

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

Financial Report  
Fiscal Year Ended September 30, 2023

**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, 2023, were as follows:

**BOARD OF DIRECTORS**

Leah Foertsch, Vice Chairwoman  
Caroline Glass Shamsi Basha  
Drew Barlett  
Donna Kerner  
Anne Fairfax  
Daniel Morgan

**CHAIRWOMAN OF THE BOARD**

Carla Blockson

## Table of Contents

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Independent auditor's report	1-3
<hr/>	
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	4
Statement of activities	5
Fund financial statements:	
Balance sheet	6
Reconciliation of the balance sheet of governmental funds to statement of net position	7
Statement of revenues, expenditures and changes in fund balances—governmental funds	8
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	9
Notes to financial statements	10-17
<hr/>	
Required supplementary information (unaudited):	
Schedule of revenue expenditures and changes in fund balances—budget and actual—general fund	18
Notes to required supplementary information	19
Individual fund budgetary comparison schedules	
Schedule of revenues, expenditures and changes in fund balance—budget and actual:	
Capital projects	20
NSP2	21
Other reports:	
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	22-23
Schedule of findings and responses	24-25
Corrective action plan	26
Summary schedule of prior audit findings	27
Management letter in accordance with Chapter 10.550, <i>Rules of the Auditor General</i> of the State of Florida	28-29
Independent accountant's report, in accordance with <i>Section 218.415</i> , Florida Statutes	30
Independent accountant's report in accordance with <i>Sections 163.387(6) and 163.387(7)</i> , Florida Statutes	31

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## 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, 2023, 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, 2023, 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.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for preparing and presenting the financial statements in accordance with accounting principles generally accepted in the United States of America, and for designing, implementing and maintaining internal controls relevant to preparing and presenting 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 opinion. 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 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 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 August 30, 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  
August 30, 2024

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

**Statement of Net Position  
September 30, 2023**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 5,960,805
Investments	3,818,778
Accounts receivable	559
Accrued interest receivable	16,409
Land held for resale	10,020,426
Prepaid items	31,755
Capital assets:	
Nondepreciable	773,206
Depreciable, net	4,617,772
	<hr/>
<b>Total assets</b>	<b>\$ 25,239,710</b>
	<hr/> <hr/>
<b>Liabilities</b>	
Accounts and contracts payable	\$ 12,799
Accrued liabilities	22,120
Unearned revenue	2,000,000
Due to other government	466
Long-term debt, due within one year	544,074
Long-term debt, due in more than one year	1,708,462
	<hr/>
<b>Total liabilities</b>	<b>4,287,921</b>
	<hr/> <hr/>
Net position:	
Net investment in capital assets	3,138,442
Restricted for community redevelopment	17,813,347
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<b>Total net position</b>	<b>\$ 20,951,789</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  
Fiscal Year Ended September 30, 2023**

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Community redevelopment	\$ 2,998,202	\$ 214,400	\$ (2,783,802)
General revenue:			
Taxes:			
Property taxes			\$ 5,381,201
Investment income—unrestricted			258,760
Miscellaneous			40,453
			<u>5,680,414</u>
			<b>Change in net position</b> 2,896,612
Net Position—beginning of year			<u>18,055,177</u>
Net Position—end of year			<u><u>\$ 20,951,789</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, 2023**

	General Fund	CRA Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,820,397	\$ 2,030,999	\$ 109,409	\$ 5,960,805
Investments	1,226,593	2,592,185	-	3,818,778
Accounts receivable	-	-	559	559
Accrued interest receivable	15,927	482	-	16,409
Land held for resale	-	9,298,017	722,409	10,020,426
Prepaid items	8,362	23,393	-	31,755
<b>Total assets</b>	<b>\$ 5,071,279</b>	<b>\$ 13,945,076</b>	<b>\$ 832,377</b>	<b>\$ 19,848,732</b>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 11,226	\$ 1,573	\$ -	\$ 12,799
Accrued liabilities	21,120	1,000	-	22,120
Unearned revenue	-	2,000,000	-	2,000,000
Due to other governments	466	-	-	466
<b>Total liabilities</b>	<b>32,812</b>	<b>2,002,573</b>	<b>-</b>	<b>2,035,385</b>
<b>Fund balances:</b>				
Nonspendable—prepaid items	8,362	23,393	-	31,755
Restricted for community redevelopment	5,030,105	11,919,110	832,377	17,781,592
<b>Total fund balances</b>	<b>5,038,467</b>	<b>11,942,503</b>	<b>832,377</b>	<b>17,813,347</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,071,279</b>	<b>\$ 13,945,076</b>	<b>\$ 832,377</b>	<b>\$ 19,848,732</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, 2023**

