

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

Financial Report
Fiscal Year Ended September 30, 2022

**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, 2022, were as follows:

BOARD OF DIRECTORS

Carla Blockson, Vice Chair
Leah Foertsch
Caroline Glass Shamsi Basha
Daniel Morgan
Donna Kerner
Anne Fairfax

CHAIRMAN OF THE BOARD

Brendan Lynch

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RSM US LLP

Independent Auditor's Report

Board of Directors
Lake Worth Beach Community Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited 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 (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CRA'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, each major fund and the aggregate remaining fund information of the CRA, as of September 30, 2022, 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.

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 (*Government Auditing Standards*). 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 CRA, 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 Note 8 of the financial statements, the October 1, 2021 net position of the governmental activities has been restated to correct an error. Our opinions are 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 CRA'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 CRA'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 CRA'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 budgetary comparison information for the general fund 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 GAAS, 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.

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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA's basic financial statements. The accompanying individual fund budgetary comparison schedules for the capital projects fund and NSP2 nonmajor special revenue fund 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 GAAS. In our opinion, the individual fund budgetary comparison schedules for the capital projects fund and the NSP2 nonmajor special revenue fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024 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 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 CRA'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 CRA's internal control over financial reporting and compliance.

RSM US LLP

West Palm Beach, Florida
February 1, 2024

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

**Statement of Net Position
September 30, 2022**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,162,496
Investments	3,663,794
Accounts receivable, net	4,950
Due from other governments	527
Land held for resale	7,350,393
Prepaid items	12,039
Capital assets:	
Nondepreciable	785,706
Depreciable, net	5,013,799
Total assets	\$ 20,993,704
Liabilities	
Accounts and contracts payable	\$ 39,807
Accrued liabilities	19,942
Unearned revenue	94,400
Long-term debt, due within one year	531,842
Long-term debt, due in more than one year	2,252,536
Total liabilities	2,938,527
Net position:	
Net investment in capital assets	3,015,127
Restricted for community redevelopment	15,040,050
Unrestricted	-
Total net position	\$ 18,055,177

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, 2022**

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
General Government	\$ 2,757,492	\$ -	\$ (2,757,492)
General revenue:			
Taxes:			
Property taxes			\$ 4,286,620
Investment income – unrestricted			7,541
Miscellaneous			27,656
Total general revenues			<u>4,321,817</u>
Change in net position			1,564,325
Net Position – beginning of year, as restated			<u>16,490,852</u>
Net Position – end of year			<u><u>\$ 18,055,177</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, 2022**

	General Fund	CRA Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,567,488	\$ 456,234	\$ 138,774	\$ 4,162,496
Investments	1,076,111	2,587,683	-	3,663,794
Accounts receivable, net	4,801	149	-	4,950
Due from other governments	527	-	-	527
Land held for resale	-	6,627,984	722,409	7,350,393
Prepaid items	7,907	4,132	-	12,039
Total assets	\$ 4,656,834	\$ 9,676,182	\$ 861,183	\$ 15,194,199
Liabilities:				
Accounts and contracts payable	\$ 39,807	\$ -	\$ -	\$ 39,807
Accrued liabilities	19,942	-	-	19,942
Unearned revenue	40,000	54,400	-	94,400
Total liabilities	99,749	54,400	-	154,149
Fund balances:				
Nonspendable – prepaid items	7,907	4,132	-	12,039
Restricted for community redevelopment	4,549,178	9,617,650	861,183	15,028,011
Total fund balances	4,557,085	9,621,782	861,183	15,040,050
Total liabilities and fund balances	\$ 4,656,834	\$ 9,676,182	\$ 861,183	\$ 15,194,199

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, 2022**

Total fund balance – governmental funds	\$ 15,040,050
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.	5,799,505
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	<u>(2,784,378)</u>
Net position of governmental activities	<u>\$ 18,055,177</u>

See notes to financial statements.

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

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2022**

	General Fund	CRA Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 4,286,620	\$ -	\$ -	\$ 4,286,620
Investment income	7,164	377	-	7,541
Miscellaneous	12,252	-	15,404	27,656
Total revenues	4,306,036	377	15,404	4,321,817
Expenditures:				
Current:				
Community redevelopment	1,598,886	505,397	192,633	2,296,916
Debt service:				
Principal	478,872	-	-	478,872
Interest	69,009	-	-	69,009
Total expenditures	2,146,767	505,397	192,633	2,844,797
Excess (deficiency) of revenues over (under) expenditures	2,159,269	(505,020)	(177,229)	1,477,020
Other financing sources (uses):				
Transfers in	-	440,000	-	440,000
Transfers out	(440,000)	-	-	(440,000)
Total other financing sources (uses)	(440,000)	440,000	-	-
Net change in fund balances	1,719,269	(65,020)	(177,229)	1,477,020
Fund balances – beginning of year	2,837,816	9,686,802	1,038,412	13,563,030
Fund balances, end of year	\$ 4,557,085	\$ 9,621,782	\$ 861,183	\$ 15,040,050

