

# City of Lake Worth Beach, Florida



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**

**CITY OF LAKE WORTH BEACH, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2020**

**Prepared by**  
**City of Lake Worth Beach Finance Department**



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## *INTRODUCTORY SECTION*





September 7, 2021

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Lake Worth Beach, Florida (the "City"), for the fiscal year ended September 30, 2020. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. However, due to uncontrollable circumstances related to COVID-19, the City was unable to meet this deadline. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Finance Department and statistical tables included herein.

The ACFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budgets, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly present the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

RSM US LLP, our independent auditors, has issued an unmodified opinion on the City of Lake Worth Beach's financial statements for the fiscal year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

## **PROFILE**

The City was incorporated as a municipality under the laws of the State of Florida in 1913. The City borders West Palm Beach on its northern boundary and the exclusive Town of Palm Beach to the northeast at the Intracoastal Waterway and the Atlantic Ocean. This location provides significant benefits in terms of the quality of life for its residents.

The City operates under a Commission-Manager form of government and provides general municipal services such as public safety, recreation, public works and others as well as certain enterprise activities such as electric, water, sewer, stormwater and waste removal service.

The City is primarily a residential community of approximately 7 square miles with a population of approximately 39,000. The median age has declined over the past two decades from 50 years to 37 years. Tourism, retail and construction are the main industries supporting the local economy. The quarter-mile, municipally-owned beach complex features original 1920's architecture which has an ocean fishing pier, ocean front shops and restaurants, makes this area a popular attraction for residents and tourists alike.

Lake Worth Beach is a dynamic, multi-cultural city with a strong social and environmental consciousness. People are drawn to the City by its independent character, acceptance of different cultures and lifestyles, many historic structures, hip downtown, and distinctive residential neighborhoods. The City has a rich history and is protective of its historic architectural fabric. Over 1,000 historic buildings contribute to the human scale and charm of the downtown and residential areas.

The City is the geographic and artistic center of Palm Beach County. The downtown is considered the artistic soul of Lake Worth Beach with a historic theater and a museum, live music clubs, coffee houses, art galleries, antique malls, retail stores, and many restaurants.

## **REPORTING ENTITY**

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included as a discretely presented component unit.

## **ACCOUNTING AND INTERNAL CONTROL**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROLS**

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. All expenditures for other than personnel services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

## **LOCAL ECONOMY**

The City obtains a significant portion of its General Fund annual financial resources from ad valorem property taxes. Lake Worth also operates electric, water and sewer utilities and solid waste collection and stormwater enterprises.

In 2007 the City reached its highest taxable value equaling \$2,957,971,000. However, as the result of the recession, in 2012 the City's assessable tax value decreased to \$1,047,017. Although values have increased since the recession, the City remains below the values realized in 2007. As of 2020, the City's taxable value equals \$2,176,205. When compared to values in adjacent City, there is investment potential.

Because of the City's demographics, attracting new business continues to be difficult. The City's poverty rate is approximately 24%. The City has adopted strategies to attract investment by removing disincentives to investment while also building stability through best practices and innovative approaches related to City rules and regulations. Additionally, because tax values remain low, the City's tax revenues are insufficient to materially expand City services.

As of the City's fiscal year end, September 30, 2020, the city's unemployment rate increased to 7.2% from 3.2% mainly due to the COVID-19 impact. This is slightly lower than the State of Florida's rate of 7.7% and the national rate of 8.1%. The City of Lake Worth Beach's primary employing industries are service occupations, office workers, management, professional and government.

Property taxes have increased over the prior year due to an increase in the assessed value of residential property. Property tax revenues in 2020 provided resources of approximately \$10.6 million or 30% of the General Fund budgeted expenditures of approximately \$35.4 million.

The City's future financial challenges come primarily in the area of constrained property taxes, funding pension obligations and health insurance. However, the City has negotiated a Cash Option Plan, reducing future pension obligations and is evaluating other potential mitigation strategies with the health insurance.

The City's utility operations have made significant progress in addressing the challenges regarding reliability, maintaining competitive billing rates and meeting capital infrastructure and maintenance needs. While these infrastructure "hardening" programs are developed, broader decisions regarding planning, testing and monitoring the City's electrical transmission grid and groundwater inflow to the wastewater system are being refined.

## **LONG RANGE FINANCIAL PLANNING**

Management constantly examines the strategic goals and objectives of the City of Lake Worth Beach and implements policies that will assist in taking advantage of the opportunities. The City utilizes long term financial planning to identify future financial challenges and opportunities through financial forecasting and analysis, then, devises strategies based on the information to achieve financial sustainability.

In prior years, the City did not have the tools to track and project revenues, expenditures and utility rates for electric, water, sewer and stormwater beyond a five-year period. To overcome this challenge, the City has processed all of the major funds through an integrated financial system using multiple real time scenarios to model the best mix of working capital, appropriate levels of capital projects, adequate fund reserves, more accurate utility rates for residents and cash flow levels over a ten year projection period. This integrated financial modelling provides both short-term and long-term information to aid in a better decision-making process.

The City's electric utility provides electricity to its customers using a variety of electric production resources. Among them are the City's entitlements in various Florida Municipal Power Agency (FMPA) projects, the City's own solar farm build atop a closed City landfill, the City's power plant, and a contract with Orlando Utilities Commission for supplemental energy and capacity effective 1/1/2019 with a term of up to seven years. The City has also entered into 20year contracts for the purchase of solar energy from FMPA project(s) that are expected to begin operation in late 2023, which will allow the City's electric utility to achieve the status of having greater than 50% of its energy supply sourced from carbon-free resources and one of the lowest carbon footprints in the state of Florida.

The City's electric utility is currently undertaking upgrades of its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP). The program includes a continuation of its efforts to upgrade components of its transmission system, convert lower voltage electric distribution systems to higher operating voltages, replacing aged components with newer versions designed to withstand category 5 storm wind loads, adding new technology to more rapidly identify outages and restore service, adding field switching and sectionalizing capability to isolate areas of outages and minimize the number of customers impacted by outages, etc.

Using a combination of internal and contracted resources the electric utility team installed over \$4.9 million of capital improvements this past year as it kicked off its System Hardening and Reliability Improvement Program. Notable accomplishments include the installation of plastic wrappings on over 4,500 poles to decrease animal contacts, steel bracket removal and insulator replacements on 270 poles, 309 pole replacements, 866 customer conversions from 4kw to 26kv, 206 new transformers installed, and over 410 miles of poles and wires inspected for potential problems using infrared technology and drones.

The City also conducts a cost of service study of the electric utility, as well as cash flow modeling as a part of the annual budgeting process, that will help ensure that the financial stability of the City's electric utility operations is maintained.

The City's other enterprise utilities which include water, sewer and stormwater activities are also being analyzed for additional infrastructure improvements including groundwater infiltration and treatment in the wastewater system.

## **RELEVANT FINANCIAL POLICIES**

The City operates under a set of Comprehensive Financial Policies that provide a framework for all financial and budgetary decisions and transactions. The City has implemented all Governmental Accounting Board Standards that are applicable as of the end of the current fiscal year.

## **MAJOR INITIATIVES**

In fiscal year 2019, the City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. The City's Comprehensive Plan has been updated. Significant infrastructure investments in the Lake Worth Park of Commerce are underway and the Neighborhood Road Improvement program is ahead of schedule. Additionally, the Water Utilities Department has embarked upon major upgrades throughout the City in the replacement of pipes and fire hydrants. As the City invests in itself, developers and residents are also investing. The City's electric utility is continuing to upgrade its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP).

### **Comprehensive Plan**

The City of Lake Worth Beach received an official Notice of In Compliance regarding the City's Evaluation Appraisal Report (EAR) based on amendments to its Comprehensive Plan and Future Land Use Map. The Florida Department of Economic Opportunity (DEO) issued the compliance letter on May 31, 2019 with an effective date of June 1, 2019. Following eighteen (18) months of effort, the City now has a completely re-vamped and progressive road map for its future development. The Comprehensive Plan provides clear, concise and consistent goals and objectives to guide the City's activities across all departments. City staff has already seen an uptick in interest in investment in the City as a result of adopted changes.

### **Lake Worth Park of Commerce**

After 2 years of coordination, physical infrastructure upgrades in the Lake Worth Park of Commerce commenced in February 2018. Upgrades include water, drainage, sewer, electric, roadways, and sidewalks. By leveraging grant dollars awarded from the U.S. Economic Development Administration (\$1.4 million) with Capital Improvement Program monies from various departments, the City is able to maximize existing allocated dollars. The award is tied to the creation of 300 jobs within the Park. Additionally, the City has received a legislative appropriation from the State of Florida for \$1.5 million for FY 19/20 and an award of \$3 million in Local Agency Program funding from the Florida Department of Transportation in December 2019. It is important to note that the majority of ad valorem taxes generated from Park of Commerce are not subject to Save Our Homes legislation.

### **Neighborhood Road Program**

In November 2016, Lake Worth residents authorized the City to issue general obligation bonds to improve local roadways in an amount not to exceed \$40 million. Every neighborhood road was analyzed/ranked on a Pavement Condition Index and a four-year action plan was developed. All roads in Program Year 1, Year 2 and Year 3 were completed as of December 2020. The final Year 4 projects have been completed with the exception of 1 project currently under contract and awaiting the project to start. For a City of less than seven square miles, a \$40 million investment in roads represents a major commitment to itself.

## **Working Capital and Capital Project Funding**

The City of Lake Worth Beach issued two bonds in late summer and early fall of 2020; an Ad Valorem Bond providing \$10,458,000 in project proceeds and a Combined Utility Bond providing \$51,959,240 in project proceeds. These two bond series provided combined funding for City capital projects totaling \$62,417,240.

In addition to providing funding for capital projects, the City took advantage of the historically low interest rate environment by paying off, or refunding, two Bank of America bank notes totaling \$49,413,803 as part of the City's Combined Utility Bond. As part of paying off these bank notes, the City also extended the repayment term, thereby reducing the annual debt service associated with these borrowing and as a consequence, providing increased budgetary and rate flexibility for the City's utilities.

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

## **COVID-19**

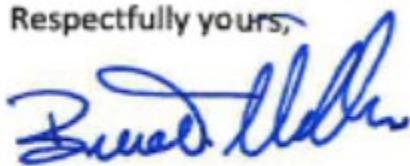
The coronavirus (COVID-19) has resulted in disruption of City operations and caused global, national and local economies to experience significant declines. However, the City has taken steps and will continue to make efforts to protect the safety and well-being of our residents. The City has also taken steps that will ensure continued financial stability. With the guidance of our City leadership we are hopeful that we will come out of this pandemic stronger than ever.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Worth Beach for its annual comprehensive financial report for the fiscal year ended September 30, 2019. A Certificate of Achievement in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efforts of the entire Finance Department. I express my appreciation to all members of the department who assisted and contributed to its preparation. Credit must also be given to the City Commission and City Management for their commitment and support to improving the City's financial operations.

Respectfully yours,



**Bruce Miller**  
Finance Director







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Worth Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO



## City of Lake Worth Beach, Florida

### List of Principal Officers For the Fiscal Year Ended September 30, 2020

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#### City Commission

The City Commission is comprised of five members who serve overlapping two-year terms and are elected on a nonpartisan basis by residents of the City. The Mayor is elected at-large to serve a two-year term as the presiding officer at City Commission meetings and as the official head of the City of Lake Worth Beach for legislative and ceremonial purposes. The City Commission is responsible for passing ordinances and other policy directives necessary for the operation of the City.

#### OFFICE HELD

#### NAME OF OFFICIAL

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

Betty Resch  
Kim Stokes  
Sarah Malega  
Christopher McVoy  
Herman Robinson

#### Management Team:

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

Michael Bornstein  
Juan Ruiz  
Christy L. Goddeau  
Debbie Andrea  
William Waters  
Bruce Miller  
Nelly Peralta  
Loren Slaydon  
Jamie Brown  
Brian Shields  
Edward Liberty  
William Brown  
Lauren Bennett

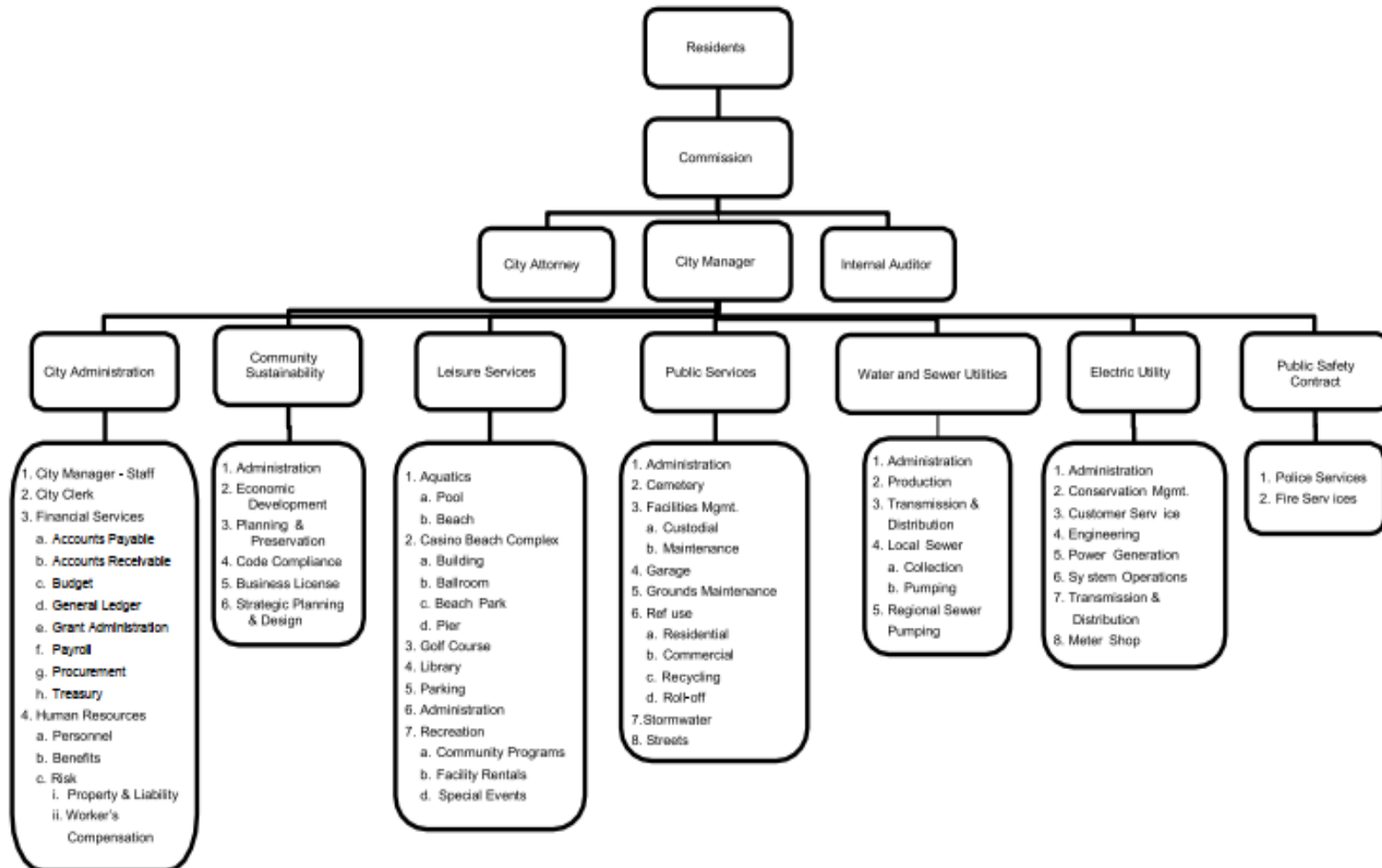
Community Redevelopment Agency:  
Executive Director

Joan Oliva

## City of Lake Worth Beach, Florida

### Organizational Chart For the Fiscal Year Ended September 30, 2020

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## **FINANCIAL SECTION**

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System and the Firefighters' Pension Trust, which together represent 72%, 81% and 45% of the assets, net position/fund balance and additions/revenues, respectively of the aggregate remaining fund information.

The statements for the entities in the listing above were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the entities listed above, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 14 to the accompanying financial statements, the October 1, 2019 beginning net position of the governmental activities, business-type activities, aggregate discretely presented component units, electric fund, local sewer fund and regional sewer fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the accompanying financial statements, the October 1, 2019 beginning fund balance of the general fund and the CRA capital projects fund have been restated to correct errors. Our opinion is not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

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

***Other Information***

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

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

*RSM US LLP*

Fort Lauderdale, Florida  
September 7, 2021



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

**For the Fiscal Year Ended September 30, 2020**

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This section of the City's financial statements presents management's analysis of the City's financial performance during the fiscal year that ended on September 30, 2020. Please read it in conjunction with the financial statements, which follow this section.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and notes to the financial statements. This report also includes supplementary information that explains in more detail some of the information in the financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by \$176,761,520. Of this amount, \$21,925,414 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position at September 30, 2020 increased by \$4,377,768 as a result of this year's operations.
- At the end of the current fiscal year, the governmental funds reported combined fund balances of \$41,088,009 an increase of \$9,480,198 in comparison to the prior year. The increase is mainly attributed to non-ad valorem bonds issued during the fiscal year in the amount of approximately \$27 million. Of the total fund balances reported in governmental funds, \$11,879,169 was unassigned in the General Fund. This was an increase of \$7,026,793 from 2019.
- At September 30, 2020, the governmental activities had total loans outstanding balance of \$53,880,282, an increase of approximately \$14.0 million in comparison to the prior year. The increase is mainly due to new non-ad valorem bonds issued during the fiscal year.
- At September 30, 2020, the business-type activities had total loans outstanding of \$76,252,010 which consist of revenue bonds in the amount of \$44,945,423, note payable of \$18,705,463 and state revolving loans for \$12,601,124. The purpose of the revenue bonds was to refund previously issued outstanding revenue bonds, refund prior debt with the Florida Municipal Power Agency (FMPA) to fund improvements to the electrical distribution system, refinance certain utilities capital costs incurred in the past six years and to provide funding for the City's potable water system in the form of a Reverse Osmosis Water Treatment Plant. The note payable was obtained to fund the agreement that the City entered into with Siemens Industry, Inc. for the installation of certain energy savings infrastructure and equipment throughout the City. The state revolving loans were obtained to help fund the construction of the Reverse Osmosis Water Treatment Plant and to help fund the replacement of the 2" watermain lines throughout the City.

**Overview of the Financial Statements**

**Government-Wide Financial Statements**

The government-wide financial statements of the City provide a broad overview of the City's finances and report information about the City using accounting methods similar to those used by private sector companies.