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Total fund balance—governmental funds	\$ 17,813,347
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.	5,390,978
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>(2,252,536)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 20,951,789</u></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, 2023**

	General Fund	CRA Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 5,381,201	\$ -	\$ -	\$ 5,381,201
Intergovernmental	80,000	134,400	-	214,400
Investment income	253,922	4,838	-	258,760
Miscellaneous	10,293	24,789	5,371	40,453
<b>Total revenues</b>	<b>5,725,416</b>	<b>164,027</b>	<b>5,371</b>	<b>5,894,814</b>
<b>Expenditures:</b>				
Current:				
Community redevelopment	1,820,796	670,306	34,177	2,525,279
Debt service:				
Principal	531,842	-	-	531,842
Interest	64,396	-	-	64,396
<b>Total expenditures</b>	<b>2,417,034</b>	<b>670,306</b>	<b>34,177</b>	<b>3,121,517</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,308,382</b>	<b>(506,279)</b>	<b>(28,806)</b>	<b>2,773,297</b>
<b>Other financing sources (uses):</b>				
Transfers in	-	2,827,000	-	2,827,000
Transfers out	(2,827,000)	-	-	(2,827,000)
<b>Total other financing sources (uses)</b>	<b>(2,827,000)</b>	<b>2,827,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>481,382</b>	<b>2,320,721</b>	<b>(28,806)</b>	<b>2,773,297</b>
Fund balances—beginning of year	4,557,085	9,621,782	861,183	15,040,050
Fund balances—end of year	\$ 5,038,467	\$ 11,942,503	\$ 832,377	\$ 17,813,347

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, 2023**

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Net change in fund balances, total governmental funds	\$	2,773,297
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>		
Disposition of capital assets	(12,500)	
Depreciation expense	<u>(396,027)</u>	(408,527)
<p>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>531,842</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>2,896,612</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 \$5,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred.

**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)**

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 GAAP 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**

**Note 2. Deposits and Investments**

At year-end, the CRA's bank deposits were \$6,122,244, and the carrying amount was \$5,960,805. 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 Fund	\$ 3,818,778	Not rated
	<u>\$ 3,818,778</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
Money Market Mutual Fund	\$ 3,818,778	\$ 3,818,778	\$ -	\$ -
	<u>\$ 3,818,778</u>	<u>\$ 3,818,778</u>	<u>\$ -</u>	<u>\$ -</u>



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

**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.

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 funds	3,818,778			
Total investments	<u>\$ 3,818,778</u>			

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

**Notes to Financial Statements**

**Note 3. Accounts Receivable**

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

	General Fund	CRA Capital Project Fund	Nonmajor Governmental Fund	Total
Accounts Receivable	\$ -	\$ -	\$ 559	\$ 559

**Note 4. Capital Assets**

Capital asset activity for the year ended as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Construction in progress	12,500	-	(12,500)	-	-
Total capital assets not being depreciated	785,706	-	(12,500)	-	773,206
Capital assets being depreciated					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	188,104	-	-	-	188,104
Machinery and equipment	178,804	-	-	-	178,804
Total capital assets being depreciated	9,874,318	-	-	-	9,874,318
Accumulated depreciation					
Land improvements	128,241	11,192	-	-	139,433
Infrastructure	4,545,242	370,271	-	-	4,915,513
Buildings and structures	52,244	6,270	-	-	58,514
Machinery and equipment	134,792	8,294	-	-	143,086
Total accumulated depreciation	4,860,519	396,027	-	-	5,256,546
Total capital assets being depreciated, net	5,013,799	(396,027)	-	-	4,617,772
Total capital assets	\$ 5,799,505	\$ (396,027)	\$ (12,500)	\$ -	\$ 5,390,978

Depreciation expense was charged to the function/program follows:

Community redevelopment	\$ 396,027
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**Lake Worth Beach Community Redevelopment Agency  
(A Component Unit of the City of Lake Worth Beach, Florida)**

**Notes to Financial Statements**

**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.

**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	\$ 2,784,378	\$ -	\$ (531,842)	\$ 2,252,536	\$ 544,074
Total	\$ 2,784,378	\$ -	\$ (531,842)	\$ 2,252,536	\$ 544,074

**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, 2023, the principal outstanding on the note is \$2,252,536.

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

At September 30, 2023, debt service requirements on the Revenues Note Series 2021 to maturity are as follows:

