service to Current Year Pledged Revenues	21.08%

**Note 7. Restatement – Prior Period Adjustment**

The beginning net position and fund balances of the CRA NSP2 fund as of October 1, 2019 was restated to correct an error. The CRA disposed of certain land assets held for resale in prior years but did not remove such assets from the accounting records at the time of disposal. An adjustment was recorded to dispose of such assets as of the prior fiscal year ended in the amount of \$2,554,004.

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

**Notes to Financial Statements**

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**Note 7. Restatement – Prior Period Adjustment (Continued)**

The restatement adjustment recorded is summarized below for each opinion unit affected:

	<u>Governmental Activities</u>
Net Position – October 1, 2019, as previously reported	\$ 20,280,800
Restatement – Assets held for resale	<u>(2,554,004)</u>
Net Position – October 1, 2019, as restated	<u><u>\$ 17,726,796</u></u>

  

	<u>Nonmajor Governmental Fund</u>
Fund Balance – October 1, 2019, as previously reported	\$ 3,736,736
Restatement – Assets held for resale	<u>(2,554,004)</u>
Fund Balance – October 1, 2019, as restated	<u><u>\$ 1,182,732</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED**

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

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
Required Supplementary Information (unaudited)  
Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 3,362,621	\$ 3,362,621	\$ 3,365,636	\$ 3,015
Intergovernmental	-	16,780	16,780	-
Investment income	2,000	2,000	16,054	14,054
Miscellaneous	-	-	4,885	4,885
<b>Total revenues</b>	<b>3,364,621</b>	<b>3,381,401</b>	<b>3,403,355</b>	<b>21,954</b>
Expenditures:				
Current:				
Community redevelopment	2,864,142	3,856,922	3,228,920	628,002
Debt service:				
Principal	521,875	746,875	521,875	225,000
Interest	171,551	195,551	187,748	7,803
<b>Total expenditures</b>	<b>3,557,568</b>	<b>4,799,348</b>	<b>3,938,543</b>	<b>860,805</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(192,947)</b>	<b>(1,417,947)</b>	<b>(535,188)</b>	<b>882,759</b>
Other financing sources (uses):				
Appropriated fund balance	215,447	1,440,447	-	(1,440,447)
Transfers out	(22,500)	(22,500)	(36,520)	(14,020)
<b>Total other financing sources (uses)</b>	<b>192,947</b>	<b>1,417,947</b>	<b>(36,520)</b>	<b>(1,454,467)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(571,708)</b>	<b>\$ (571,708)</b>
Fund balances, beginning of year			2,663,547	
Fund balances, end of year			<u>\$ 2,091,839</u>	

See notes to required supplementary information

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

**Notes to Required Supplementary Information**

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**Note 1. Budgetary Procedures and Budgetary Accounting**

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

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

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

CRA management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the CRA Board. Legal level of control is maintained at the fund level. There were general fund budget amendments in the current year in the amount of \$1,241,780 for redevelopment projects.



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

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual – Capital Projects**  
**Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 1,440	\$ 1,440
Expenditures:				
Current:				
Community redevelopment	712,197	738,572	351,623	386,949
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<b>(712,197)</b>	<b>(738,572)</b>	<b>(350,183)</b>	<b>388,389</b>
Other financing sources (uses):				
Appropriated fund balance	689,697	(783,928)	-	783,928
Proceeds from issuance of debt	-	1,500,000	903,003	(596,997)
Transfers in	22,500	22,500	36,520	14,020
<b>Total other financing sources (uses)</b>	<b>712,197</b>	<b>738,572</b>	<b>939,523</b>	<b>200,951</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>589,340</b>	<b>\$ 589,340</b>
Fund balance, beginning of year			8,749,708	
Fund balance, end of year			<u>\$ 9,339,048</u>	

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

**Schedules of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual – NSP2  
Fiscal Year Ended September 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 36,535	\$ 26,535
Expenditures:				
Current:				
Community redevelopment	255,000	255,000	25,340	229,660
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	<b>(245,000)</b>	<b>(245,000)</b>	<b>11,195</b>	<b>256,195</b>
Other financing sources (uses):				
Appropriated fund balance	245,000	245,000	-	(245,000)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,195</b>	<b>\$ 11,195</b>
Fund balance – beginning of year, as restated (Note 7)			<u>1,182,732</u>	
Fund balance – end of year			<u>\$ 1,193,927</u>	

## **OTHER REPORTS**

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

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lake Worth Beach Community Redevelopment Agency (the CRA), a component unit of the City of Lake Worth Beach, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated October 20, 2021. Our report includes an emphasis of matter related to the restatement of the October 1, 2019 beginning net position/fund balance of the governmental activities and the aggregate remaining fund information to correct an error. Our opinion is not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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. We identified a deficiency in internal control, described in the accompanying *schedule of findings and responses* as item IC 2020-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA'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 matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying *schedule of findings and responses* as item CF 2020-001.