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

**For the Fiscal Year Ended September 30, 2020**

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The Statement of Net Position includes all of the City's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to City creditors (liabilities). The assets, deferred outflows, liabilities, and deferred inflows are presented in a classified format, which distinguishes between current and long-term assets and liabilities. Net position, the difference between assets and deferred outflows; and liabilities and deferred inflows, provide the basis for computing rate of return, evaluating the capital structure of the City and assessing the liquidity and financial flexibility of the City. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities measures the success of the City's operations over the past year and can be used to determine whether the City has successfully recovered all of its costs through its services provided, as well as its profitability and credit worthiness. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, physical environment, transportation, culture and recreation. Business-type activities include water and electric utilities, local and regional sewer, stormwater utility, refuse collection and disposal systems.

**Fund Financial Statements**

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, a reconciliation is provided between the fund and government-wide statements in order to better understand the long-term impact of short-term financing decisions.

The City maintains individual governmental funds. Information is presented separately for the General Fund, the Beach Fund and the Neighborhood Road Program Fund, as these are considered to be major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for these other nonmajor funds is provided in the form of combining statements.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of providing water service, electric utility service, local and regional sewer service, stormwater utility, refuse collection and disposal. The City uses internal service funds to account for the financing of insurance, garage, information technology services and employee benefits provided to other funds of the City on a cost-reimbursement basis.

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

**For the Fiscal Year Ended September 30, 2020**

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Because these services primarily support business-type rather than governmental, they have been included within business-type activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide business-type statements, only in more detail. The water, electric and local and regional sewer funds are major funds and are presented separately. Data for the other enterprise funds are aggregated into a single presentation. Separate information is provided for each of the City's nonmajor enterprise funds in combining schedules.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs. The accounting for fiduciary funds is much like that of proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements.

Other information – In addition to the basic financial statements and notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The required supplementary information also contains a budgetary comparison schedule for the General Fund and Beach Fund to demonstrate budgetary compliance.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and fiduciary funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

Our analysis of the government-wide financial statements of the City begins on the next page. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City's activities in a way that will help answer this question. These two statements report the net position of the City and changes in them. You can think of the City's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, – as one way to measure the financial health or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

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

**For the Fiscal Year Ended September 30, 2020**

To begin our analysis, a summary of the City's government-wide statement of net position is presented in Table A-1.

**Table A-1**  
**Condensed Statement of Net Position (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 49,187	\$ 34,456	\$ 112,990	\$ 98,833	\$ 162,177	\$ 133,289
Capital assets	84,258	78,278	166,887	157,014	251,145	235,292
<b>Total assets</b>	<b>133,445</b>	<b>112,734</b>	<b>279,877</b>	<b>255,847</b>	<b>413,322</b>	<b>368,581</b>
Total deferred outflows of resources	9,379	8,548	4,899	5,083	14,278	13,631
<b>Total assets and deferred outflows</b>	<b>\$ 142,824</b>	<b>\$ 121,282</b>	<b>\$ 284,776</b>	<b>\$ 260,930</b>	<b>\$ 427,600</b>	<b>\$ 382,212</b>
<b>Liabilities:</b>						
Current liabilities	\$ 12,279	\$ 5,128	\$ 22,394	\$ 14,307	\$ 34,673	\$ 19,435
Noncurrent liabilities	107,108	92,517	107,983	94,651	215,091	187,168
<b>Total liabilities</b>	<b>119,387</b>	<b>97,645</b>	<b>130,377</b>	<b>108,958</b>	<b>249,764</b>	<b>206,603</b>
Deferred inflows of resources	448	2,026	627	1,153	1,075	3,179
<b>Total liabilities and deferred inflows</b>	<b>119,835</b>	<b>99,671</b>	<b>131,004</b>	<b>110,111</b>	<b>250,839</b>	<b>209,782</b>
<b>Net position:</b>						
Net investment in capital assets	38,366	55,218	95,049	95,692	133,415	150,910
Restricted	12,750	4,501	8,670	8,877	21,420	13,378
Unrestricted (deficit)	(28,127)	(38,108)	50,053	46,250	21,926	8,142
<b>Total net position</b>	<b>22,989</b>	<b>21,611</b>	<b>153,772</b>	<b>150,819</b>	<b>176,761</b>	<b>172,430</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 142,824</b>	<b>\$ 121,282</b>	<b>\$ 284,776</b>	<b>\$ 260,930</b>	<b>\$ 427,600</b>	<b>\$ 382,212</b>

As shown in Table A-1, net position amounted to approximately \$177 million in fiscal 2020. The major component of this category is "net investment in capital assets," which represents the City's investment in its capital assets, net of the amounts borrowed to purchase these assets. This category of net position decreased from approximately \$151 million in fiscal year 2019 to approximately \$133 million in fiscal year 2020, primarily due to the new debt issued of approximately \$27 million, which was used to replenish reserves previously used to acquire capital assets. This increased current and other assets from approximately \$133 million in 2019 to approximately \$162 million in 2020.

An additional portion of the City's net position, \$21.4 million represents resources that are subject to restrictions on how they may be used. The remaining balance of approximately \$21.9 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

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

**For the Fiscal Year Ended September 30, 2020**

**Table A-2**  
**Combined Statement of Activities (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>General Revenues:</b>						
Taxes	\$ 25,101	\$ 24,662	\$ -	\$ -	\$ 25,101	\$ 24,662
Intergovernmental – unrestricted	1,534	1,689	-	-	1,534	1,689
Investment earnings – unrestricted	485	1,076	506	1,380	991	2,456
Miscellaneous	220	209	411	1,058	631	1,267
Charges for services	16,392	9,834	96,154	95,412	112,546	105,246
Operating grants and contributions	48	45	-	-	48	45
Capital grants and contributions	982	1,030	1,196	907	2,178	1,937
<b>Total revenues</b>	<b>44,762</b>	<b>38,545</b>	<b>98,267</b>	<b>98,757</b>	<b>143,029</b>	<b>137,302</b>
<b>Expenses:</b>						
General government	4,403	6,231	-	-	4,403	6,231
Public safety	22,422	21,711	-	-	22,422	21,711
Physical environment	3,282	3,619	-	-	3,282	3,619
Transportation	5,373	5,652	-	-	5,373	5,652
Culture and recreation	6,491	6,653	-	-	6,491	6,653
Interest and fiscal charges	1,451	1,412	-	-	1,451	1,412
Electric utility	-	-	52,993	52,460	52,993	52,460
Water utility	-	-	15,805	12,713	15,805	12,713
Local sewer	-	-	10,048	8,886	10,048	8,886
Regional sewer	-	-	7,963	4,805	7,963	4,805
Stormwater utility	-	-	1,839	1,453	1,839	1,453
Refuse collection and disposal	-	-	6,580	5,150	6,580	5,150
<b>Total expenses</b>	<b>43,422</b>	<b>45,278</b>	<b>95,228</b>	<b>85,467</b>	<b>138,650</b>	<b>130,745</b>
<b>Increase (decrease) in net position before transfers</b>	<b>1,340</b>	<b>(6,733)</b>	<b>3,039</b>	<b>13,290</b>	<b>4,379</b>	<b>6,557</b>
<b>Transfers</b>	<b>352</b>	<b>10,335</b>	<b>(352)</b>	<b>(10,335)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>1,692</b>	<b>3,602</b>	<b>2,687</b>	<b>2,955</b>	<b>4,379</b>	<b>6,557</b>
<b>Net position, beginning</b>	<b>21,611</b>	<b>18,009</b>	<b>150,819</b>	<b>146,964</b>	<b>172,430</b>	<b>164,973</b>
<b>Restatement, Note 14</b>	<b>(314)</b>	<b>-</b>	<b>266</b>	<b>900</b>	<b>(48)</b>	<b>900</b>
<b>Net position, ending</b>	<b>\$ 22,989</b>	<b>\$ 21,611</b>	<b>\$ 153,772</b>	<b>\$ 150,819</b>	<b>\$ 176,761</b>	<b>\$ 172,430</b>

**Governmental Activities:**

Total revenues increased by approximately \$6.2 primarily due to charges for services from enterprise funds that were previously classified as transfers in during previous fiscal years. Total expenses decreased by approximately \$2 million during the same period due to a reduction in general government expenses.

**Business-Type Activities:**

For the City's business-type activities, the results for the current fiscal year increased overall net position by approximately \$2.6 million to reach approximately \$153.8 million. Revenues decreased by approximately \$490 thousand primarily due to decreased investment earnings and miscellaneous income. Total expenses increased by approximately \$9.7 million during the same period primarily due to contributions towards governmental activities previously classified as transfers in previous fiscal years.

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

**For the Fiscal Year Ended September 30, 2020**

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**Financial Analysis of the City's Funds**

***Governmental Funds***

At September 30, 2020, the City's governmental funds reported combined fund balances of approximately \$41.1 million, an increase of approximately \$9.5 million in comparison to the prior year. Approximately 29% or \$12.0 million is restricted. The remainder of the fund balance is either non-spendable, committed, assigned or unassigned.

**General Fund** – The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$11.9 million compared to approximately \$4.6 million in 2019. The unassigned fund balance represents approximately 99.7% of the overall fund balance at September 30, 2020. The General Fund recognized approximately \$35.7 million of revenue during the year, offset by approximately \$36.8 million of expenditures. Property taxes increased to approximately \$10.6 million from approximately \$9.7 million in the prior year, which along with utility taxes, charges for services and intergovernmental revenues, are the largest sources of revenue. Public safety expenditures increased by approximately \$1.2 million to approximately \$21.9 million, still representing the largest portion (59.5%) of expenditures. Both the Police and Fire Rescue services are contracted out to the Palm Beach County Sheriff's Office and the Palm Beach Fire Rescue District, respectively. These expenditures are driven by the interlocal agreements with each governmental entity and associated pension costs for former police and fire employees.

**Beach Fund** – The Beach Fund is being used to account for all of the costs involved in operating the City's casino building and all the activities of the beach. In 2011 the fund took an advance in the amount of \$6 million, with \$4 million coming from the Water Fund and \$2 million coming from the Self Insurance Fund. The City determined it was more beneficial to utilize internal financing due to the interest rate earned on the City's investments compared to external financing. During fiscal year 2020, the advance was fully paid from non-ad valorem bond proceeds in the amount of approximately \$6.8 million. Overall revenue and expenditures with the exception of other financing sources in the Beach Fund were consistent with prior year.

**Neighborhood Road Improvement Fund** – The Neighborhood Road Improvement Fund is used to account for all of the cost involved in operating the Neighborhood Road program. The program is the City's largest capital improvement project to date and will dramatically improve transportation throughout the City's residential areas. It is being funded through a general obligation bond not to exceed \$40 million. In 2018, the City issued General Obligation Bond Series 2018 in the amount of \$17,295,000. This was the second and final tranche of the \$40 million bond authorization. The program spent \$7.9 million in fiscal year 2020.

***Proprietary Funds***

Operating revenues in the enterprise funds increased by approximately \$0.7 million. Operating revenue from electric operations decreased by approximately \$1.6 million. The local sewer increased by approximately \$1 million. Water operations increased by approximately \$0.4 million. Operating expenses in the enterprise funds increased by approximately \$9.5 million due to contributions to governmental funds that were classified as transfers out in previous fiscal years.

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

**For the Fiscal Year Ended September 30, 2020**

**General Fund Budgetary Highlights**

The General Fund's budgeted revenues and expenditures remained the same from the original budget. The actual revenues were approximately \$1.5 million lower than the budget. The City's final actual expenditures through cost saving measures were approximately \$0.6 million less than budget.

The most significant difference between budgeted revenues and actual revenues was noted in state shared revenues and charges for services as both sources came in lower than anticipated.

**Capital Assets and Debt Administration**

**Capital Assets**

As of September 30, 2020, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$251.0 million invested in a variety of capital assets, which represents a net increase (additions, deductions and depreciation) of approximately \$16 million or 6.8%. Construction-in-progress decreased approximately \$4.6 million to a total of approximately \$26.1 million. The increase in capital assets is mainly attributable to various infrastructure projects throughout the City. Additional information on the City's capital assets can be found in Note 6.

**Table A-3**  
**Capital assets (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	8.8	8.4	2.6	2.6	11.4	11.0
Construction in progress	0.2	10.7	25.9	20.0	26.1	30.7
Land improvements	7.0	7.0	0.5	0.5	7.5	7.5
Buildings and structures	52.4	32.7	99.2	99.2	151.6	131.9
Infrastructure	89.7	89.7	172.3	162.1	262.0	251.8
Machinery and equipment	4.7	4.4	33.9	33.5	38.6	37.9
Vehicles	1.4	1.4	13.6	12.8	15.0	14.2
<b>Total capital assets</b>	<b>164.2</b>	<b>154.3</b>	<b>348.0</b>	<b>330.7</b>	<b>512.2</b>	<b>485.0</b>
Accumulated depreciation	(80.0)	(76.1)	(181.0)	(173.7)	(261.0)	(249.8)
<b>Net capital assets</b>	<b>84.2</b>	<b>78.2</b>	<b>167.0</b>	<b>157.0</b>	<b>251.2</b>	<b>235.2</b>

**Debt Administration**

As of September 30, 2020, the City had debt outstanding of approximately \$130.3 million. Of this amount, approximately \$53 million and 44.9 million are secured by specific governmental fund and enterprise fund revenue sources, respectively.

**Table A-4**  
**Long-Term Debt (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	53.0	38.9	44.9	36.0	97.9	74.9
Notes payable	1.0	0.9	31.3	30.5	32.3	31.4
<b>Total</b>	<b>54.0</b>	<b>39.8</b>	<b>76.3</b>	<b>66.5</b>	<b>130.3</b>	<b>106.3</b>

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

**For the Fiscal Year Ended September 30, 2020**

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The City's long-term debt increased by approximately \$24 million or 23% due to the net effect of increased borrowings mainly from the new bond issuance of approximately \$27 million and the scheduled principal payments. Other obligations include compensated absences such as unused vacation and sick leave, deposits payable, pension liability and outstanding/estimated insurance claims. Additional information on the City's current long-term debt and liabilities can be found in Note 8.

**Economic Factors and Next Year's Budget and Rates**

The City considered the following economic factors in developing its 2020-2021 fiscal year budget:

- The State of Florida, by constitution, does not have a state personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property taxes supplemented by a limited array of other permitted taxes (sales, gasoline and utilities) and fees (franchise and occupational license) for their governmental activities. During the past year these revenues increased and for fiscal year 2020, they are estimated to continue this trend.
- The General Fund budget for 2021 of approximately \$38.3 million is approximately \$1.1 million more than the fiscal year 2020 budget. The adopted budget reflected a level service budget with excess revenues strengthening fund balance and working capital.
- The fiscal year 2021 budget maintains and improves service levels wherever possible, with the restraint of gradual increases in revenues. The City of Lake Worth Beach, Florida continues to look for efficiencies and improved productivity in the reorganization of its departments and infrastructure planning of capital assets.

**Currently Known Facts and Decisions**

In fiscal year 2020, the City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. The City's Comprehensive Plan has been updated. Significant infrastructure investments in the Lake Worth Park of Commerce are underway and the Neighborhood Road Improvement program is ahead of schedule. Additionally, the Water Utilities Department has embarked upon major upgrades throughout the City in the replacement of pipes and fire hydrants. As the City invests in itself, developers and residents are investing, too.

On March 1, 2020, the Governor of the State of Florida declared a Public Health Emergency as a result of the Novel Coronavirus Disease 2019 (COVID-19), and signed an Executive Order declaring State of Emergency on March 9, 2020. Throughout March 2020, the City and Palm Beach County issued orders designed to protect the health and well-being of the community, to create social distancing, and to minimize contact in an effort to limit community spread of COVID-19.

The COVID-19 coronavirus outbreak has resulted in disruption of the City operations. Global and local economies are experiencing significant declines. The impact of COVID-19 to the City's operational and financial performance is unknown at this time.



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

**For the Fiscal Year Ended September 30, 2020**

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**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lake Worth Beach, Finance Department, 7 North Dixie Highway, Lake Worth, FL 33460.