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, 2022**

Net change in fund balances, total governmental funds		\$ 1,477,020
Amounts reported for governmental activities in the statement of activities are different because:		
<p style="margin-left: 40px;">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	\$ -	
Depreciation expense	<u>(391,567)</u>	(391,567)
<p style="margin-left: 40px;">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:</p>		
Principal payment on notes payable		<u>478,872</u>
Change in net position of governmental activities		<u><u>\$ 1,564,325</u></u>

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
September 30, 2022**

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 of Lake Worth Beach, Florida (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.

For financial reporting purposes, the CRA is a component unit of the City and is thus included in the City's annual comprehensive financial report as a discretely presented component unit.

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
September 30, 2022**

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.

Land held for resale: Land held for resale represents properties acquired for redevelopment purposes by the CRA. Such balances are recorded on the balance sheet at the lower of cost or net realizable value while they are held by the CRA. These properties are primarily recorded in the CRA capital projects fund and NSP2 fund and any dispositions or related costs associated with readying the properties for redevelopment activities are reported as community redevelopment expenditures.

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.

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

**Notes to Financial Statements
September 30, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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

**Notes to Financial Statements
September 30, 2022**

Note 2. Deposits and Investments

At year-end, the carrying amount of the Community Redevelopment Agency's bank deposits was \$4,162,096 excluding petty cash of \$400. The bank balance was \$4,183,362. 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.

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 Mutual Fund	\$ 3,663,794	Not rated
	<u>\$ 3,663,794</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.

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

**Notes to Financial Statements
September 30, 2022**

Note 2. Deposits and Investments (Continued)

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
Money Market Mutual Fund	\$ 3,663,794	\$ 3,663,794	\$ -	\$ -
	<u>\$ 3,663,794</u>	<u>\$ 3,663,794</u>		

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

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.

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

**Notes to Financial Statements
September 30, 2022**

Note 2. Deposits and Investments (Continued)

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

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Agencies	\$ -	\$ -	\$ -	\$ -
Total investments measured at fair value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Money market mutual fund:	3,663,794			
Total investments	<u>\$ 3,663,794</u>			

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	\$ 4,801	\$ -	\$ 149	<u>\$ 4,950</u>

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

**Notes to Financial Statements
September 30, 2022**

Note 4. Capital Assets

Capital asset activity for the year ended follows:

	Beginning Balance*	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Construction in progress	38,875	-	-	(26,375)	12,500
Total capital assets not being depreciated	812,081	-	-	(26,375)	785,706
Capital assets being depreciated					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	161,729	-	-	26,375	188,104
Machinery and equipment	178,804	-	-	-	178,804
Total capital assets being depreciated	9,847,943	-	-	26,375	9,874,318
Accumulated depreciation					
Land improvements	117,049	11,192	-	-	128,241
Infrastructure	4,177,882	367,360	-	-	4,545,242
Buildings and structures	46,853	5,391	-	-	52,244
Machinery and equipment	127,168	7,624	-	-	134,792
Total accumulated depreciation	4,468,952	391,567	-	-	4,860,519
Total capital assets being depreciated, net	5,378,991	(391,567)	-	26,375	5,013,799
Total capital assets	\$ 6,191,072	\$ (391,567)	\$ -	\$ -	\$ 5,799,505

* As restated, see Note 8 for more details on restatement.

Depreciation expense was charged to the function/program follows:

Community redevelopment	<u>\$ 391,567</u>
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Note 5. Tax Increment Financing Revenue

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

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

**Notes to Financial Statements
September 30, 2022**

Note 6. Interfund Transactions

The general fund transferred \$440,000 to the CRA Capital Projects fund for property acquisition and facilities rehabilitation costs.