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

**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)**

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

	Revenue Note Series 2021
	<u>Tax Increment Revenues</u>
Sources of Revenue Pledged:	
Current Revenue Pledged	\$ 5,381,201
Current Debt Service	596,238
Total Future Revenues Pledged	2,252,536
Purpose of Debt	Economic Development
Term of Commitment	2023-2027
Percentage of Debt Service to Current Year Pledged Revenues	11.08%

**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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 5,384,021	\$ 5,384,021	\$ 5,381,201	\$ (2,820)
Intergovernmental	80,000	80,000	80,000	-
Investment income	1,000	1,000	253,922	252,922
Miscellaneous	8,400	8,400	10,293	1,893
<b>Total revenues</b>	<b>5,473,421</b>	<b>5,473,421</b>	<b>5,725,416</b>	<b>251,995</b>
<b>Expenditures:</b>				
Current:				
Community redevelopment	4,412,000	3,334,644	1,820,796	1,513,848
Debt service:				
Principal	531,842	531,842	531,842	-
Interest	64,041	64,397	64,396	1
<b>Total expenditures</b>	<b>5,007,883</b>	<b>3,930,883</b>	<b>2,417,034</b>	<b>1,513,849</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>465,538</b>	<b>1,542,538</b>	<b>3,308,382</b>	<b>1,765,844</b>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	234,462	1,284,462	-	(1,284,462)
Transfers out	(700,000)	(2,827,000)	(2,827,000)	-
<b>Total other financing sources (uses)</b>	<b>(465,538)</b>	<b>(1,542,538)</b>	<b>(2,827,000)</b>	<b>(1,284,462)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>481,382</b>	<b>\$ 481,382</b>
Fund balances, beginning of year			<u>4,557,085</u>	
Fund balances, end of year			<u>\$ 5,038,467</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 30<sup>th</sup>, 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 30<sup>th</sup>.

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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,088,800	\$ 1,088,800	\$ 134,400	\$ (954,400)
Miscellaneous	-	-	24,789	24,789
Investment income	-	-	4,838	4,838
<b>Total revenues</b>	<b>1,088,800</b>	<b>1,088,800</b>	<b>164,027</b>	<b>(924,773)</b>
Expenditures:				
Current:				
Community redevelopment	6,578,800	6,578,800	670,306	5,908,494
<b>Excess (deficiency) of revenues     over (under) expenditures</b>	<b>(5,490,000)</b>	<b>(5,490,000)</b>	<b>(506,279)</b>	<b>4,983,721</b>
Other financing sources (uses):				
Appropriated fund balance	4,790,000	2,663,000	-	(2,663,000)
Transfers in	700,000	2,827,000	2,827,000	-
<b>Total other financing sources (uses)</b>	<b>5,490,000</b>	<b>5,490,000</b>	<b>2,827,000</b>	<b>(2,663,000)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,320,721</b>	<b>\$ 2,320,721</b>
Fund balance, beginning of year			9,621,782	
Fund balance, end of year			<u>\$ 11,942,503</u>	



**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 – NSP2  
Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,371	\$ 371
Expenditures:				
Current:				
Community redevelopment	105,000	105,000	34,177	70,823
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(28,806)</u>	<u>71,194</u>
Other financing sources (uses):				
Appropriated fund balance	100,000	100,000	-	(100,000)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(28,806)</u>	<u>\$ (28,806)</u>
Fund balance, beginning of year			<u>861,183</u>	
Fund balance, end of year			<u>\$ 832,377</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  
Lake Worth Beach Community Redevelopment Agency

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, 2023, and the related notes to the basic financial statements (collectively, the financial statements), and have issued our report thereon dated August 30, 2024.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule findings and responses as item IC 2023-001 that we consider to be a significant deficiency.



**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 described in the accompanying schedule of findings and responses as item CF 2023-001.

**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 response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
August 30, 2024

## City of Lake Worth Beach Community Redevelopment Agency

### Schedule of Findings and Responses

#### **A. Compliance Finding:**

##### **CF 2023-001 - 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 it to the CRA's governing body, but no later than June 30<sup>th</sup> (nine months after the end of the CRA's fiscal year).

**Condition:** The CRA's financial audit report for the fiscal year ended September 30, 2023, 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.

**View of Responsible Officials and Planned Corrective Actions:** Management accepts the findings and recommendations. The City's finance department continues to improve its year-end processes and procedures to ensure timely submission of CRA's financial audit report to the Florida Auditor General and we expect subsequent year's filings will be on time.