## City of Lake Worth Beach, Florida

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City of Lake Worth Beach, Florida

Statement of Net Position  
September 30, 2020

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
Assets				
Cash and cash equivalents	\$ 14,107,840	\$ 14,361,423	\$ 28,469,263	\$ 1,897,813
Investments	35,639,114	31,269,347	66,908,461	1,180,011
Accounts receivable, net	2,093,445	13,642,632	15,736,077	1,170
Accrued interest receivable	28,162	50,589	78,751	-
Due from other governments	-	1,492,552	1,492,552	-
Internal balances	(2,969,139)	2,969,139	-	-
Inventories	8,383	5,525,648	5,534,031	-
Land held for resale	237,861	-	237,861	9,633,626
Prepaid items	40,838	59,666	100,504	11,400
Restricted assets:				
Cash and cash equivalents	-	3,658,077	3,658,077	-
Investments	-	10,463,733	10,463,733	-
Deposits	-	1,316,174	1,316,174	-
Investment in joint venture	-	28,180,539	28,180,539	-
Capital assets:				
Nondepreciable	8,963,686	28,512,714	37,476,400	2,649,102
Depreciable, net	75,294,432	138,374,672	213,669,104	5,770,816
<b>Total assets</b>	<b>133,444,622</b>	<b>279,876,905</b>	<b>413,321,527</b>	<b>21,143,938</b>
Deferred outflows of resources:				
Deferred outflows relating to pensions	9,149,019	3,962,182	13,111,201	-
Deferred outflows relating to OPEB	230,383	218,969	449,352	-
Deferred charge on refunding	-	718,325	718,325	-
<b>Total deferred outflows of resources</b>	<b>9,379,402</b>	<b>4,899,476</b>	<b>14,278,878</b>	<b>-</b>
Liabilities				
Accounts and contracts payable	\$ 3,159,420	\$ 5,732,557	\$ 8,891,977	\$ 78,119
Accrued liabilities	7,093,065	9,545,671	16,638,736	20,832
Accrued interest payable	357,139	495,678	852,817	-
Due to primary government	-	-	-	255
Unearned revenue	815,149	-	815,149	-
Liabilities payable from restricted assets	-	1,030,057	1,030,057	-
Due within one year:				
Notes payable	54,598	1,803,869	1,858,467	831,625
Bonds payable	765,000	3,730,000	4,495,000	-
Compensated absences	34,894	56,573	91,467	-
Due in more than a year:				
Notes payable	789,266	29,502,718	30,291,984	3,202,628
Bonds payable	52,271,418	41,215,423	93,486,841	-
Compensated absences	835,281	642,331	1,477,612	-
Insurance claims payable	-	3,349,943	3,349,943	-
Total OPEB liability	1,103,314	1,048,654	2,151,968	-
Deposits payable	-	6,876,848	6,876,848	-
Net pension liability	52,108,262	25,347,319	77,455,581	-
<b>Total liabilities</b>	<b>119,386,806</b>	<b>130,377,641</b>	<b>249,764,447</b>	<b>4,133,459</b>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position (Continued)  
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Deferred inflows of resources:				
Deferred inflows relating to pensions	447,600	626,838	1,074,438	-
Net position:				
Net investment in capital assets	38,366,100	95,049,432	133,415,532	4,385,665
Restricted for:				
Debt service	-	5,533,869	5,533,869	-
Working capital	-	1,316,174	1,316,174	-
Renewal and replacement	-	1,820,248	1,820,248	-
Grants	146,415	-	146,415	-
Capital projects	6,986,897	-	6,986,897	-
Public safety	4,596,437	-	4,596,437	-
Community redevelopment	-	-	-	12,613,414
Parking improvements	69,338	-	69,338	-
Public safety	492,506	-	492,506	-
Tree preservation	19,606	-	19,606	-
Energy conservation	220,811	-	220,811	-
Culture and recreation	218,273	-	218,273	-
Unrestricted (deficit)	(28,126,765)	50,052,179	21,925,414	11,400
<b>Total net position</b>	<b>22,989,618</b>	<b>153,771,902</b>	<b>176,761,520</b>	<b>17,010,479</b>

City of Lake Worth Beach, Florida

Statement of Activities

For the Fiscal Year Ended September 30, 2020

Program Revenues					Net (Expense) Revenue and Changes in Net Position			
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
				Governmental Activities	Business-Type Activities	Total		
Primary government:								
Governmental activities:								
General government	\$ 4,402,551	\$ 10,709,621	\$ -	\$ 626,271	\$ 6,933,341	\$ -	\$ 6,933,341	\$ -
Public safety	22,422,289	1,545,925	4,008	65,362	(20,806,994)	-	(20,806,994)	-
Physical environment	3,282,429	25,150	-	-	(3,257,279)	-	(3,257,279)	-
Transportation	5,372,627	1,837,134	-	-	(3,535,493)	-	(3,535,493)	-
Culture and recreation	6,491,360	2,274,234	44,198	290,548	(3,882,380)	-	(3,882,380)	-
Interest and fiscal charges	1,450,715	-	-	-	(1,450,715)	-	(1,450,715)	-
Total governmental activities	43,421,971	16,392,064	48,206	982,181	(25,999,520)	-	(25,999,520)	-
Business-type activities:								
Electric	52,993,465	53,508,982	-	-	-	515,517	515,517	-
Water	15,805,291	14,691,895	-	586,278	-	(527,118)	(527,118)	-
Local sewer	10,047,624	8,827,767	-	311,477	-	(908,380)	(908,380)	-
Regional sewer	7,963,192	10,607,742	-	298,523	-	2,943,073	2,943,073	-
Stormwater utility	1,838,722	1,930,639	-	-	-	91,917	91,917	-
Refuse collection and disposal	6,579,918	6,586,508	-	-	-	6,590	6,590	-
Total business-type activities	95,228,212	96,153,533	-	1,196,278	-	2,121,599	2,121,599	-
Total primary government	\$ 138,650,183	\$ 112,545,597	\$ 48,206	\$ 2,178,459	(25,999,520)	2,121,599	(23,877,921)	-
Component unit:								
Lake Worth CRA	\$ 4,157,647	\$ -	\$ -	\$ 16,780				(4,140,867)
General revenue:								
Taxes:								
Property and other taxes					13,044,494	-	13,044,494	3,365,636
Franchise fees based on gross receipts					138,871	-	138,871	-
Utility services taxes					5,473,291	-	5,473,291	-
Gas taxes					860,137	-	860,137	-
State and other shared revenues					5,584,568	-	5,584,568	-
Intergovernmental – unrestricted					1,534,497	-	1,534,497	-
Investment income – unrestricted					485,389	505,611	991,000	17,494
Miscellaneous					218,393	410,438	628,831	41,420
Transfers					352,000	(352,000)	-	-
Total general revenues and transfers					27,691,640	564,049	28,255,689	3,424,550
Change in net position					1,692,120	2,685,648	4,377,768	(716,317)
Net Position beginning of year, as restated (Note 14)					21,297,498	151,086,254	172,383,752	17,726,796
Net Position end of year					\$ 22,989,618	\$ 153,771,902	\$ 176,761,520	\$ 17,010,479

City of Lake Worth Beach, Florida

**Balance Sheet – Governmental Funds**  
**September 30, 2020**

	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 6,421,617	\$ 2,157,017	\$ -	\$ 5,529,206	\$ 14,107,840
Investments	3,252,793	1,711,216	17,165,509	13,509,596	35,639,114
Accounts receivable, net	1,230,357	219,361	-	643,727	2,093,445
Accrued interest receivable	4,975	2,617	-	20,570	28,162
Inventories	-	-	-	8,383	8,383
Land held for resale	-	-	-	237,861	237,861
Prepaid items	27,558	-	-	13,280	40,838
Due from other funds	9,173,560	-	-	-	9,173,560
<b>Total assets</b>	<b>\$ 20,110,860</b>	<b>\$ 4,090,211</b>	<b>\$ 17,165,509</b>	<b>\$ 19,962,623</b>	<b>\$ 61,329,203</b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 519,736	\$ 80,619	\$ 1,846,792	\$ 712,273	\$ 3,159,420
Accrued liabilities	6,891,252	147,453	-	54,360	7,093,065
Due to other funds	13,790	154,156	8,837,467	168,147	9,173,560
Unearned revenue	770,088	-	-	45,061	815,149
<b>Total liabilities</b>	<b>8,194,866</b>	<b>382,228</b>	<b>10,684,259</b>	<b>979,841</b>	<b>20,241,194</b>
Fund balances:					
Nonspendable:					
Prepaid items	27,558	-	-	13,280	40,838
Inventories	-	-	-	8,383	8,383
Land held for resale	-	-	-	237,861	237,861
Restricted for:					
Public safety	-	-	-	4,596,437	4,596,437
Grants	-	-	-	146,415	146,415
Capital projects	-	-	6,241,249	6,986,897	13,228,146
Parking improvements	-	-	-	69,338	69,338
Public safety	-	-	-	492,506	492,506
Tree preservation	-	-	-	19,606	19,606
Energy conservation	-	-	-	220,811	220,811
Culture and recreation	-	-	-	218,273	218,273
Assigned to:					
Capital projects	-	3,707,983	240,001	5,989,408	9,937,392
Housing initiative	9,267	-	-	-	9,267
Unassigned (deficit)	11,879,169	-	-	(16,433)	11,862,736
<b>Total fund balances</b>	<b>11,915,994</b>	<b>3,707,983</b>	<b>6,481,250</b>	<b>18,982,782</b>	<b>41,088,009</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,110,860</b>	<b>\$ 4,090,211</b>	<b>\$ 17,165,509</b>	<b>\$ 19,962,623</b>	<b>\$ 61,329,203</b>

See notes to financial statements.

**City of Lake Worth Beach, Florida**

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

Total fund balance – governmental funds		\$	41,088,009
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the fund.			84,258,118
Accrued interest payable not reported in the governmental funds.			(357,139)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the government funds. These liabilities are comprised of the following:			
Revenue bonds payable, net of premium	\$	(53,036,418)	
Notes payable		(843,864)	
Net pension liability		(52,108,262)	
Total OPEB liability		(1,103,314)	
Compensated absences		(870,175)	(107,962,033)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.			
Deferred outflows relating to pensions		9,149,019	
Deferred inflows relating to pensions		(447,600)	
Deferred outflows relating to OPEB		230,383	
Deferred inflows relating to OPEB		-	8,931,802
Internal service funds are used by management to charge the costs risk management, IT services, City garage operations and employee benefits to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in business-type activities in the statement of net position.		4,587,024	
Less due to business-type activities for "Look Back" allocation		(7,556,163)	(2,969,139)
<b>Net position of governmental activities</b>			<b>\$ 22,989,618</b>

See notes to financial statements.



City of Lake Worth Beach, Florida

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

	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 10,622,379	\$ -	\$ -	\$ 2,140,741	\$ 12,763,120
Utility and other taxes	5,170,049	-	-	475,662	5,645,711
Licenses and permits	1,074,422	-	-	1,323,854	2,398,276
Fines and forfeitures	961,885	369,708	-	-	1,331,593
Charges for services	12,919,347	3,081,738	-	1,304,995	17,306,080
Intergovernmental	4,761,827	-	-	3,633,892	8,395,719
Investment income	59,821	26,524	199,138	200,166	485,649
Rents and royalties	19,445	-	-	-	19,445
Miscellaneous	70,573	7,697	-	250,882	329,152
<b>Total revenues</b>	<b>35,659,748</b>	<b>3,485,667</b>	<b>199,138</b>	<b>9,330,192</b>	<b>48,674,745</b>
<b>Expenditures:</b>					
Current:					
General government	8,334,094	-	-	78,181	8,412,275
Public safety	21,904,290	-	-	1,219,095	23,123,385
Physical environment	2,285,176	-	-	-	2,285,176
Transportation	1,948,700	686,913	-	134,880	2,770,493
Culture and recreation	2,241,349	2,496,636	-	1,188,554	5,926,539
Capital outlay	8,945	151,900	7,933,455	1,602,251	9,696,551
Debt service:					
Principal	50,664	-	-	730,000	780,664
Interest	26,627	-	-	1,424,088	1,450,715
<b>Total expenditures</b>	<b>36,799,845</b>	<b>3,335,449</b>	<b>7,933,455</b>	<b>6,377,049</b>	<b>54,445,798</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,140,097)</b>	<b>150,218</b>	<b>(7,734,317)</b>	<b>2,953,143</b>	<b>(5,771,053)</b>
<b>Other financing sources (uses):</b>					
Proceeds from debt issuance	7,575,246	6,341,121	-	75,000	13,991,367
Proceeds from bond premiums	494,198	413,686	-	-	907,884
Transfers in	420,593	-	-	15,000	435,593
Transfers out	(15,000)	-	-	(68,593)	(83,593)
<b>Total other financing sources (uses)</b>	<b>8,475,037</b>	<b>6,754,807</b>	<b>-</b>	<b>21,407</b>	<b>15,251,251</b>
<b>Net change in fund balances (deficits)</b>	<b>7,334,940</b>	<b>6,905,025</b>	<b>(7,734,317)</b>	<b>2,974,550</b>	<b>9,480,198</b>
Fund balances (deficit) – beginning of year, as restated (Note 14)	4,581,054	(3,197,042)	14,215,567	16,008,232	31,607,811
Fund balances, end of year	\$ 11,915,994	\$ 3,707,983	\$ 6,481,250	\$ 18,982,782	\$ 41,088,009

See notes to financial statements.

**City of Lake Worth Beach, Florida**

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

Net change in fund balances, total governmental funds		\$	9,480,198
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:			
Capital outlay	\$	9,851,892	
Depreciation expense		(3,871,794)	5,980,098
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:			
Change in accrued interest payable		-	
Principal payment on notes payable		50,664	
Principal payment revenue bonds		730,000	
Amortization of bond premium		33,894	
Change in compensated absences		(215,427)	
Change in net OPEB liability		(24,382)	
Change in net pension liability		(261,978)	312,771
Issuance of debt			
Bonds payable		(13,991,367)	
Bond premium		(907,884)	(14,899,251)
Certain changes in the statement activities related to pension assets and liabilities are not reported in the net change in the governmental funds:			
Change in deferred outflows relating to pensions		782,246	
Change in deferred inflows relating to pensions		1,567,658	
Change in deferred outflows relating to OPEB		49,029	
Change in deferred inflows relating to OPEB		10,823	2,409,756
Internal service funds are used by management to change the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities:			
Internal service fund change in net position		(4,050,902)	
Current year "Look Back" allocation to Enterprise Funds		2,459,450	(1,591,452)
<b>Change in net position of governmental activities</b>		<b>\$</b>	<b>1,692,120</b>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds  
September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major			Nonmajor		Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 179,615	\$ 2,496,376	\$ 1,752,479	\$ 776,751	\$ 4,344,648	\$ 9,549,869	\$ 4,811,554
Investments	224,174	8,630,027	1,608,245	813,570	10,704,877	21,980,893	9,288,454
Accounts receivable, net	8,736,096	1,646,697	1,370,134	1,478,298	401,809	13,633,034	9,598
Accrued interest receivable	741	13,599	2,460	3,225	16,366	36,391	14,198
Due from other government	-	-	-	-	-	-	1,492,552
Inventories	5,219,240	203,108	-	-	-	5,422,348	103,300
Prepaid items	59,666	-	-	-	-	59,666	-
<b>Total current assets</b>	<b>\$ 14,419,532</b>	<b>\$ 12,989,807</b>	<b>\$ 4,733,318</b>	<b>\$ 3,071,844</b>	<b>\$ 15,467,700</b>	<b>\$ 50,682,201</b>	<b>\$ 15,719,656</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	\$ -	\$ 1,291,153	\$ -	\$ 516,924	\$ -	\$ 1,808,077	\$ 1,850,000
Investments	8,905,681	261,723	-	1,296,329	-	10,463,733	-
Deposits	1,316,174	-	-	-	-	1,316,174	-
Investment in joint venture	-	-	-	28,180,539	-	28,180,539	-
Capital assets:							
Land	1,527,194	307,148	5,750	-	732,046	2,572,138	-
Construction in progress	13,520,305	9,639,362	631,913	555,717	1,593,279	25,940,576	-
Land improvements	216,163	-	6,570	4,602	241,637	468,972	-
Buildings and structures	40,597,626	52,448,604	5,829,936	20,325	296,994	99,193,485	-
Infrastructure	51,070,320	58,948,067	30,432,627	25,769,273	6,114,168	172,334,455	-
Machinery and equipment	25,371,873	4,830,695	906,995	293,898	526,240	31,929,701	1,917,468
Vehicles	2,886,665	477,531	1,558,983	77,418	4,781,225	9,781,822	3,892,515
Accumulated depreciation	(85,627,439)	(40,091,261)	(24,972,065)	(19,736,047)	(6,123,892)	(176,550,704)	(4,593,042)
<b>Total noncurrent assets</b>	<b>59,784,562</b>	<b>88,113,022</b>	<b>14,400,709</b>	<b>36,978,978</b>	<b>8,161,697</b>	<b>207,438,968</b>	<b>3,066,941</b>
<b>Total assets</b>	<b>74,204,094</b>	<b>101,102,829</b>	<b>19,134,027</b>	<b>40,050,822</b>	<b>23,629,397</b>	<b>258,121,169</b>	<b>18,786,597</b>

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)  
September 30, 2020

	Business-Type Activities – Enterprise Funds						Internal Service Funds
	Major				Nonmajor	Total	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Deferred outflows of resources:							
Deferred outflows relating to pensions	2,219,125	692,201	335,251	69,934	645,671	3,962,182	-
Deferred outflows relating to OPEB	115,169	42,194	13,705	1,124	46,777	218,969	-
Deferred charge on refunding	360,621	357,704	-	-	-	718,325	-
<b>Total deferred outflows of resources</b>	<b>2,694,915</b>	<b>1,092,099</b>	<b>348,956</b>	<b>71,058</b>	<b>692,448</b>	<b>4,899,476</b>	<b>-</b>
<b>Liabilities:</b>							
<b>Current liabilities:</b>							
Accounts and contracts payable	\$ 3,165,449	\$ 780,125	\$ 314,960	\$ 869,004	\$ 244,838	\$ 5,374,376	\$ 358,181
Accrued liabilities	701,146	152,457	36,522	5,209	60,805	956,139	8,589,532
Accrued interest payable	217,146	278,532	-	-	-	495,678	-
Compensated absences	24,671	5,696	6,708	-	15,138	52,213	4,360
Notes payable	801,461	1,002,408	-	-	-	1,803,869	-
Revenue bonds payable	1,865,000	1,865,000	-	-	-	3,730,000	-
Payable from restricted assets:							
Accounts and contracts payable	587,255	437,233	-	5,569	-	1,030,057	-
<b>Total current liabilities</b>	<b>7,362,128</b>	<b>4,521,451</b>	<b>358,190</b>	<b>879,782</b>	<b>320,781</b>	<b>13,442,332</b>	<b>8,952,073</b>
<b>Noncurrent liabilities:</b>							
Insurance claims payable	-	-	-	-	-	-	3,349,943
Compensated absences	377,141	100,569	46,729	-	70,335	594,774	47,557
OPEB liability	551,551	202,068	65,634	5,381	224,020	1,048,654	-
Notes payable	11,585,793	17,916,925	-	-	-	29,502,718	-
Revenue bonds payable	15,347,121	17,798,491	1,762,665	-	4,457,146	39,365,423	1,850,000
Net pension liability	14,662,367	3,993,877	1,846,507	494,679	4,349,889	25,347,319	-
Payable from restricted assets:							
Deposits payable	5,585,695	1,291,153	-	-	-	6,876,848	-
<b>Total noncurrent liabilities</b>	<b>48,109,668</b>	<b>41,303,083</b>	<b>3,721,535</b>	<b>500,060</b>	<b>9,101,390</b>	<b>102,735,736</b>	<b>5,247,500</b>
<b>Total liabilities</b>	<b>55,471,796</b>	<b>45,824,534</b>	<b>4,079,725</b>	<b>1,379,842</b>	<b>9,422,171</b>	<b>116,178,068</b>	<b>14,199,573</b>

(Continued)

City of Lake Worth Beach, Florida

Statement of Net Position – Proprietary Funds (Continued)

September 30, 2020

	Business-Type Activities – Enterprise Funds					Total Enterprise Funds	Internal Service Funds
	Major			Nonmajor			
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Deferred inflows of resources:							
Deferred inflows relating to pensions	427,391	53,689	29,923	15,562	100,273	626,838	-
Deferred inflows relating to OPEB	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	427,391	53,689	29,923	15,562	100,273	626,838	-
Net position:							
Net investment in capital assets	22,794,488	47,897,791	12,638,044	6,797,617	3,704,551	93,832,491	1,216,941
Restricted for:							
Debt service	2,666,461	2,867,408	-	-	-	5,533,869	-
Working capital	1,316,174	-	-	-	-	1,316,174	-
Renewal and replacement	262,196	261,723	-	1,296,329	-	1,820,248	-
Unrestricted (deficit)	(6,039,497)	5,289,783	2,735,291	30,632,530	11,094,850	43,712,957	3,370,083
<b>Total net position</b>	20,999,822	56,316,705	15,373,335	38,726,476	14,799,401	146,215,739	4,587,024