Note 7. 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	\$ 3,263,250	\$ -	\$ (478,872)	\$ 2,784,378	\$ 531,842
Total	\$ 3,263,250	\$ -	\$ (478,872)	\$ 2,784,378	\$ 531,842

Community Redevelopment Agency (CRA) Revenue Note, Series 2021 – In April 2021, the CRA Board of Directors approved the issuance of a revenue note, Series 2021 in an aggregate principal amount of \$3,263,250 to refinance the \$4,000,000 original principal amount of Lake Worth Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2016, the \$1,500,000 original principal amount of Lake Worth Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2018 and the \$903,000 Convertible Line of Credit dated January 9, 2020. The original principal amounts were for property acquisition and other improvements in the designated CRA area of the City. The revenue note Series 2021 is due in annual principal installments ranging from \$478,872 to \$582,485 from April 2022 through 2027 with an interest rate of 2.30%. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2022, the principal outstanding on the note is \$2,784,378.

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

At September 30, 2022, debt service requirements on the Revenues Note Series 2021 to maturity are as follows:

CRA Revenue Note - Series 2021		
Year(s)	Principal	Interest
2023	\$ 531,842	\$ 64,041
2024	544,074	51,808
2025	556,588	39,295
2026	569,389	26,493
2027	582,485	13,397
	<u>\$ 2,784,378</u>	<u>\$ 195,034</u>

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

**Notes to Financial Statements
September 30, 2022**

Note 7. Long-Term Debt (Continued)

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

Sources of Revenue Pledged:	Tax Increment Revenues
Current Revenue Pledged	\$ 4,286,620
Current Debt Service	547,881
Total Future Revenues Pledged	2,784,378
Purpose of Debt	Economic Development
Term of Commitment	2022-2027
Percentage of Debt Service to Current Year Pledged Revenues	12.78%

Note 8. Restatement – Prior Period Adjustment

The beginning net position of the CRA governmental activities, as of October 1, 2021, was restated to correct an error. The CRA's construction in progress and buildings reported in the capital assets included amounts already recorded as land held for resale for redevelopment efforts resulting in a duplication of the amounts recorded. An adjustment was recorded to remove such duplicates as of October 1, 2021 in the amount of \$1,849,521. The restatement adjustment is summarized below for the opinion unit affected:

Governmental Activities	Net Position	Construction in Progress	Buildings and Structures
Net Position – October 1, 2021, as previously reported	\$ (18,340,373)	\$ 1,851,111	\$ 199,014
Restatement – Construction in progress and buildings	1,849,521	(1,812,236)	(37,285)
Net Position – October 1, 2021, as restated	<u>\$ (16,490,852)</u>	<u>\$ 38,875</u>	<u>\$ 161,729</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 4,287,896	\$ 4,287,896	\$ 4,286,620	\$ (1,276)
Intergovernmental	80,000	80,000	-	(80,000)
Investment income	2,000	2,000	7,164	5,164
Miscellaneous	4,500	4,500	12,252	7,752
Total revenues	4,374,396	4,374,396	4,306,036	(68,360)
Expenditures:				
Current:				
Community redevelopment	3,747,940	3,457,940	1,598,886	1,859,054
Debt service:				
Principal	578,872	578,872	478,872	100,000
Interest	76,509	76,509	69,009	7,500
Total expenditures	4,403,321	4,113,321	2,146,767	1,966,554
Excess (deficiency) of revenues over (under) expenditures	(28,925)	261,075	2,159,269	1,898,194
Other financing sources (uses):				
Appropriated fund balance	178,925	178,925	-	(178,925)
Transfers out	(150,000)	(440,000)	(440,000)	-
Total other financing sources (uses)	28,925	(261,075)	(440,000)	(178,925)
Net change in fund balances	\$ -	\$ -	1,719,269	\$ 1,719,269
Fund balances, beginning of year			2,837,816	
Fund balances, end of year			\$ 4,557,085	

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

Note 1. Budgetary Procedures and Budgetary Accounting

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

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

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

CRA management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the CRA Board. Legal level of control is maintained at the fund level. There were general fund budget amendments in the current year in the amount of \$290,000 for redevelopment projects.

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Capital Projects
Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 338,800	\$ 338,800	\$ -	\$ (338,800)
Investment income	-	-	377	377
Total revenues	338,800	338,800	377	(338,423)
Expenditures:				
Current:				
Community redevelopment	652,764	955,764	505,397	450,367
Excess (deficiency) of revenues over (under) expenditures	(313,964)	(616,964)	(505,020)	111,944
Other financing sources (uses):				
Appropriated fund balance	163,964	176,964	-	(176,964)
Transfers in	150,000	440,000	440,000	-
Total other financing sources (uses)	313,964	616,964	440,000	(176,964)
Net change in fund balance	\$ -	\$ -	(65,020)	\$ (65,020)
Fund balance, beginning of year			<u>9,686,802</u>	
Fund balance, end of year			<u>\$ 9,621,782</u>	