**CRA's Response to the Finding**

The CRA's response to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. The CRA's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

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

*RSM US LLP*

West Palm Beach, Florida  
October 20, 2021

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Responses**

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A. Internal Control

**IC 2020-001 – CRA Assets Held for Resale**

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

**Condition:** Material accounting adjustments were made to *assets held for resale* balances in order for the financial statements to comply with generally accepted accounting principles.

**Context:** The condition relates to the proper accounting for *assets held for resale* on an ongoing basis. Certain assets held for resale in the NSP2 Community Redevelopment Agency Fund that were sold in prior years were not removed from the accounting records and financial statements.

**Cause:** Established controls requiring the reconciliation and review of the *assets held for resale* account balances failed to identify the errors noted.

**Effect:** The October 1, 2019 net position of the discretely presented component units and the fund balance of the NSP2 fund were restated to properly remove the previously sold assets and report the updated balances of net position/fund balance.

**Recommendation:** We recommend that the Community Redevelopment Agency Fund management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of *assets held for resale* balances on an ongoing basis.

**Views of Responsible Officials and Planned Corrective Action:** The Community Redevelopment Agency (CRA) management accepts the finding and recommendation. The CRA's management will implement controls to reconcile its accounting records for assets held for resale. On a quarterly basis, CRA management with the assistance of the City's Finance Department will verify ownership of its assets held for resale against County records and properly report financial statement balances.

**City of Lake Worth Beach, Florida**

**Schedule of Findings and Responses (Continued)**

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B. Compliance

**CF 2020-001 – Reporting**

**Criteria:** Florida Statutes, Section 218.39 requires that the CRA file its financial audit report with the Florida Auditor General within 45 days after a certified public accountant delivers the financial audit report to the CRA's governing body, but no later than June 30th (nine months after the end of the CRA's fiscal year ended).

**Condition:** The CRA's financial audit report for the fiscal year ended September 30, 2020 was not submitted to the Florida Auditor General within nine months of the fiscal year ended, as required by Florida Statutes, Section 218.39.

**Context:** Systemic in nature.

**Cause:** Employee turnover at the City delayed the completion of the CRA's annual financial statement audit and the timely filing of the financial audit report with the Florida Auditor General.

**Effect:** The CRA is not in compliance with the filing requirements of Florida Statutes, Section 218.39 as stated in the criteria above.

**Recommendation:** We recommend that the City and the CRA establish internal control policies and procedures to allow for the timely filing of the CRA's financial audit report with the Florida Auditor General as required by Florida Statutes, Section 218.39.

**Views of Responsible Official and Planned Corrective Actions:** Management accepts the finding and recommendation. During fiscal year 2020, the City's 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 CRA's financial audit report to Florida Auditor General on an ongoing basis.

**Management Letter in Accordance with  
Chapter 10.550, Rules of the Auditor General of the State of Florida**

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

**Report on the Financial Statements**

We have audited the financial statements of the Lake Worth Beach Community Redevelopment Agency (the CRA), a component unit of the City of Lake Worth Beach, Florida (the City), as of and for the year ended September 30, 2020, and have issued our report thereon dated October 20, 2021. Our report includes an emphasis of matter related to the restatement of the October 1, 2019 beginning net position/fund balance of the governmental activities and the aggregate remaining fund information to correct an error. Our opinion is not modified with respect to this matter.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 20, 2021, 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. There were no findings or recommendations made in the preceding annual financial report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. 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 CRA has 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 CRA 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 CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not identify any such findings.

**Special District Component Unit**

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 determined that the special district component unit provided 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 which warrants the attention of those charged with governance. In connection with our audit, we did not identify 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, and the Board of Directors and management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
October 20, 2021



RSM US LLP

## Independent Accountant's Report

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

We have examined the Lake Worth Beach Community Redevelopment Agency (the CRA), a component unit of the City of Lake Worth Beach, Florida (the City) compliance with the requirements of *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2019 to September 30, 2020. Management of the CRA is responsible for the CRA's compliance with those specified requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the CRA complied, in all material respects, with the specified requirements during the period October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, Members of the CRA Board, the City Manager and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
October 20, 2021



RSM US LLP

## Independent Accountant's Report

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

We have examined the Lake Worth Beach Community Redevelopment Agency (the CRA), a component unit of the City of Lake Worth Beach, Florida (the City) compliance with *Sections 163.387(6) and 163.387(7), Florida Statutes* regarding the redevelopment trust for the year ended September 30, 2020. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the CRA complied, in all material respects, with *Sections 163.387(6) and 163.387(7), Florida Statutes* regarding the redevelopment trust for the year ended September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General and the Board of Directors and management of the CRA, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

West Palm Beach, Florida  
October 20, 2021