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

<b>Total net position</b>	\$ 146,215,739
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	<u>7,556,163</u>
<b>Net position – business-type activities</b>	<u><u>\$ 153,771,902</u></u>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Operating revenues:							
Charges for services	\$ 53,508,982	\$ 14,691,895	\$ 8,827,767	\$ 10,607,742	\$ 8,517,147	\$ 96,153,533	\$ 14,017,984
<b>Total operating revenues</b>	<b>53,508,982</b>	<b>14,691,895</b>	<b>8,827,767</b>	<b>10,607,742</b>	<b>8,517,147</b>	<b>96,153,533</b>	<b>14,017,984</b>
Operating expenses:							
Cost of services	41,856,988	8,017,201	7,509,289	6,412,990	6,098,961	69,895,429	19,188,073
General and administrative	8,065,589	2,730,888	1,508,650	1,040,839	1,127,487	14,473,453	-
Depreciation	1,899,628	3,143,666	789,371	421,560	723,096	6,977,321	709,371
<b>Total operating expenses</b>	<b>51,822,205</b>	<b>13,891,755</b>	<b>9,807,310</b>	<b>7,875,389</b>	<b>7,949,544</b>	<b>91,346,203</b>	<b>19,897,444</b>
<b>Operating income (loss)</b>	<b>1,686,777</b>	<b>800,140</b>	<b>(979,543)</b>	<b>2,732,353</b>	<b>567,603</b>	<b>4,807,330</b>	<b>(5,879,460)</b>
Non-operating revenues (expenses):							
Investment income	211,709	102,870	556	28,671	161,805	505,611	134,309
Intergovernmental	-	-	-	-	-	-	1,492,553
Interest and fiscal charges	(872,695)	(849,864)	-	-	-	(1,722,559)	-
Other	341,002	12,918	15,180	-	41,338	410,438	325,153
<b>Total non-operating revenues (expenses)</b>	<b>(319,984)</b>	<b>(734,076)</b>	<b>15,736</b>	<b>28,671</b>	<b>203,143</b>	<b>(806,510)</b>	<b>1,952,015</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>1,366,793</b>	<b>66,064</b>	<b>(963,807)</b>	<b>2,761,024</b>	<b>770,746</b>	<b>4,000,820</b>	<b>(3,927,445)</b>
Capital contributions	-	586,278	311,477	298,523	-	1,196,278	176,543
Transfers out	-	-	-	-	(52,000)	(52,000)	(300,000)
<b>Change in net position</b>	<b>1,366,793</b>	<b>652,342</b>	<b>(652,330)</b>	<b>3,059,547</b>	<b>718,746</b>	<b>5,145,098</b>	<b>(4,050,902)</b>
Net position – beginning of year, as restated	19,633,029	55,664,363	16,025,665	35,666,929	14,080,655	141,070,641	8,637,926
Net position – end of year	\$ 20,999,822	\$ 56,316,705	\$ 15,373,335	\$ 38,726,476	\$ 14,799,401	\$ 146,215,739	\$ 4,587,024

Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities:

Change in net position – proprietary funds financial statements	\$ 5,145,098
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	(2,459,450)
Change in net position – business-type activities	<u>\$ 2,685,648</u>

See notes to financial statements.

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds		
Cash flows from operating activities:							
Receipts from customers	\$ 55,023,204	\$ 14,935,041	\$ 8,821,952	\$ 9,881,322	\$ 8,517,733	\$ 97,179,252	\$ -
Receipts from interfund service charges	-	-	-	-	-	-	14,017,984
Payments to suppliers	(36,888,824)	(3,866,949)	(5,863,620)	(6,882,895)	(3,286,996)	(56,789,284)	(10,285,972)
Payments to employees	(7,483,095)	(2,791,355)	(1,177,453)	(186,910)	(2,051,360)	(13,690,173)	(1,224,940)
Payments for interfund services provided	(6,351,353)	(3,063,988)	(1,565,473)	(483,634)	(1,604,709)	(13,069,157)	-
<b>Net cash provided by operating activities</b>	<b>4,299,932</b>	<b>5,212,749</b>	<b>215,406</b>	<b>2,327,883</b>	<b>1,574,668</b>	<b>13,630,638</b>	<b>2,507,072</b>
Cash flows from non-capital financing activities:							
Payments received from other funds	-	2,973,000	-	-	-	2,973,000	1,489,000
Payments made to other funds	-	-	-	-	-	-	-
Other receipts	341,002	12,918	15,180	-	41,338	410,438	325,154
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(52,000)	(52,000)	(300,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>341,002</b>	<b>2,985,918</b>	<b>15,180</b>	<b>-</b>	<b>(10,662)</b>	<b>3,331,438</b>	<b>1,514,154</b>
Cash flows from capital and related financing activities:							
Acquisitions and construction of capital assets, net	(6,540,744)	(7,932,494)	(697,831)	(199,419)	(2,012,302)	(17,382,790)	(177,641)
Proceeds from issuance of debt	1,007,121	5,957,507	1,762,665	-	4,457,146	13,184,439	1,850,000
Proceeds of capital grants, cash transactions	-	586,278	311,477	298,523	-	1,196,278	176,543
Principal paid on revenue bonds and notes	(2,556,211)	(2,732,209)	-	-	-	(5,288,420)	-
Interest and other fiscal charges	(849,427)	(826,979)	-	-	-	(1,676,406)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(8,939,261)</b>	<b>(4,947,897)</b>	<b>1,376,311</b>	<b>99,104</b>	<b>2,444,844</b>	<b>(9,966,899)</b>	<b>1,848,902</b>
Cash flows from investing activities:							
Purchase of investments	-	(200,000)	(100,000)	(75,000)	(140,000)	(515,000)	(130,000)
Sale of investments	300,000	-	-	-	-	300,000	-
Investment in joint venture	-	-	-	(1,574,343)	-	(1,574,343)	-
Interest and gains or losses on investments	478,213	222,586	104,512	78,889	179,412	1,063,612	154,997
<b>Net cash provided by (used in) investing activities</b>	<b>778,213</b>	<b>22,586</b>	<b>4,512</b>	<b>(1,570,454)</b>	<b>39,412</b>	<b>(725,731)</b>	<b>24,997</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,520,114)</b>	<b>3,273,356</b>	<b>1,611,409</b>	<b>856,533</b>	<b>4,048,262</b>	<b>6,269,446</b>	<b>5,895,125</b>
Cash and cash equivalents, beginning	3,699,729	514,173	141,070	437,142	296,386	5,088,500	766,429
Cash and cash equivalents, ending	\$ 179,615	\$ 3,787,529	\$ 1,752,479	\$ 1,293,675	\$ 4,344,648	\$ 11,357,946	\$ 6,661,554

(Continued)

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds (Continued)  
For the Fiscal Year Ended September 30, 2020

	Business-Type Activities – Enterprise Funds						
	Major				Nonmajor	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,686,777	\$ 800,140	\$ (979,543)	\$ 2,732,353	\$ 567,603	\$ 4,807,330	\$ (5,879,460)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,899,628	3,143,666	789,371	421,560	723,096	6,977,321	709,371
Provision for uncollectible accounts	360,354	93,968	66,578	-	3,231	524,131	-
Decrease (increase) in assets and deferred outflows:							
Accounts receivable	557,156	30,319	(138,971)	(726,420)	(5,876)	(283,792)	-
Due from other governments	-	-	-	-	-	-	-
Prepaid items	(1,120,180)	15,346	-	-	-	(1,104,834)	18,979
Inventories	-	-	-	-	-	-	269
Deferred outflows relating to pensions	67,571	29,630	11,589	2,157	24,669	135,616	-
Deferred outflows relating to OPEB	(24,509)	(8,979)	(2,917)	(239)	(9,955)	(46,599)	-
Increase (decrease) in liabilities and deferred inflows:							
Accounts and contracts payable	1,708,192	587,245	293,364	785,562	(84,362)	3,290,001	(1,908,277)
Accrued liabilities	(2,061,386)	92,708	2,868	(916,349)	9,937	(2,872,222)	8,519,952
Compensated absences	68,984	446	15,464	-	9,823	94,717	9,080
Insurance claims payable	-	-	-	-	-	-	1,037,158
Customer deposits payable	236,358	24,891	-	-	-	261,249	-
Net OPEB liability	12,188	4,464	1,450	119	4,950	23,171	-
Net pension liability	1,171,153	513,558	200,864	37,396	427,550	2,350,521	-
Deferred inflows relating to pensions	(256,945)	(112,671)	(44,068)	(8,204)	(93,801)	(515,689)	-
Deferred inflows relating to OPEB	(5,409)	(1,982)	(643)	(52)	(2,197)	(10,283)	-
Total adjustments	2,613,155	4,412,609	1,194,949	(404,470)	1,007,065	8,823,308	8,386,532
Net cash provided by operating activities	\$ 4,299,932	\$ 5,212,749	\$ 215,406	\$ 2,327,883	\$ 1,574,668	\$ 13,630,638	\$ 2,507,072
Supplemental disclosure of noncash investing and non-capital financing activities:							
Due from other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,492,552
Unrealized gains (losses) on investments	\$ 236	\$ 5,897	\$ 1,178	\$ 1,015	\$ 9,239	\$ 17,565	\$ 6,526

See notes to financial statements.



**City of Lake Worth Beach, Florida**

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

	Pension Trust Funds	Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 2,176,196	\$ -
Investments at fair value:		
U.S. government and agency funds	13,335,169	-
Corporate bonds	17,656,616	-
Common stocks	95,033,714	-
Real estate	18,738,889	-
Mutual funds	1,706,971	-
Accrued interest, dividends and contributions receivable	12,133,334	-
Prepaid items	11,518	-
<b>Total assets</b>	<b>160,792,407</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable	108,397	-
Deposits payable	-	-
<b>Total liabilities</b>	<b>108,397</b>	<b>-</b>
<b>Net position restricted for pension benefits</b>	<b>\$ 160,684,010</b>	<b>\$ -</b>

See notes to financial statements.

**City of Lake worth Beach, Florida**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the Fiscal Year Ended September 30, 2020**

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 10,436,096
Chapter 175	68,770
Plan members	1,190,820
State	623,454
<b>Total contributions</b>	<b>12,319,140</b>
Investment income:	
Interest and dividends	3,630,106
Net change in fair value of investments	12,502,799
Other income	13,466
<b>Total investment income</b>	<b>16,146,371</b>
Less investment expenses	(673,048)
<b>Net investment income</b>	<b>15,473,323</b>
<b>Total additions</b>	<b>27,792,463</b>
Deductions:	
Pension benefits	18,564,556
Administrative expenses	335,142
<b>Total deductions</b>	<b>18,899,698</b>
<b>Change in net position</b>	<b>8,892,765</b>
Net position, beginning of year	151,791,245
Net position, end of year	\$ 160,684,010

See notes to financial statements.

## City of Lake Worth Beach, Florida

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## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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

The City of Lake Worth Beach, Florida (the City), was incorporated as a municipality in 1913 under Chapter 6713, Laws of Florida. It is located in Palm Beach County and is bordered by the City of West Palm Beach to the north, the Intracoastal Waterway and Atlantic Ocean to the east, the City of Lantana to the south and various municipalities and unincorporated county areas to the west. The City operates under a Commission-Manager form of government and provides a full range of municipal services, including police and fire protection, public works activities, park and recreation activities, and general administrative services. The City also operates six enterprise activities: electric, water, local sewer, regional sewer, stormwater utility and refuse collection and disposal.

The basic financial statements of the City have been prepared in accordance with the generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's governmental accounting policies are described below:

#### A. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the reporting entity. The definition of the financial reporting entity is based on the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The City's reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for and which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In defining the City for financial reporting purposes, management has considered all potential component units. Component units are legally separate entities for which the primary government is financially accountable which should be included in the City's financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No 14 – *The Financial Reporting Entity* and GASB Statement No 39 – *Determining Whether Certain Organizations Are Component Units*, as amended by GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus*, which includes the ability to appoint a voting majority of an organization's governing body and: (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or (3) impose specific financial burden.

Based upon the application of the criteria in GASB Statements Nos. 14 and 39, as amended by GASB Statement No. 61, the financial statements of the City's Component Unit, the Community Redevelopment Agency (CRA), have been included in the City's reporting entity as a discretely presented component unit. The CRA is a legally separate entity governed by a board comprised of seven citizens of the City appointed by the City Commission. It does not provide services entirely or almost entirely to the primary government or otherwise, exclusively or almost exclusively, benefits the City and therefore is presented as a discrete component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separated from the government.

## **City of Lake Worth Beach, Florida**

### **Notes to the Basic Financial Statements**

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

##### **B. Discretely Presented Component Unit**

As required by generally accepted accounting principles, the financial statements in this report present the City, the primary government, and its component unit: The Community Redevelopment Agency (CRA). Although a legally separate entity, the CRA is included as a component unit in the City's financial statements because of the significance of their operational or financial relationships with the City which creates the potential of financial benefit/burden to the primary government.

The CRA was established under the authority of Florida Statute Chapter 163, Part III in 1989 to promote and guide the physical and economic redevelopment of targeted areas within the City. The CRA's board, appointed by the City Commission as required by State Statute has full administrative responsibility. Separate financial statements for the CRA are available. The financial statements and statutorily required report can be obtained by contacting the Lake Worth Community Redevelopment Agency office at 29 South J Street, Unit 1, Lake Worth, FL 33460.

##### **C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's various utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds and nonmajor enterprise funds are aggregated and reported as nonmajor funds.

##### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements, with the exception of the agency fund that has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB and pensions, are recorded only when payment is due. Acquisitions of general capital assets are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Property taxes, charges for services, franchise fees and other taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred and all eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating revenues for the enterprise funds include water, electric and sewer service fees; as well as user fees related to the stormwater utility system and solid waste removal. For the internal service funds, operating revenues include charges to other departments for insurance services and information technology costs and other services. Operating expenses for the enterprise and internal service funds include costs of services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

#### ***Major Governmental Funds:***

**General Fund** – The General Fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement in another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Beach Fund** – The Beach Fund is a special revenue fund that was established to account for the charges for services, fines and forfeitures and expenditures of the beach, pier, pool, beach parking and casino building. Revenues from parking and special events are committed to fund tourism within the City. This fund has been determined by management to be a major fund for public interest and consistency purposes.

**Neighborhood Road Program Fund** – The Neighborhood Road Program Fund is a capital projects fund that was established to account for the roadway improvements within the City. This program is being funded by proceeds received from general obligation bonds of \$40 million.

#### ***Major Enterprise Funds:***

The enterprise funds are used to account for operations that are financed and operated in a manner similar to a commercial enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of the revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City's major enterprise funds accounts for the operations of providing electric, water and local and regional sewer services.

## **City of Lake Worth Beach, Florida**

### **Notes to the Basic Financial Statements**

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

Electric – The Electric Fund is used to account for the provision of electric service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution and customer service.

Water – The Water Fund is used to account for the provision of water service to residents of the service area. All activities to provide such service are accounted for in this fund, including administration, generation, transmission, distribution and customer service.

Local Sewer – The Local Sewer Fund is used to account for the provision of sewer service to customers of the local service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal and customer service. This fund has been determined by management to be a major fund.

Regional Sewer – The Regional Sewer Fund is used to account for the provision of sewer service to customers of the regional service areas. All activities to provide such service are accounted for in this fund, including administration, collection, pumping, treatment, disposal and customer service.

Additionally, the City reports the following fund types:

#### **Nonmajor Special Revenue Funds:**

These funds are used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects that are legally restricted to expenditures for specified purposes. These funds include the Building Permit, Golf, Parking Improvement, Code Remediation, Grants, Tree Beautification, Utility Conservation, Simpkin Trust, Library Trust, Law Enforcement and Firefighters Education and Law Enforcement Confiscated Property.

#### **Nonmajor Debt Service Fund:**

This fund is used to account for the financial resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

#### **Nonmajor Capital Project Funds:**

These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The funds include the Park of Commerce Fund, Discretionary Sales Tax Fund and the Capital Projects Fund.

#### **Nonmajor Enterprise Funds:**

These funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. It is the intent of the City Commission that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes. These funds include the Stormwater Utility Fund and the Refuse Collection and Disposal Fund.

#### **Internal Service Funds:**

The Internal Service Funds account for the goods or services provided by one department to other departments of the City on a cost-reimbursement basis. These funds include the Information Technology, Insurance, City Garage and Employee Benefits.

## **City of Lake Worth Beach, Florida**

### **Notes to the Basic Financial Statements**

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

##### **Pension Trust Funds:**

The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The City has the following pension trust funds: General Employees' Retirement System; Police Officers' Relief and Retirement System and the Firefighters' Pension Trust.

##### **Agency Funds:**

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets the City holds as an agent for individuals, private organizations, other governments and/or other funds. The Agency Fund was closed as of the year ended September 30, 2020.

#### **E. Interfund Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds (i.e., amounts owed for goods/services rendered to a particular fund by another fund in the reporting entity) are reported as "due to/from other funds" (current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

#### **F. Receivables**

Receivables include amounts due from other governments and others for services provided by the City. The City recognizes receivables in its various funds based on the accounting basis required for that fund.

Utility (electric, water, local and regional sewer, stormwater utility and refuse collection and disposal) operating revenue is generally recognized on the basis of cycle billings rendered monthly. The cycle with the meter-reading date closest to September 30 is selected as the cutoff for billing accrual purposes. The City accrues revenue for services delivered for which meters have not been read by September 30 as unbilled revenues.

All trade and other receivables are reported at original amount, net of an allowance for doubtful receivables based on a review of outstanding amounts on a regular basis. Management determines that allowance by specifically identifying uncollectible accounts and a general allowance is calculated based on the City's historic bad-debt experience.

#### **G. Inventories**

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first-in first-out method. The cost of inventories is reported using the consumption method, whereby inventories are recorded as expenditures/expenses when used. In the governmental funds, reported inventories are included in fund balance as non-spendable resources. Unless if they are acquired with restricted resources in which case they remain restricted fund balance.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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

##### H. Land Held for Resale

The discretely present component unit reports land held resale. Such balances are recorded at lower of cost or net realizable value.

##### I. Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by non-spendable amounts of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" and are accounted for on the consumption method.

##### J. Restricted Assets

Restricted assets in the enterprise funds consist of bond proceeds designated for construction; other monies required to be restricted for debt service, maintenance and improvements under the terms of various bonds, certificates and loans; and assets restricted by customers' deposits.