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

**Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – NSP2
Fiscal Year Ended September 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 15,404	\$ 5,404
Expenditures:				
Current:				
Community redevelopment	160,000	160,000	192,633	(32,633)
Excess (deficiency) of revenues over (under) expenditures	(150,000)	(150,000)	(177,229)	(27,229)
Other financing sources (uses):				
Appropriated fund balance	150,000	150,000	-	(150,000)
Net change in fund balance	\$ -	\$ -	(177,229)	\$ (177,229)
Fund balance – beginning of year			1,038,412	
Fund balance – end of year			<u>\$ 861,183</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

Board of Directors
City of 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of 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, 2022, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated February 1, 2024. Our opinion included an emphasis of matter paragraph related to the correction of an error. This resulted in the restatement of the net position of the governmental activities of the financial statements as of October 1, 2021. Our opinions are 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 opinion 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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 and 2022-002 that we consider to be material weaknesses.

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 2022-001.

The CRA's Response to Findings

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

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
February 1, 2024

Schedule of Findings and Responses:

A. Internal Control

IC 2022-001 – Capital Assets

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 capital asset balances in order for the financial statements to comply with generally accepted accounting principles.

Context: The condition relates to the proper accounting for capital assets on an ongoing basis.

Cause: Established controls requiring the reconciliation and review of capital asset account balances failed to identify the errors noted.

Effect: The October 1, 2021, net position balance of the governmental activities was restated to report financial statement balances properly.

Recommendation: We recommend management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital asset balances on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: Management accepts the finding and recommendation. The City's Finance Department with the assistance of the CRA's management will implement controls to reconcile its accounting records for capital assets and review balances in construction in progress to allow for accurate recording and disclosure on an ongoing basis.

IC 2022-002 – Gain/loss on sale of asset 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: We noted that the CRA sold a few pieces of land which were held for resale and recorded the sale as both a revenue for the amount received of \$2,481,255 and an expense for the carrying value of the land of \$2,862,162 instead of just reporting the net loss on the sales of land held for resale as an expenditure of \$380,907.

Context: The condition relates to the proper accounting for sales of land held for resale assets on an ongoing basis.

Cause: Established controls requiring the review of the gain/loss on the sale of assets held for resale failed to identify the errors noted.

Effect: The September 30, 2022, statement of changes in revenues and expenditures had the transaction reported gross instead of net thereby overstating revenues and expenditures but had no effect on fund balance/net position.

Schedule of Findings and Responses

Recommendation: We recommend management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure for sales of land held for resale on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: Management accepts the finding and recommendation. The City's Finance Department with the assistance of the CRA's management will implement controls to allow for accurate recording and disclosure for sales of land held for resale on an ongoing basis.

B. Compliance

CF 2022-001 - 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, 2022 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 2023, 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 fiscal year ended September 30, 2022, and have issued our report thereon dated February 1, 2024. Our opinion included an emphasis of matter paragraph related to the correction of an error. This resulted in the restatement of the net position of the governmental activities of the financial statements as of October 1, 2021.

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*, Schedule of Findings and Responses, and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 1, 2024, 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 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 have any such recommendations.

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.

As required by Section 218.39(3)l, Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported:

- a. There were four CRA employees compensated in the last pay period of the CRA's fiscal year.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year was five.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency, as \$446,660.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as approximately \$53,350.
- e. There is one construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported:
 - a. 1213 Lake Ave, Lake Worth Beach, FL project \$600,000
- f. A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes. This information is disclosed as required supplementary information in the CRA's September 30, 2022, financial statements.

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. Such recommendations are included below in the *Schedule of Findings and Responses*.

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 Board of Directors, and applicable CRA 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
February 1, 2024

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's (the CRA), a component unit of the City of Lake Worth Beach, Florida (the City) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies during the period October 1, 2021, to September 30, 2022. The CRA's management is responsible for 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 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 CRA complied with the specified requirements, in all material respects. 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.

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

In our opinion, the CRA complied, in all material respects, with the specified requirements during the period from October 1, 2021, to September 30, 2022.

This report is intended solely for the information and use of the Florida Auditor General, the Governing Board and applicable 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
February 1, 2024

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, 2022. The CRA's management is responsible for compliance with the specified requirement. 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 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 CRA complied with the specified requirements, in all material respects. 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.

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 CRA's compliance with specified requirements.

In our opinion, the CRA complied, in all material respects, with the specified requirements from October 1, 2021, to September 30, 2022.

This report is intended solely for the information and use of the Florida Auditor General, the Governing Board and applicable 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
February 1, 2024