#### **B. Control Finding:**

##### **IC 2023-001 – Construction in Progress**

**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:** Significant accounting adjustments were necessary to align capital asset balances with generally accepted accounting principles. The error relates to capitalizing expenditures for improvements made to an asset that was donated to a non-profit entity in the prior year. Therefore, CIP should not have been added for the expenditures as the CRA no longer owned the asset, as ownership of the asset was passed to the other entity in the prior year.

**Context:** The condition relates to the proper accounting for construction in progress and expenses on an ongoing basis.

**Cause:** The established controls requiring the reconciliation and review of construction in progress and expenses failed to identify the errors in the reconciliation and review process.

**Effect:** The CRA had overstated the construction in progress (capital assets) balance in the statement of net position and understated the expenses in the statement of activities as of September 30, 2023.

**Recommendation:** We recommend that management review the design of established internal controls and implement the changes necessary to allow for the accurate recording and disclosure of capital assets/construction in progress and expenses on an ongoing basis.

**View of Responsible Officials and Planned Corrective Actions:** Management accepts the finding and recommendation. The City's finance department with the assistance of CRA's management will implement controls to review balances in construction in progress to allow for accurate recording and disclosure on an ongoing basis.



**LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**CORRECTIVE ACTION PLAN**  
**Fiscal YEAR ENDED SEPTEMBER 30, 2023**

**Identifying Number: CF 2023–001**  
**Finding: Reporting**

**Corrective Actions Plan: During fiscal years 2023 and 2024, the City’s finance department hired additional personnel to assist with completing the year-end closing processes and procedures. We have discussed with the employees the importance of timely submission of the CRA’s financial audit report to the Florida Auditor General on an ongoing basis.**

**Contact Name(s): Yannick Ngendahayo, Finance Director, Mona Feigenbaum, CRA Accounting Manager**

**Corrective Action Completion Date: June 30, 2025.**

**Identifying Number: IC 2023–001**  
**Finding: Construction in Progress**

**Corrective Actions Planned: The City’s finance department in collaboration with CRA’s management plan to periodically review additions in construction in progress to ensure accurate recording and disclosure of capital assets on an ongoing basis.**

**Contact Name(s): Yannick Ngendahayo, Finance Director, Mona Feigenbaum, CRA Accounting Manager**

**Corrective Action Completion Date: June 30, 2025.**





**Summary Schedule of Prior Year's Findings  
Fiscal Year Ending September 30, 2023**

<b>Finding No.</b>	<b>Finding Title</b>	<b>Current Year Status</b>
IC 2022 - 001	Capital Assets	Repeated
IC 2022 - 002	Gain on Sale of Assets Held for Resale	Corrected
CF 2022 -001	Reporting	Repeated

LAKE WORTH BEACH COMMUNITY REDEVELOPMENT AGENCY

HATCH1121 | 1121 Lucerne Avenue | Lake Worth Beach, FL 33460 | 561-493-2550 | [www.lakeworthbeachcra.org](http://www.lakeworthbeachcra.org)





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

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, 2023, and have issued our report thereon dated August 30, 2024.

**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 August 30, 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 recommendations made in the preceding annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. 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.

### **Specific Information**

As required by Section 218.39(3), 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 four.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency, as \$478,169.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as approximately \$67,763.
- 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:
  - Madis on Terrace - 1711 6<sup>th</sup> Ave S, Lake Worth Beach, FL – \$640,000
  - Gulfstream Hotel Project – 15 S Gulfstream Rd#102, Lake Worth Beach, FL 33460 – \$3,000,000
  - Deco Green – 1715 N Dixie Hwy, Lake Worth Beach, FL 33460 \$250,000
- 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, 2023, financial statements.

This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements of the CRA, and accordingly, we do not express an opinion or provide any assurance on it.

### **Additional Matters**

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not 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, 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  
August 30, 2024

## Independent Accountant's Report

Board of Directors  
Lake Worth Beach Community Redevelopment Agency

We have examined 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 during the period October 1, 2022, to September 30, 2023. 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 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, 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.

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 October 1, 2022, to September 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor and Members of the City Commission, Members of the CRA Board, the City Manager 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  
August 30, 2024

## Independent Accountant's Report

Board of Directors  
Lake Worth Beach Community Redevelopment Agency

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 during the period October 1, 2022, to September 30, 2023. 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 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, 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.

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, 2022, to September 30, 2023.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor and Members of the City Commission, Members of the CRA Board, the City Manager 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  
August 30, 2024