##### K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks and similar items), regardless of their acquisition date, are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Depreciation is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	4-40
Infrastructure	4-20
Buildings and structure	10-40
Machinery and equipment	3-15
Vehicles	5

##### L. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the proprietary funds and government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The second item is the deferred outflows relating to the pension plans and is discussed in further detail in the pension note. The third item is the deferred outflows relating to other postemployment benefits other than pensions and is discussed in further detail in OPEB note.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item is deferred inflows relating to the pension plans and is discussed further in pension note.

#### M. Compensated Absences

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method, which approximates the effective interest method. Bonds are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### O. Self-insurance

The City is partially self-insured for general and auto liability, property, workers' compensation and employees' health and dental. The operating funds are charged premiums by the City's Self-Insurance Fund, which is accounted for as an internal service fund. The accrued liability for estimated claims reported in the self-insurance fund represents an estimate of the eventual loss on claims including claims incurred but not yet reported.

#### P. Pensions

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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

The City applies GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and GASB 82, Pension Issues-An Amendment of GASB Statements No. 67, No. 68 and No. 7, for the measurement, recognition and disclosure of pension expenditures or expenses, liabilities and assets.

#### **Q. Other Post-Employment Benefits (OPEB)**

The City applies GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*, for the measurement, recognition and disclosure of OPEB expenditures or expenses, liabilities and assets. This plan is not accounted for in a trust fund and is funded on a pay as you go basis.

#### **R. Property Taxes**

The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recorded as a receivable on November 1 of each year based upon the assessed value established by the Broward County Property Appraiser as of the prior January 1. The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. Taxes become payable on November 1st each year and are discounted 1% for each month for payment prior to the following March 1st. All unpaid taxes become delinquent on April 1st and are subject to the issuance of Tax Sale Certificates on June 1st.

The City's tax revenue is first paid to the Broward County Tax Collector who then remits such collections to the City based on a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes.

The City levied taxes at a rate of approximately 5.49 mills plus County-levied Fire Municipal Services Taxing Unit rate of 3.46 and debt service of 1.11, for a total of 10.06 on all City parcels.

#### **S. Nature and Purpose of Fund Balance**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as committed fund balances. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by ordinance. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither committed nor restricted are classified as assigned fund balances. Assignments are made by the City Manager. The City Commission delegated this responsibility to the City Manager through an ordinance. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

## **City of Lake Worth Beach, Florida**

### **Notes to the Basic Financial Statements**

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#### **Note 1. Summary of Significant Accounting Policies (continued)**

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

#### **T. Minimum Fund Balance Policy**

The City's policy is to maintain an adequate fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted a financial standard to maintain an adequate level of total unassigned/unrestricted fund balance in the General Fund to provide for necessary cash flow to minimize any short-term borrowings. As of September 30, 2020, this balance was approximately \$11.9 million.

#### **U. Net Position**

Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as: 1) net investment in capital assets; capital assets, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, 2) restricted or 3) unrestricted. The first category represents net position related to property, plant, equipment, and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components.

#### **V. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability

**Excess of expenditures over appropriations:** The following expenditures exceeded appropriations by the amounts indicated:

General Fund:		
Finance	\$	16,460
Police		160,051
Fire		342,180
Administration		3,494
Debt service-principal		26,544
Other Funds:		
Simpkin Trust Fund	\$	281
Parking Improvement Fund		84

The expenditures were funded by appropriated fund balance, where applicable.

The General Obligation Bond 2018 Fund has a deficit fund balance as of September 30, 2020 of \$16,433. It is anticipated that the deficit will be eliminated over time.

#### Note 3. Deposits and Investments

**Deposits:** In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

**Investments:** As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The City is authorized to invest in the State Board of Administration funds (Florida Prime), the Florida Public Assets for Liquidity Management (FL PALM), obligations of the U.S. Treasury, its agencies, repurchase agreements collateralized by U.S. Treasury, and U.S. Government Agency-Backed Obligations, and money market mutual funds comprised of U.S. Treasury and/or U.S. Government Agency-Backed Obligations.

The City's pension fund investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds, mutual funds and certain other investments.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 3. Deposits and Investments (Continued)

The investment objectives of the Plans are to preserve the purchasing power of each Plan's assets and earn a reasonable rate of return over the long-term while minimizing short-term volatility. To achieve these objectives, the Plans seek to create a conservative, well diversified and balanced portfolio of high-quality equity, fixed income and money market securities. Unless authorized by law or local ordinance, investments of the assets of the Plans are subject to the limitations of state statutes.

The Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan's investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

The Plans each issue stand-alone financial statements. Investment disclosures relating to each Plans' interest rate risk, credit risk, custodial credit risk, concentration of credit risk and related fair value measurement disclosures required by GASB are included in the separate stand-alone plan financial statements. Such disclosures are not required to be included in the City's financial statements herein.

#### City Investments

At year end the City and the Discretely Present Component Unit had the following investments:

City Investments	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Treasuries	\$ 18,846,180	\$ 18,846,180	\$ -	\$ -

#### Discretely Presented Component Unit (DPCU)

Community Redevelopment Agency Investments	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	More than 5
U.S. Agencies	\$ 998,590	\$ 998,590	\$ -	\$ -

The DPCU Community Redevelopment Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City as discussed below.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 3. Deposits and Investments (Continued)

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

At year end the City and the Discretely Present Component Unit investments had the following ratings:

Investments	City	
	Balance	Ratings
U.S. Treasuries	\$ 18,846,180	AA+
Florida PRIME	44,527	AAAm
Money Market Fund	39,759,628	Not rated
FL PALM	18,721,859	AAAm
	<u>\$ 77,372,194</u>	

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

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

**Interest Rate Risk** – The City has an investment policy that limits the maturities on individual investments to no more than ten years.

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

**Risks and Uncertainties** – The City's Pension Plans have investments in a combination of stocks, bonds, government securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. The Plans, through their investment advisors, monitor the Plan's investments and the risks associated therewith on a regular basis, which the Plans believe minimizes these risks.

Notes to the Basic Financial Statements

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**Note 3. Deposits and Investments (Continued)**

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

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

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

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

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

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

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

**Mutual funds:** Valued at the daily closing price as reported by the plans. Mutual funds are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded.

**Corporate bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 3. Deposits and Investments (Continued)

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

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Treasuries	\$ 18,846,180	\$ -	\$ 18,846,180	\$ -
Investments measured at fair value	18,846,180	\$ -	\$ 18,846,180	\$ -
Investments measured at amortized cost:				
Money market funds	39,759,628			
Florida PRIME	44,527			
	<u>39,804,155</u>			
Investments measured at net asset value (NAV)				
FL PALM	18,721,859			
Total investments	<u>\$ 77,372,194</u>			

The Florida Public Assets for Liquidity Management (FL PALM) offers a short-term investment program for Florida Public agency investors. The FL PALM offers a fully liquid, variable rate investment option for participants to invest in shares of fixed-rate, fixed-term investments through the FL PALM Term Portfolio. The investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. FL PALM is directed by a Board of Trustees, which is made up of experienced school board members, superintendents, public agency officials, and an Advisory Committee of senior finance officers from member Districts and public agencies. The FL PALM investments are measured at the net asset value (NAV) per share, or equivalent. The redemption frequency is daily and unlimited. There are no unfunded commitments as of year-end.

Fair values of investments held by the Discretely Presented Component Units are classified at year end as follows:

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

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 4. Receivables

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

	General Fund	Beach Fund	Nonmajor Governmental Funds	Total
Customer accounts	\$ 152,471	\$ 224,732	\$ 166,324	\$ 543,527
Utility and other taxes	677,578	-	84,312	761,890
Intergovernmental	679,872	-	563,847	1,243,719
Other receivables	-	95	2,842	2,937
Gross receivables	1,509,921	224,827	817,325	2,552,073
Less allowance for doubtful accounts	(279,564)	(5,466)	(173,598)	(458,628)
Total	\$ 1,230,357	\$ 219,361	\$ 643,727	\$ 2,093,445

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

For fiscal year 2020, approximately 87% of the City's regional sewer fund revenues and 79% of corresponding receivables are generated from three major customers. The following table summarizes the concentration percentage by customer.

Customer	Revenues	Receivables
City Lake Worth Beach	48%	17%
Town of Lantana	14%	23%
Village of Palm Springs	25%	39%
	87%	79%

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 5. Interfund Receivables, Payables, Advances and Transfers

Interfund activity and balances for the City are summarized as follows as of and for the year ended:

##### Due to/from Other Funds

	Receivable Fund
Major Fund:	
General Fund	<u>\$ 9,173,560</u>
	Payable Fund
Major Fund:	
General Fund	\$ 13,790
Beach Fund	154,156
Neighborhood Road Program Fund	8,837,467
Nonmajor governmental funds:	<u>168,147</u>
	<u>\$ 9,173,560</u>

Balances due to the General Fund from the Neighborhood Road Program Fund in the amount of \$8,837,467 are related to amounts borrowed to fund road improvement projects throughout the City. The balance will be liquidated in fiscal year 2021 with available debt proceeds.

The other balances in interfund receivables/payables resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

##### Interfund Transfers

	Transfer In	Transfer Out
Major Governmental Fund:		
General Fund	\$ 420,593	\$ 15,000
Nonmajor Governmental Funds	15,000	68,593
Nonmajor Enterprise Funds	-	52,000
Internal Service Fund	-	300,000
	<u>\$ 435,593</u>	<u>\$ 435,593</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the appropriate fund making the debt service payments when it becomes due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 6. Capital Assets

##### Governmental Activities Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 8,406,967	\$ 346,276	\$ -	\$ -	\$ 8,753,243
Construction in progress	10,743,059	9,236,087	-	(19,768,703)	210,443
Total capital assets not being depreciated	19,150,026	9,582,363	-	(19,768,703)	8,963,686
Capital assets being depreciated					
Land improvements	7,024,436	-	-	-	7,024,436
Buildings and structures	32,742,426	-	-	19,623,803	52,366,229
Infrastructure	89,744,726	-	-	-	89,744,726
Machinery and equipment	4,370,961	201,823	(24,417)	144,900	4,693,267
Vehicles	1,389,546	67,706	(50,435)	-	1,406,817
Total capital assets being depreciated	135,272,095	269,529	(74,852)	19,768,703	155,235,475
Accumulated depreciation					
Land improvements	2,284,619	73,958	-	-	2,358,577
Buildings and structures	14,235,248	2,653,855	-	-	16,889,103
Infrastructure	55,015,648	936,315	-	-	55,951,963
Machinery and equipment	3,328,589	183,432	(24,417)	-	3,487,604
Vehicles	1,279,997	24,234	(50,435)	-	1,253,796
Total accumulated depreciation	76,144,101	3,871,794	(74,852)	-	79,941,043
Total capital assets being depreciated, net	59,127,994	(3,602,265)	-	19,768,703	75,294,432
Total capital assets	\$ 78,278,020	\$ 5,980,098	\$ -	\$ -	\$ 84,258,118

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 6. Capital Assets (Continued)

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

General government	\$ 31,605
Culture and recreation	935,094
Transportation	2,706,300
Public safety	190,155
Physical environment	8,640
Total depreciation expense	<u>\$ 3,871,794</u>

#### Business-Type Activities Capital Assets

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 2,572,138	\$ -	\$ -	\$ -	\$ 2,572,138
Construction in progress	20,070,040	15,019,862	(25,818)	(9,123,508)	25,940,576
Total capital assets not being depreciated	22,642,178	15,019,862	(25,818)	(9,123,508)	28,512,714
Capital assets being depreciated					
Land improvements	468,972	-	-	-	468,972
Buildings and structures	99,193,485	-	-	-	99,193,485
Infrastructure	162,099,222	1,111,723	-	9,123,508	172,334,453
Machinery and equipment	33,523,305	387,320	(12,960)	-	33,897,665
Vehicles	12,813,909	1,067,344	(257,411)	-	13,623,842
Total capital assets being depreciated	308,098,893	2,566,387	(270,371)	9,123,508	319,518,417
Accumulated depreciation					
Land improvements	446,874	6,941	-	-	453,815
Buildings and structures	56,836,141	2,236,092	-	-	59,072,233
Infrastructure	78,299,496	3,338,454	-	-	81,637,950
Machinery and equipment	28,775,343	753,857	(12,960)	-	29,516,240
Vehicles	9,369,570	1,351,348	(257,411)	-	10,463,507
Total accumulated depreciation	173,727,424	7,686,692	(270,371)	-	181,143,745
Total capital assets being depreciated, net	134,371,469	(5,120,305)	-	9,123,508	138,374,672
Total capital assets	<u>\$ 157,013,647</u>	<u>\$ 9,899,557</u>	<u>\$ (25,818)</u>	<u>\$ -</u>	<u>\$ 166,887,386</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 6. Capital Assets (Continued)

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

Electric	\$	1,899,628
Water		3,143,666
Local sewer		789,371
Regional sewer		421,560
Stormwater utility		252,553
Refuse collection and disposal		470,543
Information technology		270,498
Self insurance		6,183
City garage		432,690
Total depreciation expense	\$	<u>7,686,692</u>

#### Discretely Presented Component Unit

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

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

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

Community redevelopment	\$	<u>390,391</u>
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## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 7. Investment in Joint Venture

In September 1992, the City entered into a joint interlocal agreement (the Agreement) with Palm Beach County (the County) and three municipalities (Riviera Beach, Lake Worth and the Town of Palm Beach) (together with the City, the Entities) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Facility (ECR) in which each participating Entity has an equity interest. The ECR was created to receive, treat and dispose of sewage generated within each participating municipality and the County (the Members). The initial term of the Agreement is for 30 years with a renewable term of 30 years. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among each Member, based on their reserve capacity as of the date of disposition.

The Agreement provides for the establishment of a Governing Board (the Board), comprised of one Member representative participating in the Agreement, to administer the ECR. In accordance with the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. The City of West Palm Beach operates and manages the ECR on behalf of the Board consistent with the terms of the Agreement. Annually, the Board establishes a schedule of wastewater flow charges to pass onto the Entities so the ECR is self-sustaining. The Board shall not be authorized to create or distribute a profit or surplus to any Entity. In addition, the Board shall calculate an annual renewal and replacement fund contribution for the sole purpose of funding each Entity's pro-rata share of extraordinary expenses, renewal and improvements or replacement of capital assets or any other part thereof at the facility. The agreement may not be amended except upon the written agreement of the Entities holding a cumulative capacity allocation of 100%.

The City accounts for this Joint Venture using the equity method in accordance with GAAP. The City's investment in the joint venture at year end was \$28,180,539.

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

Entity	Flow Allocation MGD	Reserve Capacity Percentage
Palm Beach County	24.0	34.3%
City of West Palm Beach	20.5	29.3%
City of Lake Worth Beach	11.5	16.4%
City of Riviera Beach	8.0	11.4%
Town of Palm Beach	6.0	8.6%
	70.0	100.0%

Complete audited financial statements for ECR may be obtained at the City of West Palm Beach Finance Department, 200 Second Street, West Palm Beach, Florida 33402.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt

The following is a summary of the changes in long-term debt for the fiscal year ended for governmental and business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ 894,528	\$ -	\$ (50,664)	\$ 843,864	\$ 54,598
Revenue bonds	37,945,000	13,991,367	(730,000)	51,206,367	765,000
Bond premium	956,061	907,884	(33,894)	1,830,051	-
Compensated absences	654,748	977,973	(762,546)	870,175	34,894
Total long-term debt	<u>\$ 40,450,337</u>	<u>\$ 15,877,224</u>	<u>\$ (1,577,104)</u>	<u>\$ 54,750,457</u>	<u>\$ 854,492</u>
<b>Business-type activities:</b>					
Notes payable	\$ 19,828,509	\$ -	\$ (1,123,046)	\$ 18,705,463	\$ 1,210,253
State revolving loans	10,642,482	2,499,016	(540,374)	12,601,124	593,616
Revenue bonds	36,035,000	11,793,633	(3,625,000)	44,203,633	3,730,000
Bond premium	-	741,790	-	741,790	-
Compensated absences	595,107	784,535	(680,738)	698,904	56,573
Total long-term debt	<u>\$ 67,101,098</u>	<u>\$ 15,818,974</u>	<u>\$ (5,969,158)</u>	<u>\$ 76,950,914</u>	<u>\$ 5,590,442</u>

For the governmental activities, compensated absences and other post-employment benefits are generally liquidated by the General Fund.

#### Governmental and Business-Type Activities Debt

**Note payable:** In connection with the energy savings project, the City entered into an agreement with Siemens Industry, Inc. for the installation of certain energy saving infrastructure and equipment throughout the City. The City also entered into a note payable agreement with a bank for \$22.8 million to fund the energy savings project. Under the note payable agreement, the City is required to establish an escrow account for the purpose of funding costs associated with the project and certain other restrictive covenants. The note payable requires quarterly payments ranging from \$277,098 to \$560,985 including principal and interest at 3.04%, beginning March 2017 through December 2031. In the event of default, the lender may provide a written notice to declare all amounts then due under the financing agreements, and all remaining payments due during the fiscal year in effect when the default occurs to be immediately due and payable, or request the City promptly deliver the equipment at the City's expense to the creditor. Creditor may exercise any other remedy available, at law or in equity, with respect to such event of default. As of September 30, 2020, the principal outstanding on the note for governmental and business-type activities was \$843,864 and \$18,705,463, respectively.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

Debt service requirements to maturity on the note payable are as follows:

Year(s)	Note Payable	
	Principal	Interest
2021	\$ 1,264,851	\$ 580,131
2022	1,355,018	540,637
2023	1,453,711	498,356
2024	1,540,965	453,110
2025	1,629,426	405,279
2026-2030	9,565,474	1,210,013
2031-2032	2,739,882	62,819
	<u>\$ 19,549,327</u>	<u>\$ 3,750,345</u>

**Non-ad valorem revenue bonds, series 2020A and taxable series 2020B:** In August 2020, the City issued non-ad valorem revenue bonds, series 2020A and taxable series 2020B, in the amount of \$8,985,000 and \$ 16,800,000, respectively. The series 2020A proceeds are to be used to finance certain capital improvements, which include improvements to the City's public works facility, various roadway improvements and certain sewer improvements. The taxable series 2020B proceeds are to be used to refinance certain capital costs incurred in the past six years, which include certain transportation and other improvements. The series 2020A and taxable series 2020B mature in July 2035 and July 2040 with an interest rate ranging from 1.120% to 2.580% and 3.0% to 5.0%, respectively. The bonds are due in annual principal and interest installments secured by the City's non-ad valorem revenues through July 1, 2040 and subject to redemption prior to maturity as provided in the bond agreement.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amounts outstanding on the Series 2020A and 2020B bonds are \$8,985,000 and \$16,800,000, respectively.

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

Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 375,020	\$ -	\$ 316,113	\$ -	\$ 691,133
2022	621,296	434,107	523,704	365,919	1,145,000	800,026
2023	1,077,094	409,255	907,906	344,971	1,985,000	754,226
2024	1,112,364	372,033	937,636	313,595	2,050,000	685,628
2025	1,153,060	332,216	971,940	280,032	2,125,000	612,248
2026-2030	3,643,670	1,178,452	3,071,330	993,343	6,715,000	2,171,795
2031-2035	3,451,041	719,072	2,908,959	606,122	6,360,000	1,325,194
2036-2040	2,932,842	268,105	2,472,158	225,992	5,405,000	494,097
	<u>\$ 13,991,367</u>	<u>\$ 4,088,260</u>	<u>\$ 11,793,633</u>	<u>\$ 3,446,087</u>	<u>\$ 25,785,000</u>	<u>\$ 7,534,347</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

##### Governmental Activities

**General Obligation Bonds, Series 2017 and 2018:** In November 2016, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding \$40 million for purposes of improving local roadways. In May 2017, the City issued General Obligation Bonds, Series 2017, in the principal amount of \$21,685,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 2.375% to 5.00%. In August 2018, the City issued an additional General Obligation Bonds, Series 2018, in the principal amount of \$17,295,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 3.00% to 5.00%. The City may issue up to the remaining \$1,020,000 authorized amount of general obligation bonds pursuant to the referendum described above. The current 2017 and 2018 GOB series bonds are due in annual principal and interest installments secured in by the City's ad-valorem taxes through July 1, 2048 and subject to redemption prior to maturity as provided in the Series 2017 and 2018 bond agreements. Under the terms of the authorizing resolution related to bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amounts outstanding on the GOB series 2017 and 2018 bonds are \$20,485,000 and \$16,730,000, respectively.

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

GOB Bond Series 2017			GOB Bond Series 2018		
Year(s)	Principal	Interest	Year(s)	Principal	Interest
2021	\$ 440,000	\$ 732,125	2021	\$ 325,000	\$ 655,463
2022	465,000	710,125	2022	340,000	639,213
2023	490,000	686,875	2023	360,000	622,213
2024	510,000	662,375	2024	375,000	604,213
2025	540,000	636,875	2025	395,000	585,463
2026-2030	3,080,000	2,798,238	2026-2030	2,290,000	2,615,113
2031-2035	3,585,000	2,281,331	2031-2035	2,745,000	2,157,819
2036-2040	4,190,000	1,681,125	2036-2040	3,260,000	1,647,288
2041-2045	4,955,000	921,269	2041-2045	3,910,000	991,725
2046-2047	2,230,000	117,775	2046-2048	2,730,000	214,288
	<u>\$ 20,485,000</u>	<u>\$ 11,228,113</u>		<u>\$ 16,730,000</u>	<u>\$ 10,732,798</u>

##### Business-Type Activities

**Utility System Refunding Revenue Bonds, Series 2013** – On April 24, 2013 the City issued \$54,030,000 in Utility System Refunding Revenue Bonds, Series 2013 with an interest rate of 2.68% were issued to advance refund \$54,955,000 of the then outstanding 2008 series bonds. The 2008 Series Bonds had an interest rate of 4.20%. The 2013 Series Bonds are due in annual principal installments of \$1,980,000 to \$4,390,000 through October 1, 2028. The annual bond interest rate is 2.68% which is subject to adjustment upon an event of taxability, as provided in the series 2013 bond agreement. Under the terms of the authorizing resolutions related to the bond, should the City default in any of its obligations or covenants created by such resolutions, the bondholders may, under certain circumstances set forth in such resolutions by suit, action or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolutions, and may enforce and compel the performance of all duties required by the resolutions, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2020, the principal amount outstanding on the bonds is \$32,410,000.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 8. Long-Term Debt (Continued)

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

<b>Utility System Refunding Revenue Bonds 2013</b>				
Year(s)		Principal		Interest
2021	\$	3,730,000	\$	818,606
2022		3,835,000		717,235
2023		3,935,000		613,117
2024		4,045,000		506,185
2025		4,160,000		396,238
2026-2029		12,705,000		557,507
	\$	32,410,000	\$	3,608,888

**State Revolving Loan Payable** – In connection with the City's Reverse Osmosis Treatment Plant, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$7,092,000 with interest rate ranging from 2.61% to 2.82%. The City is required to maintain rates and charges for the services furnished by the water system which will be sufficient to provide revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments (debt service). The loans are payable in semi-annual principal installments through October 2031. As of September 30, 2020, the principal outstanding on the notes was \$4,611,123.

In connection with the replacement of approximately 17 miles of 2-inch water lines which were corroded within the City's water distribution system, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$11,047,000 with interest rates ranging from 0.57% to 1.57%. The loans are payable in semi-annual installments of principal and interest through March 2048. As of September 30, 2020, the City has drawn down \$7,337,468 with the principal outstanding of \$5,875,426 on the project phases that have been closed. An amortization schedule for the funds that have not been drawn will not be finalized until the final draw on the loans are made.

In connection with the water distribution replacement project for the Lake Osborne Estates Water Main Improvements, the City entered into loan agreements with the State Department of Environmental Protection's Drinking Water Revolving Fund Loan Program. The resulting loan was approximately \$3,034,000 with an interest rate of 0.50%. As of September 30, 2020, the City has drawn down \$2,114,575. An amortization schedule will not be finalized until the final draw on the loan is made.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

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

State Revolving Loans			
Year(s)	Principal		Interest
2021	\$	593,616	\$ 158,948
2022		604,654	147,910
2023		615,951	136,613
2024		627,514	125,050
2025		639,350	113,215
2026-2030		3,350,443	378,620
2031-2035		1,847,110	112,058
2036-2040		1,101,842	56,538
2041-2045		731,032	26,810
2046-2050		375,037	3,883
	\$	10,486,549	\$ 1,259,645

Loans with no repayment yet scheduled	2,114,575
	<u>\$ 12,601,124</u>

Under the terms of loan agreements, should the City default in any of its obligations or covenants created by such agreements, the State Department of Environmental Protection may, in addition to any remedy set forth in such agreement by suit, action or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such agreements, and may enforce and compel the performance of all duties required by the agreements, or by any applicable statutes to be performed by the City or by any officer thereof. Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

#### Discretely Presented Component Unit

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

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

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

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

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

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

At September 30, 2020, debt service requirements on the Revenues Notes Series 2016 and 2018 to maturity are as follows:

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

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

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

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 8. Long-Term Debt (Continued)

**Debt Covenants** — The various bond indebtedness and note agreements provide for annual debt service requirements, provisions for the flow of monies through various restricted accounts and minimum amounts to be contained in various sinking funds. Additionally, the utility system revenue bonds include rate covenants and renewal and replacement fund requirements.

The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits. As of September 30, 2020, the City's debt limit is \$544,051,250.

**Pledged Revenues** — The City issues bonds and notes that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds and notes for the year ended are as follows:

	Primary Government			Discretely Presented Component Unit
	Governmental Activities		Business-Type Activities	
	Ad Valorem Revenues	Non-ad Valorem Revenues	Electric and Water Revenues	Tax Increment Revenues
Sources of Revenue Pledged:				
Current Revenue Pledged	\$ 15,599,744	\$ 27,515,906	\$ 14,025,379	\$ 3,365,636
Current Debt Service	6,916,250	-	6,916,233	677,724
Total Future Revenues Pledged	65,119,377	18,079,627	75,510,220	4,034,003
Purpose of Debt	Local Roadways	Capital Improvements	Utilities and Refunding	Economic Development
Term of Commitment	2018 - 2048	2020-2048	2013 - 2048	2018 - 2028
Percentage of Debt Service to Current Year Pledged Revenues	44.34%	0.00%	49.31%	20.14%

#### Note 9. Employee Retirement Systems

**General Information** — The City contributes to three single-employer retirement systems covering substantially all full-time employees. The General Employees' Retirement System, the Police Officers' Relief and Retirement System and the Firefighters' Pension Trust (collectively, the Pension Trust Funds) are defined benefit pension plans. Each plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information for the plan. The reports can be obtained by contacting the City's finance department.

#### Summary of Significant Accounting Policies

The Pension Trust Funds financial statements are prepared using the accrual basis of accounting. Contributions to the Pension Trust Funds are recognized as revenue at the time they are due. Benefit payments and refunds are recognized as expenses as they become payable and administrative expenses are recognized at the time the expense is incurred. Investments are reported at fair value. Interest and dividend income are recognized when earned. Gains and losses on sales and exchanges of securities are valued at the last reported sales price at current exchange rates.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 9. Employee Retirement Systems (Continued)**

##### **General Employees' Retirement System (GERS)**

**Plan Description** – The GERS is a single-employer defined benefit plan covering all eligible employees. The Plan was established by the City effective October 1, 1996 under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 10, Article II. The Plan was amended October 1, 2010 under Ordinance No 2010-19.

The Plan is administered by a board of five trustees comprised of the mayor of the City, the City's finance director; one member appointed by the City Commission who must be a resident of the City and two persons elected by the members.

All regular full-time employees other than Police Officers or Firefighters participate in the Plan.

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement for participants retiring before October 1, 2015, is 20 vesting credits or vesting credits plus years of age totaling 75 or more, provided the participant has at least 10 vesting credits. Normal retirement age for participants retiring after October 1, 2015, is 55 years of age and 30 vesting credits or 65 years of age and 10 vesting credits. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked through September 30, 2011. The normal retirement benefit for credits earned on or after October 1, 2010 will be 2% of average final compensation. The monthly benefits are increased annually by \$ 2.50 for each full year from the members' date of retirement. Participants retiring on or after October 1, 2010, will not be eligible for the annual adjustment.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the Deferred Retirement Option Plan (the DROP). Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2020 was \$1,995,678.

**Contributions** – All participants are required to contribute 7.8% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). Pursuant to Florida law, the City is ultimately responsible for the actuarially soundness of the Plan. Therefore, each year, the City must contribute an amount determined by the Trustees in conjunction with the Plan's actuary to be sufficient, along with the employee's contribution, to fund the defined benefits under the Plan.

##### **Police Officers' Relief and Retirement System (PRS):**

**Plan Description** – The PRS is a single-employer defined benefit plan covering all eligible police officers. The PRS was established by the City under the Code of Ordinances for the City of Lake Worth Beach, Florida, Chapter 16, Article IV Division I. The PRS was last amended July 1, 2014, under Ordinance No. 2014-21. The PRS is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. Effective July 1, 2014, and in accordance with Ordinance 2014-31, Lake Worth Police Officer's Relief and Pension Fund, Division 2 Share Accounts, merged into the PRS.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 9. Employee Retirement Systems (Continued)**

The PRS is administered by a board of five trustees comprised of the mayor of the City, the City's finance director, one member appointed by the City Commission, that must be a resident of the City, and two police officers elected by the members.

The City transferred its police functions to the Palm Beach County Sheriff's Office effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former full-time sworn police officers are eligible to participate in the PRS.

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service, completion of 20 years of credited services, regardless of age or when age plus service measured in months equals or exceeds 75 years, provided the member has at least 10 years of credited service. The Plan provides a normal retirement benefit equal to 3% of average final compensation for each year of credited service worked. The monthly benefits are increased annually by \$2.50 for each full year from the member's date of retirement.

**Deferred Retirement Option Plan (the "DROP")** – Members who have attained normal retirement age, as described above, are eligible for the DROP. Upon entering the DROP, the member's accrued benefit is frozen. An account is established for each participant in the DROP, which is credited with the member's normal retirement benefit plus or minus investment earnings or losses. Investment earnings or losses are credited or debited to the participant's account at either the same rate realized as the Plan or, if so elected in advance, at a fixed rate of interest established by the Plan administrator. The value of the DROP balance at September 30, 2020 was \$628,375.

**Contributions** – Police employees are required by an ordinance of the City to contribute 7.06% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the system, based on an amount determined by the plan's actuaries as of October 1st of each preceding year. The contribution requirements of plan members and the City are established and may be amended by the PRS Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2020, the City received payments from the State for the PRS in the amount of \$623,454. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 185 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

#### **Firefighters' Pension Trust (FPT):**

**Plan Description** – The FPT is a single-employer defined benefit plan covering all eligible firefighters. The FPT was established by the City in accordance with a City ordinance and state statutes.

The City transferred its fire operations to Palm Beach County effective October 1, 2009. At that time, the Plan became closed to new members. All of the City's former certified firefighters are eligible to participate in the FPT.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 9. Employee Retirement Systems (Continued)

**Benefits Provided** – The Plan provides retirement, death and disability benefits. The benefit provisions are established and may be amended under the authority of City Ordinance.

Normal retirement age is the earlier of age 55 with 10 years of credited service or completion of 20 years of credited service, regardless of age or when age plus service measured in months equals or exceeds 900. The Plan provides a normal retirement benefit equal to 3.75% of average final compensation for each year of credited service worked, including prior fire service and military service purchased by the member.

**Deferred Retirement Option Plan (the “DROP”)** – Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Eligibility is either 20 years of service or age 55 with 10 years of service. Each participant in the DROP has an account credited with benefits not received and investment earnings. The value of the DROP balance at September 30, 2020 was \$18,659,018.

**Contributions** – Firefighters are required by Lake Worth City Ordinance to contribute 11.25% of pretax earnings, which the City pays as a pickup contribution pursuant to Internal Revenue Code Section 414(h)(2). The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the Plan’s actuaries as of October 1st of each preceding year. The contribution requirements of Plan members and the City are established and may be amended by the FPT Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2020, the City received payments from the State for the FPT in the amount of \$68,770. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 175 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

At October 1, 2019, the following plan members were covered by the Plans:

	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Active employees	276	10	7
Inactive plan members or beneficiaries currently receiving benefits	311	97	70
Inactive plan members entitled but not yet receiving benefits	12	-	1
	<u>599</u>	<u>107</u>	<u>78</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 9. Employee Retirement Systems (Continued)

##### Net Pension Liability of the City

The City's net pension liability was determined based on a measurement date of September 30, 2019. The components of the net pension liability of the City at September 30, 2020, were as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Total pension liability	\$ 108,714,231	\$ 53,401,488	\$ 67,131,107	\$ 229,246,826
Plan fiduciary net position	71,483,084	33,305,790	47,002,371	151,791,245
Net pension liability	<u>\$ 37,231,147</u>	<u>\$ 20,095,698</u>	<u>\$ 20,128,736</u>	<u>\$ 77,455,581</u>
Plan fiduciary net position as a percentage of the total pension liability	65.75%	62.37%	70.02%	66.21%

**Actuarial Assumptions** – The total pension liability based on the measurement date of September 30, 2019 was determined by using actuarial valuations as of October 1, 2018, with update procedures used to roll forward the total pension liability. The actuarial valuations used the following actuarial assumptions:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
Inflation	2.50%	2.50%	2.50%
Salary increases	5.00% - 7.50% *	6.50%	6.50%
Investment rate of return	7.30%	7.15%	7.15%

\* Depending on years of service, including inflation

For the GERS, PRS and FPT plans, mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB.

# City of Lake Worth Beach, Florida

## Notes to the Basic Financial Statements

### Note 9. Employee Retirement Systems (Continued)

**Investment Policy** –The GERS, PRS and FPT plans’ policy in regard to the allocation of invested assets is established and may be amended by their respective Boards. Plan assets are managed on a total return basis with long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following are the Plans adopted asset allocations:

	Target Allocations		
	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Domestic equities	40 - 65%	40 - 65%	40 - 60%
International equities	5 - 20%	5 - 20%	5 - 20%
Fixed income	15 - 25%	15 - 25%	20 - 40%
Real assets	-	-	0 -10%
Real estate	0 - 15%	0 - 15%	0 - 10%
TIPS	0 - 10%	0 - 10%	-
Cash and cash equivalents	Minimal	Minimal	Minimal

**Long-Term Expected Rate of Return** – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation are summarized in the following table:

	Long-Term Expected Real Rate of Return		
	General Employees’ Retirement System	Police Officers’ Relief and Retirement System	Firefighters’ Pension Trust
Domestic equities	7.50%	7.50%	7.50%
International equities	8.50%	8.50%	8.50%
Fixed income	2.50 - 3.50%	2.50 - 3.50%	2.50 - 3.50%
Real estate	4.50%	4.50%	4.50%

**Rate of Return** – For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.54% for GERS, 10.38% for PRS, and 11.54% for FPT. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# City of Lake Worth Beach, Florida

## Notes to the Basic Financial Statements

### Note 9. Employee Retirement Systems (Continued)

**Discount Rate** – This discount rate used to measure the total pension liability was 7.30% for GERS, 7.15% for PRS and FPT. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates (statutorily required) and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	General Employee's Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of September 30, 2019 Measurement date	\$ 108,063,294	\$ 72,091,129	\$ 35,972,165
Changes for the year:			
Service cost	1,344,924	-	1,344,924
Interest	7,757,646	-	7,757,646
Changes of benefit terms	512,928	-	512,928
Difference between expected and actual experience	(807,331)	-	(807,331)
Changes in assumptions	993,106	-	993,106
Contributions – employer	-	4,205,995	(4,205,995)
Contributions – employee	-	1,124,756	(1,124,756)
Net investment income	-	3,351,987	(3,351,987)
Benefit payments	(9,150,336)	(9,150,336)	-
Administrative expenses	-	(140,447)	140,447
Net changes	650,937	(608,045)	1,258,982
Balances as of September 30, 2020 Measurement date	\$ 108,714,231	\$ 71,483,084	\$ 37,231,147

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

	Police Officers' Relief and Retirement System		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of September 30, 2019			
Measurement date	\$ 52,206,957	\$ 32,328,488	\$ 19,878,469
Changes for the year:			
Service cost	210,912	-	210,912
Interest	3,702,052	-	3,702,052
Changes of benefit terms	-	-	-
Difference between expected and actual experience	24,508	-	24,508
Changes in assumptions	666,720	-	666,720
Other (addition to share plan accounts)	270,932	-	270,932
Contributions – employer and state	-	3,233,586	(3,233,586)
Contributions – employee	-	73,571	(73,571)
Net investment income	-	1,451,429	(1,451,429)
Benefit payments	(3,680,593)	(3,680,593)	-
Administrative expenses	-	(100,691)	100,691
Net changes	1,194,531	977,302	217,229
Balances as of September 30, 2020			
Measurement date	\$ 53,401,488	\$ 33,305,790	\$ 20,095,698
	Firefighters' Pension Trust		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances as of September 30, 2019			
Measurement date	\$ 66,114,854	\$ 47,122,406	\$ 18,992,448
Changes for the year:			
Service cost	241,178	-	241,178
Interest	4,680,993	-	4,680,993
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(61,252)	-	(61,252)
Changes in assumptions	621,002	-	621,002
Other (addition to share plan accounts)	97,844	-	97,844
Contributions – employer and state	-	2,872,622	(2,872,622)
Contributions – employee	-	169,763	(169,763)
Net investment income	-	1,487,404	(1,487,404)
Benefit payments	(4,563,512)	(4,563,512)	-
Administrative expenses	-	(86,312)	86,312
Net changes	1,016,253	(120,035)	1,136,288
Balances as of September 30, 2020			
Measurement date	\$ 67,131,107	\$ 47,002,371	\$ 20,128,736

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City, calculated using the discount rate of 7.30% for GERS and 7.15% for PRS and FPTF, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate for each plan:

	1% Decrease 6.30%	Current Discount Rate 7.30%	1% Increase 8.30%
General Employee's Retirement System	\$ 48,185,904	\$ 37,231,147	\$ 28,019,168
Police Officers' Relief and Retirement System	\$ 25,028,649	\$ 20,095,698	\$ 15,959,513
Firefighters' Pension Trust	\$ 24,723,035	\$ 20,128,736	\$ 16,276,810

**Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2020, the City recognized pension expense as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Pension expense	\$ 5,224,205	\$ 3,075,439	\$ 2,692,595	\$ 10,992,239

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

At year end the City reported deferred outflows of resources and deferred inflows of resources related to pensions as following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>General Employees' Retirement System</b>		
Differences between expected and actual experience	\$ 118,470	\$ 569,881
Assumption changes	1,464,972	-
Net difference between projected and actual earnings on pension plan investments	-	350,843
Total deferred amounts to be recognized in pension expense in future periods	1,583,442	920,724
Pension contributions made subsequent to the measurement date	4,236,368	-
Total deferred amounts	<u>\$ 5,819,810</u>	<u>\$ 920,724</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Police Officers' Relief and Retirement System</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 418,042	\$ -
Total deferred amounts to be recognized in pension expense in future periods	418,042	-
Pension contributions made subsequent to the measurement date	3,647,981	-
Total deferred amounts	<u>\$ 4,066,023</u>	<u>\$ -</u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 9. Employee Retirement Systems (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Firefighters' Pension Trust</b>		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 153,714
Total deferred amounts to be recognized in pension expense in future periods	-	153,714
Pension contributions made subsequent to the measurement date	3,225,368	-
Total deferred amounts	\$ 3,225,368	\$ 153,714

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year-end will be recognized as a reduction of the net pension liability in the subsequent year ending September 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30,	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
2021	\$ 383,373	\$ 80,267	\$ (250,064)	\$ 213,576
2022	(224,910)	(5,887)	(267,844)	(498,641)
2023	151,031	175,042	(684)	325,389
2024	353,224	168,620	364,878	886,722
Total	\$ 662,718	\$ 418,042	\$ (153,714)	\$ 927,046

**Note 10. Deferred Compensation Plans**

The City offers its employees two deferred compensation plans in accordance with Internal Revenue Code Sections 401a and 457. The funds are administrated by ICMA Retirement Corporation. All assets of the Plans are held in trust, custodial accounts or annuity contracts, for the exclusive benefit of the participants and their beneficiaries. Consequently, those Plan assets and liabilities are not recorded by the City. During fiscal year 2020, the City contributed approximately \$159,000 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contributions.



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* specifies that governments must recognize their total OPEB liability and related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments.

Plan Description and Funding Policy. Employees who retire from the City and their dependents are eligible to continue to participate (single employer plan) in the City's health insurance plan currently offered through the City at the "blended" employee group rate, which is determined annually by the City. The benefits of the Plan conform to Florida Statutes, which are the legal authority for the Plan.

The following table provides a summary of the number of participants in the plan as of the measurement date:

Active employees	436
Inactive plan members entitled but not yet receiving benefits	326
	<u>762</u>

Currently, the City's OPEB benefits are unfunded. This plan is not accounted for in a trust fund. To date, the City has followed a pay as you go funding policy, therefore, only those amounts necessary to provide for the City's reporting of current year benefit costs and expenses have been contributed from the General Fund. Contribution rates are determined by the City. The Plan does not issue a stand-alone financial report and it is not included in the report of a public employee retirement system or a report of another entity.

**Actuarial Methods and Assumptions:** The actuarial valuation of the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB) (Continued)

The total OPEB liability at September 30, 2020, was based on an actuarial valuation dated September 30, 2018, with a measurement date of September 30, 2019, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	2.75%
Salary increases	For general employees, 7.5% – 5.0% depending on service, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2018 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Healthcare cost trend rates	Based on the Getzen Model, with a trend rate of 6.5%, decreasing gradually to an ultimate trend rate of 4.24%, plus 0.43% increase for excise tax.
Aging factors	Based on the 2013 study “Health Care Costs – From Birth to Death.”

Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability. There were no benefit changes during the year.

**Discount Rate:** The discount rate used to measure the total OPEB liability was 2.75%. Because the City's OPEB costs are funded on a pay-as-you-go basis, a tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating as of the measurement date was used to determine the total OPEB liability.

The City's total OPEB liability at year-end follows:

Total OPEB liability:	
Service cost	\$ 28,506
Interest on total OPEB liability	76,947
Changes of assumptions and other inputs	189,844
Benefit payments	<u>(247,744)</u>
Net change in total OPEB liability	47,553
Total OPEB liability, beginning	<u>2,104,415</u>
Total OPEB liability, ending	<u><u>\$ 2,151,968</u></u>

**City of Lake Worth Beach, Florida**

**Notes to the Basic Financial Statements**

**Note 11. Other Postemployment Benefits (OPEB) (Continued)**

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following table presents the total OPEB liability, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than current discount rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	\$ 2,364,599	\$ 2,151,968	\$ 1,975,099

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current trend rate:

	1% Trend Decrease (a)	Trend Rate Assumption 6.5%	1% Trend Increase (b)
Total OPEB liability	\$ 2,045,493	\$ 2,151,968	\$ 2,273,358

(a) 5.5%, gradually decreasing to an ultimate trend rate of 4.67% in 2028

(b) 7.5%, gradually decreasing to an ultimate trend rate of 5.67% in 2028

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended September 30, 2020, the City recognized OPEB expense of \$ 184,266 and deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,490	\$ -
Assumption changes	135,414	-
	195,904	
Contributions made subsequent to the measurement date	253,448	-
Total deferred amounts	\$ 449,352	\$ -

The balance of \$253,448 reported as deferred outflows of resources related to OPEB resulting from City contributions paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending September 30, 2021.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 11. Other Postemployment Benefits (OPEB) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Years Ending September 30,	OPEB Plan
2021	\$ 99,920
2022	78,724
2023	17,260
Total	<u>\$ 195,904</u>

#### Note 12. Commitments and Contingencies

**Florida Municipal Power Agency (FMPA) Agreements** – The City's electric utility operates pursuant to various power sales contracts with a number of other power producers and a Power Supply Acquisition Agreement and Project Support contract with the FMPA. FMPA owns an 8.806% undivided interest in Florida Power & Light Company's St. Lucie Unit No. 2 (St. Lucie Unit No. 2), a nuclear powered electric generating facility and a 25% interest in Orlando Utilities Commission's Stanton Energy Center Coal Fired Unit No. 1 (Stanton Unit No. 1). The contracts with FMPA give the City and each of the other participants in the St. Lucie Project and the Stanton Project entitlement shares aggregating 100% of FMPA's ownership interest in St. Lucie Unit No. 2 and Stanton Unit No. 1. FMPA also has a Reliability Exchange Agreement with Florida Power & Light Company that enables the City to exchange 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from Stanton Unit No. 1. Under the FMPA agreements, the City is to receive approximately 21 megawatts (mw) of power from St. Lucie and 10 mw of power from Stanton. Costs associated with power purchases under these agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned. The City has also made commitments to purchases of electricity from the to-be-built FMPA Municipal Solar Projects which are schedule to begin delivering energy to the City in 2023. Pursuant to the City's agreement with the FMPA, the City was required to make a specified contribution to the FMPA. The City satisfied part of this requirement during fiscal year 2003 by transferring certain fuel inventory. The City has recorded a long-term, restricted deposit of \$1,316,174 as it would be refundable to the City in the event that the FMPA were to dissolve.

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

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 12. Commitments and Contingencies (Continued)**

During the duration of the contract the City shall maintain on its senior unsecured debt securities, a rating by Standard and Poor's Corporation of BB+, Moody's Investors Service, Inc., of Baa1, Fitch IBCA of BBB+, or another nationally recognized rating service reasonable acceptable to OUC Standard, whichever is lower. In the event the City's ratings fall below the specified minimum rating, the City will be required to provide a Letter of Credit, cash or bond or other assurances reasonably sufficient to assure the City's performance of its purchase and payment obligations under the agreement. The agreement with OUC is for a three-year term beginning January 1, 2014 with two additional option years. The City executed the second option year in January 2018. The City renewed the agreement with OUC beginning January 1, 2019 until December 31, 2022. The City has two (2) unilateral one (1) year extensions until December 31, 2024. The parties will also have a mutual option to extend until December 31, 2025, which shall be mutually agreed to by no later than June 1, 2024.

**Litigation, Claims and Assessments** – The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. However, in the opinion of the City's management, the ultimate outcome will not have a material adverse effect on the City's financial condition.

Amounts received and receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to not be material, except for amounts related to FEMA as discussed below.

**FEMA Grants** – The City worked with FEMA to finalize all of the claims filed by the City related to Hurricanes Jeanne, Frances and Wilma in 2004 and 2005. Amounts received or receivable from FEMA are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The City received initial determination letters for all large projects (those with a cost of more than \$57,500) in late December of 2011. The net questioned costs for the three storms were approximately \$2.8 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec 206.206 Federal Regulations, which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2022.

The U.S. Department of Homeland Security, Office of Inspector General (DHSOIG) conducted an audit of FEMA Disaster Declarations Nos. 1545 (Hurricane Frances), 1561 (Hurricane Jeanne) and 1609 (Hurricane Wilma) between January and May 2012. The purpose of this was to review the findings of the FEMA/State of Florida closeout audits. DHSOIG issued reports to the FEMA Regional Director in November 2012 and December 2012. In July of 2013, the City was notified by the State that there were additional net questioned costs for the three storms which were approximately \$1.1 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec. 206.206 Federal Regulations which allows for two appeals. The City is currently in the appeal process. That appeal process is not expected to be resolved until fiscal year 2022.

At fiscal year-end September 30, 2020, the City recorded an estimated liability of \$3.6 million for amounts that may be due to FEMA (required to be repaid), in the event that the City's aforementioned appeals are unsuccessful.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### Note 13. Self-Insurance Program

The City is subject to Florida State Statutes regarding civil actions to recover damages for covered claims under Florida Sovereign Immunity Laws, which effectively limits the amount of liability of municipalities to individual claims of \$200,000 or \$300,000, for all claims relating to the same incident.

Liabilities are recorded when a claim or loss has been reported. The City analyzes its losses and finances, both uninsured and insured risks. All insurance premiums and claims are charged to the appropriate Fund. The City is a member of a self-insured risk retention group for property coverage on all properties, other than Utilities. The approximately \$46 million of coverage is purchased with a shared limit of \$340,000,000 and a \$25,000,000 named windstorm sublimit. There is a \$5,000 all other peril deductible and a 5% windstorm deductible with a minimum of \$20,000. Utility property is insured with ACE American Insurance Company with a dedicated limit of approximately \$128 million. This is subject to a \$300,000 all other peril deductible and a 5% named windstorm deductible with a minimum of \$250,000. The City purchased a \$1,000,000 excess third-party liability over a \$100,000 self-insured retention.

The City is self-insured for workers' compensation and has a self-insured retention level of \$500,000 per claim, with statutory excess, and \$1,000,000 excess for employer's liability through PGIT. In the past 3 years all workers' compensation claims were within the limit of the policy. There were no significant reductions in coverage during the fiscal year compared to prior year. The City has a self-insured retention level of \$100,000 per occurrence for general and professional liability and automobile liability. Due to risk limitations, the City's beach, pier and lifeguard stands are considered uninsurable by the City's risk pool. Therefore, the cost of repair or replacement to these assets must be absorbed directly by the City unless reimbursement is provided by federal emergency funding. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. All funds of the City participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims, establish reserves for future claims and provide for administrative costs of the program. Interfund premiums are based upon the insured funds' number of employees and value of facilities. A liability for workers' compensation, general liability and property claims of approximately \$3,350,000 is reported in the fund at year end.

Changes in the balances of claims payable for 2020 and 2019, are as follows:

	Fiscal Year Ended	
	2020	2019
Claims payable, beginning of year	\$ 2,312,785	\$ 1,888,045
Provision for claims	2,500,842	1,082,513
Claims paid	(1,463,684)	(657,773)
Claims payable, end of year	<u>\$ 3,349,943</u>	<u>\$ 2,312,785</u>

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 14. Restatement – Prior Period Adjustment**

The beginning net position and fund balances of the following opinion units as of October 1, 2019 were restated to correct the following errors:

- The City disposed of certain CRA land assets held for resale in prior years but did not remove such assets from the accounting records at the time of disposal. An adjustment was recorded to dispose of such assets as of the prior fiscal year ended in the amount of \$2,554,004.
- To City did not accrue revenues for electric and sewer services provided to customers in fiscal year 2019. An adjustment was recorded to properly recognize revenues for customer receivables due as of the prior fiscal year ended in the amount of \$1,267,709.
- The City did not record the required true-up adjustment liability due to regional customers receiving sewer services through the Regional Sewer Fund for the year ended September 30, 2019. An adjustment was recorded to properly recognize the liability and related expenses incurred as of the prior fiscal year ended in the amount of \$916,795.
- The City recorded various transactions related to operating revenues and expenses/expenditures in the incorrect accounting period. An adjustment was recorded to properly recognize such revenues and expenses/expenditures in the proper accounting periods in the amount of \$385,217.
- The City recorded an adjustment to properly report the capital lease liability balance as of the prior fiscal year ended in the amount of \$12,282.

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 14. Restatement – Prior Period Adjustment (Continued)

The restatement adjustments recorded are summarized below for each opinion unit affected:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Net Position – October 1, 2019, as previously reported	\$ 21,611,225	\$ 150,819,112	\$ 172,430,337	\$ 20,280,800
Restatement:				
Assets held for resale	-	-	-	(2,554,004)
Unbilled accounts receivable	-	1,267,709	1,267,709	-
Regional sewer true-up adjustment	-	(916,795)	(916,795)	-
Operating revenues and expenses, net	(301,445)	(83,772)	(385,217)	-
Lease liability	(12,282)	-	(12,282)	-
Net Position – October 1, 2019, as restated	\$ 21,297,498	\$ 151,086,254	\$ 172,383,752	\$ 17,726,796

	Governmental Funds				Total Governmental Funds	Component Unit
	General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds		
Fund Balance (deficit) – October 1, 2019, as previously reported	\$ 4,882,499	\$ (3,197,042)	\$ 14,215,567	\$ 16,008,232	\$ 31,909,256	\$ 15,149,991
Restatement:						
Assets held for resale	-	-	-	-	-	(2,554,004)
Operating revenues and expenditures, net	(301,445)	-	-	-	(301,445)	-
Fund Balance (deficit) – October 1, 2019, as restated	\$ 4,581,054	\$ (3,197,042)	\$ 14,215,567	\$ 16,008,232	\$ 31,607,811	\$ 12,595,987

	Business-Type Activities – Enterprise Funds						Internal Service Funds
	Major			Nonmajor Enterprise Funds	Total Enterprise Funds		
	Electric	Water	Local Sewer	Regional Sewer			
Net Position – October 1, 2019, as previously reported	\$ 18,817,486	\$ 55,664,363	\$ 15,657,271	\$ 36,583,724	\$ 14,080,655	\$ 140,803,499	\$ 8,637,926
Restatement:							
Unbilled accounts receivable	899,315	-	368,394	-	-	1,267,709	-
Regional sewer true-up adjustment	-	-	-	(916,795)	-	(916,795)	-
Operating revenues and expenses, net	(83,772)	-	-	-	-	(83,772)	-
Net Position - October 1, 2019, as restated	\$ 19,633,029	\$ 55,664,363	\$ 16,025,665	\$ 35,666,929	\$ 14,080,655	\$ 141,070,641	\$ 8,637,926



## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

#### Note 14. Restatement – Prior Period Adjustment (Continued)

The effect of the restatement on the net change in net position of the Component Unit as of September 30, 2019 is zero as the disposal occurred prior to fiscal year ended September 30, 2019. The effect of the restatements on the net change in fund balance/net position for the fiscal year ended September 30, 2019 for each opinion unit follows:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Change in Net Position – September 30, 2019, as previously reported	\$ 3,602,388	\$ 2,955,555	\$ 6,557,943	\$ 3,402,483
Restatement:				
Unbilled accounts receivable	-	1,267,709	1,267,709	-
Regional sewer true-up adjustment	-	(916,795)	(916,795)	-
Operating revenues and expenses, net	(301,445)	(83,772)	(385,217)	-
Lease liability	(12,282)	-	(12,282)	-
Change in Net Position – September 30, 2019, as restated	\$ 3,288,661	\$ 3,222,697	\$ 6,511,358	\$ 3,402,483

Governmental Funds						
General	Beach Fund	Neighborhood Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds	Component Unit	
Change in Fund Balance (deficit) – September 30, 2019, as previously reported	\$ 232,450	\$ 234,444	\$ (8,738,167)	\$ 4,666,129	\$ (3,605,144)	\$ 638,506
Restatement:						
Operating revenues and expenditures, net	(301,445)	-	-	-	(301,445)	-
Change in Fund Balance (deficit) – September 30, 2019, as restated	\$ (68,995)	\$ 234,444	\$ (8,738,167)	\$ 4,666,129	\$ (3,906,589)	\$ 638,506

Business-Type Activities – Enterprise Funds							
Major			Nonmajor		Total	Internal	
Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds	
Change in Net Position – September 30, 2019, as previously reported	\$ (1,085,311)	\$ 1,585,058	\$ (1,238,646)	\$ 4,338,983	\$ 700,632	\$ 4,300,716	\$ (2,683,485)
Restatement:							
Unbilled accounts receivable	899,315	-	368,394	-	-	1,267,709	-
Regional sewer true-up adjustment	-	-	-	(916,795)	-	(916,795)	-
Operating revenues and expenses, net	(83,772)	-	-	-	-	(83,772)	-
Change in Net Position - September 30, 2019, as restated	\$ (269,768)	\$ 1,585,058	\$ (870,252)	\$ 3,422,188	\$ 700,632	\$ 4,567,858	\$ (2,683,485)

## City of Lake Worth Beach, Florida

### Notes to the Basic Financial Statements

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#### **Note 15. Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 84, *Fiduciary Activities*, was issued January 2017. This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. \*

GASB Statement No. 87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. \*

GASB Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. \*

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. \*

GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. This statement addresses accounting and financial reporting implications that result from the replacement of a LIBOR. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. \*

\*Effective dates represent postponement as per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for the City beginning with its year ending September 30, 2023.

**Note 15. Pronouncements Issued But Not Yet Adopted (Continued)**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued June 2020. The primary objectives of this Statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the City beginning with its year ending September 30, 2022. Except for the requirement of this Statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans, and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trust that meet the criteria in paragraph 30 of Statement 67 or paragraph 30 of Statement 74, respectively, are effective immediately.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

**Note 16. Subsequent Events**

In October 2020, the City Commission passed a resolution authorizing the issuance of Consolidated Utilities Revenue Bonds, Series 2020, in the amount of approximately \$89 million with a premium of approximately \$13.7 million. The bonds were issued to finance improvements to the City's utilities systems and refinance the outstanding 2013 Series Bonds and Note Payable agreement, which was issued to fund the energy savings project.

## ***City of Lake Worth Beach, Florida***

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**UNAUDITED**

City of Lake Worth Beach, Florida

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 10,698,677	\$ 10,698,677	\$ 10,622,379	\$ (76,298)
Utility service taxes	4,172,332	4,172,332	4,171,041	(1,291)
Gas tax	969,092	969,092	860,137	(108,955)
Franchise fees	96,874	96,874	138,871	41,997
<b>Total taxes</b>	<b>15,936,975</b>	<b>15,936,975</b>	<b>15,792,428</b>	<b>(144,547)</b>
Licenses and permits:				
Business	1,077,500	1,077,500	991,292	(86,208)
Non-business	135,040	135,040	83,130	(51,910)
<b>Total licenses and permits</b>	<b>1,212,540</b>	<b>1,212,540</b>	<b>1,074,422</b>	<b>(138,118)</b>
Fines and forfeitures:				
Public safety	32,618	32,618	25,694	(6,924)
Library fines	6,381	6,381	1,114	(5,267)
Violations of local ordinances	752,946	752,946	935,077	182,131
<b>Total fines and forfeitures</b>	<b>791,945</b>	<b>791,945</b>	<b>961,885</b>	<b>169,940</b>
Charges for services:				
General government	12,118,297	12,118,297	11,763,242	(355,055)
Public safety	370,000	370,000	204,742	(165,258)
Physical environment	841,450	841,450	851,738	10,288
Transportation	46,151	46,151	55,758	9,607
Culture and recreation	136,706	136,706	43,867	(92,839)
<b>Total charges for services</b>	<b>13,512,604</b>	<b>13,512,604</b>	<b>12,919,347</b>	<b>(593,257)</b>
Intergovernmental:				
State and other shared revenues	5,456,106	5,456,106	4,761,827	(694,279)
<b>Total intergovernmental</b>	<b>5,456,106</b>	<b>5,456,106</b>	<b>4,761,827</b>	<b>(694,279)</b>
Other revenues:				
Investment income	50,000	50,000	59,821	9,821
Rents and royalties	20,572	20,572	19,445	(1,127)
Miscellaneous	141,039	141,039	70,573	(70,466)
<b>Total other revenues</b>	<b>211,611</b>	<b>211,611</b>	<b>149,839</b>	<b>(61,772)</b>
<b>Total revenues</b>	<b>37,121,781</b>	<b>37,121,781</b>	<b>35,659,748</b>	<b>(1,462,033)</b>
Expenditures:				
General Government:				
City commission	443,626	443,626	414,013	29,613
City manager	701,344	701,344	604,805	96,539
City clerk	529,903	529,903	504,486	25,417
Finance	1,607,379	1,607,379	1,623,839	(16,460)
Internal auditing	-	-	-	-
Personnel	177,728	177,728	162,205	15,523
City attorney	-	-	-	-
Community development	324,342	324,342	298,331	26,011
Business license	590,156	590,156	578,247	11,909
Building maintenance	3,462,703	3,462,703	3,335,481	127,222
Cost of services	825,874	825,874	812,687	13,187
<b>Total general government</b>	<b>8,663,055</b>	<b>8,663,055</b>	<b>8,334,094</b>	<b>328,961</b>

(Continued)

City of Lake Worth Beach, Florida

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police	16,204,665	16,204,665	16,364,716	(160,051)
Fire	3,139,794	3,139,794	3,481,974	(342,180)
Building and zoning	687,380	687,380	686,328	1,052
Code and administration	1,476,005	1,476,005	1,371,272	104,733
<b>Total public safety</b>	<b>21,507,844</b>	<b>21,507,844</b>	<b>21,904,290</b>	<b>(396,446)</b>
Physical environment:				
Cemetery	262,336	262,336	245,705	16,631
Grounds maintenance	2,142,784	2,142,784	2,039,471	103,313
<b>Total physical environment</b>	<b>2,405,120</b>	<b>2,405,120</b>	<b>2,285,176</b>	<b>119,944</b>
Transportation:				
Administration	277,256	277,256	303,800	(26,544)
Streets, drains and sidewalks	1,869,537	1,869,537	1,644,900	224,637
<b>Total transportation</b>	<b>2,146,793</b>	<b>2,146,793</b>	<b>1,948,700</b>	<b>198,093</b>
Culture and recreation:				
Library	614,143	614,143	581,302	32,841
Recreation	1,950,470	1,950,470	1,660,047	290,423
<b>Total culture and recreation</b>	<b>2,564,613</b>	<b>2,564,613</b>	<b>2,241,349</b>	<b>323,264</b>
Capital outlay	33,854	33,854	8,945	24,909
Debt service:				
Principal	47,170	47,170	50,664	(3,494)
Interest	28,099	28,099	26,627	1,472
<b>Total debt service</b>	<b>75,269</b>	<b>75,269</b>	<b>77,291</b>	<b>(2,022)</b>
<b>Total expenditures</b>	<b>37,396,548</b>	<b>37,396,548</b>	<b>36,799,845</b>	<b>596,703</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(274,767)</b>	<b>(274,767)</b>	<b>(1,140,097)</b>	<b>(865,330)</b>
Other financing sources (uses):				
Proceeds from debt issuance, including premiums	505,228	505,228	8,069,444	(7,564,216)
Transfers in	420,593	420,593	420,593	-
Transfers out	(15,000)	(15,000)	(15,000)	-
Appropriated fund balance	(636,054)	(636,054)	-	(636,054)
<b>Total other financing sources (uses)</b>	<b>274,767</b>	<b>274,767</b>	<b>8,475,037</b>	<b>8,200,270</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,334,940</b>	<b>\$ 7,334,940</b>
Fund balance – beginning of year, as restated (Note 14)			4,581,054	
Fund balance – end of year			<u>\$ 11,915,994</u>	

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Beach Fund  
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,720,230	\$ 3,720,230	\$ 3,081,738	\$ (638,492)
Fines and forfeitures	227,500	227,500	369,708	142,208
Investment income	5,000	5,000	26,524	21,524
Miscellaneous	9,823	9,823	7,697	(2,126)
<b>Total revenues</b>	<b>3,962,553</b>	<b>3,962,553</b>	<b>3,485,667</b>	<b>(476,886)</b>
Expenditures:				
Current:				
Transportation	724,170	724,170	686,913	37,257
Culture and recreation	2,672,687	2,672,687	2,496,636	176,051
Capital outlay	202,568	202,568	151,900	50,668
Debt service:				
Principal	550,000	550,000	-	550,000
Interest	55,682	55,682	-	55,682
<b>Total expenditures</b>	<b>4,205,107</b>	<b>4,205,107</b>	<b>3,335,449</b>	<b>869,658</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(242,554)</b>	<b>(242,554)</b>	<b>150,218</b>	<b>392,772</b>
Other financing sources:				
Proceeds from debt issuance, including premiums	-	-	6,754,807	6,754,807
Appropriated fund balance	242,554	242,554	-	(242,554)
<b>Total other financing sources</b>	<b>242,554</b>	<b>242,554</b>	<b>6,754,807</b>	<b>6,512,253</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,905,025</b>	<b>\$ 6,905,025</b>
Fund balance (deficit), beginning of year			(3,197,042)	
Fund balance, end of year			\$ 3,707,983	



**Notes to Required Supplementary Information  
For the Fiscal Year Ended September 30, 2020**

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**Note 1. Budgets and Legal Compliance**

The City follows these procedures in establishing budgetary data:

- a. The City Manager submits to the City Commission a proposed operating budget for the General Fund for the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.
- b. Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.
- c. The budget is approved by the City Commission and becomes the basis for the millage levied by the City Commission.
- d. The City Manager is authorized to transfer budgeted amounts within any department; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Commission. The City Commission may amend the current year's budget appropriation by passage of a budget amendment resolution. Expenditures may not exceed legal appropriations at the department level. Encumbrances lapse at year-end. Encumbrances are re-appropriated in the following year's budget.
- e. Formal budgetary integration is employed as a management control device during the year.
- f. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent final authorized amounts. Therefore, the department level is the legal level of budgetary control. Budgeted amounts are as originally adopted or as amended.
- g. The City is not legally required to, and does not, adopt budgets for the Law Enforcement and Firefighters Education Fund and Law Enforcement Confiscated Property Fund.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years**

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 1,344,924	\$ 1,276,370	\$ 1,264,754	\$ 1,026,628	\$ 1,289,330	\$ 1,269,805
Interest	7,757,646	7,622,289	7,623,881	7,765,990	7,865,429	7,897,624
Benefit changes	512,928	2,327,011	-	-	-	-
Differences between expected and actual experience	(807,331)	217,106	186,801	(2,300,009)	(967,020)	(289,809)
Changes of assumptions	993,106	957,440	2,876,644	-	-	-
Benefit payments, including refunds of member contributions	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Net change in total pension liability	650,937	3,018,064	3,922,581	(2,606,699)	(1,129,203)	(430,557)
Total pension liability – beginning	108,063,294	105,045,230	101,122,649	103,729,348	104,858,551	105,289,108
Total pension liability – ending (a)	<u>\$ 108,714,231</u>	<u>\$ 108,063,294</u>	<u>\$ 105,045,230</u>	<u>\$ 101,122,649</u>	<u>\$ 103,729,348</u>	<u>\$ 104,858,551</u>
Plan fiduciary net position						
Contributions – employer	\$ 4,205,995	\$ 3,987,293	\$ 4,086,164	\$ 4,440,602	\$ 4,614,165	\$ 4,553,202
Contributions – member	1,124,756	1,124,419	1,102,815	848,814	844,870	928,387
Net investment income	3,351,987	6,162,213	7,822,485	4,307,428	508,074	7,515,916
Benefit payments, including refunds of member contributions	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Administrative expenses	(140,447)	(141,352)	(124,525)	(142,750)	(128,684)	(126,863)
Net change in plan fiduciary net position	(608,045)	1,750,421	4,857,440	354,786	(3,478,517)	3,562,465
Plan fiduciary net position – beginning	72,091,129	70,340,708	65,483,268	65,128,482	68,606,999	65,044,534
Plan fiduciary net position – ending (b)	<u>\$ 71,483,084</u>	<u>\$ 72,091,129</u>	<u>\$ 70,340,708</u>	<u>\$ 65,483,268</u>	<u>\$ 65,128,482</u>	<u>\$ 68,606,999</u>
City net pension liability – ending (a) - (b)	<u>\$ 37,231,147</u>	<u>\$ 35,972,165</u>	<u>\$ 34,704,522</u>	<u>\$ 35,639,381</u>	<u>\$ 38,600,866</u>	<u>\$ 36,251,552</u>
Plan fiduciary net position as a percentage of the total pension liability	65.75%	66.71%	66.96%	64.76%	62.79%	65.43%
Covered payroll	\$ 15,972,516	\$ 14,415,632	\$ 14,138,657	\$ 10,882,231	\$ 10,831,667	\$ 11,902,397
City net pension liability as percentage of covered payroll	233.10%	249.54%	245.46%	327.50%	356.37%	304.57%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.40% to 7.30%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Six Fiscal Years**

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 210,912	\$ 193,882	\$ 229,634	\$ 255,209	\$ 238,693	\$ 280,511
Interest	3,702,052	3,661,397	3,713,027	3,837,201	3,902,610	3,915,664
Differences between expected and actual experience	24,508	434,141	(97,978)	(655,445)	287,033	115,847
Changes of assumptions	666,720	656,642	266,889	635,049	-	-
Benefit payments, including refunds of member contributions	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Other	270,932	295,992	235,027	209,050	209,050	202,603
Net change in total pension liability	1,194,531	1,563,067	(75,764)	(1,146,838)	(930,488)	590,955
Total pension liability – beginning	52,206,957	50,643,890	50,719,654	51,866,492	52,796,980	52,206,025
Total pension liability – ending (a)	<u>\$ 53,401,488</u>	<u>\$ 52,206,957</u>	<u>\$ 50,643,890</u>	<u>\$ 50,719,654</u>	<u>\$ 51,866,492</u>	<u>\$ 52,796,980</u>
Plan fiduciary net position						
Contributions – employer and state	\$ 3,233,586	\$ 3,119,402	\$ 3,013,393	\$ 2,882,783	\$ 2,773,209	\$ 2,543,956
Contributions – member	73,571	68,521	73,533	169,346	102,916	208,801
Net investment income	1,451,429	2,189,339	3,021,517	1,744,263	449,322	2,906,179
Benefit payments, including refunds of member contributions	(3,680,593)	(3,678,987)	(4,422,363)	(5,427,902)	(5,567,874)	(3,923,670)
Administrative expenses	(100,691)	(91,942)	(91,961)	(94,732)	(89,064)	(96,476)
Net change in plan fiduciary net position	977,302	1,606,333	1,594,119	(726,242)	(2,331,491)	1,638,790
Plan fiduciary net position – beginning	32,328,488	30,722,155	29,128,036	29,854,278	32,185,769	30,546,979
Plan fiduciary net position – ending (b)	<u>\$ 33,305,790</u>	<u>\$ 32,328,488</u>	<u>\$ 30,722,155</u>	<u>\$ 29,128,036</u>	<u>\$ 29,854,278</u>	<u>\$ 32,185,769</u>
City net pension liability – ending (a) - (b)	<u>\$ 20,095,698</u>	<u>\$ 19,878,469</u>	<u>\$ 19,921,735</u>	<u>\$ 21,591,618</u>	<u>\$ 22,012,214</u>	<u>\$ 20,611,211</u>
Plan fiduciary net position as a percentage of the total pension liability	62.37%	61.92%	60.66%	57.43%	57.56%	60.96%
Covered payroll	\$ 1,042,087	\$ 970,555	\$ 1,041,543	\$ 1,275,960	\$ 1,250,989	\$ 1,333,456
City net pension liability as percentage of covered payroll	1928.41%	2048.15%	1912.71%	1692.19%	1759.58%	1545.70%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.30% to 7.15%.

City of Lake Worth Beach, Florida

Required Supplementary Information (unaudited)

Firefighters' Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios

Last Six Fiscal Years

Fiscal Year:	2020	2019	2018	2017	2016	2015
Measurement Date:	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 241,178	\$ 260,076	\$ 285,547	\$ 302,838	\$ 332,003	\$ 297,315
Interest	4,680,993	4,749,735	4,762,802	4,650,666	4,483,334	4,332,379
Differences between expected and actual experience	(61,252)	(544,886)	(322,397)	120,719	198,870	(241,254)
Changes of assumptions	621,002	613,640	185,206	608,377	978,453	-
Benefit payments, including refunds of member contributions	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Other	97,844	424,869	1,531,430	547,964	1,101,767	275,168
Net change in total pension liability	1,016,253	161,621	2,229,516	2,353,313	3,910,029	1,446,464
Total pension liability – beginning	66,114,854	65,953,233	63,723,717	61,370,404	57,460,375	56,013,911
Total pension liability – ending (a)	<u>\$ 67,131,107</u>	<u>\$ 66,114,854</u>	<u>\$ 65,953,233</u>	<u>\$ 63,723,717</u>	<u>\$ 61,370,404</u>	<u>\$ 57,460,375</u>
<b>Plan fiduciary net position</b>						
Contributions – employer and state	\$ 2,872,622	\$ 2,794,091	\$ 2,811,277	\$ 2,709,016	\$ 2,550,030	\$ 2,625,210
Contributions – member	169,763	84,971	105,985	108,980	118,270	123,344
Net investment income	1,487,404	4,981,565	4,306,470	2,748,904	(828,763)	3,079,060
Benefit payments, including refunds of member contributions	(4,563,512)	(5,341,813)	(4,213,072)	(3,877,251)	(3,184,398)	(3,217,144)
Administrative expenses	(86,312)	(84,970)	(70,801)	(80,852)	(92,510)	(217,064)
Rollover	-	424,869	1,531,430	547,964	1,101,767	275,168
Net change in plan fiduciary net position	(120,035)	2,858,713	4,471,289	2,156,761	(335,604)	2,668,574
Plan fiduciary net position – beginning	47,122,406	44,263,693	39,792,404	37,635,643	37,971,247	35,302,673
Plan fiduciary net position – ending (b)	<u>\$ 47,002,371</u>	<u>\$ 47,122,406</u>	<u>\$ 44,263,693</u>	<u>\$ 39,792,404</u>	<u>\$ 37,635,643</u>	<u>\$ 37,971,247</u>
City net pension liability – ending (a) - (b)	<u>\$ 20,128,736</u>	<u>\$ 18,992,448</u>	<u>\$ 21,689,540</u>	<u>\$ 23,931,313</u>	<u>\$ 23,734,761</u>	<u>\$ 19,489,128</u>
Plan fiduciary net position as a percentage of the total pension liability	70.02%	71.27%	67.11%	62.45%	61.33%	66.08%
Covered payroll	\$ 639,283	\$ 755,301	\$ 942,090	\$ 968,706	\$ 1,050,059	\$ 1,073,629
City net pension liability as percentage of covered payroll	3148.64%	2514.55%	2302.28%	2470.44%	2260.33%	1815.26%

Note:

a. This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years which the information is available.

b. Effective October 1, 2018, the investment return assumption was lowered from 7.30% to 7.15%.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**General Employees' Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 4,236,368	\$ 4,236,368	\$ -	\$ 15,834,827	26.8%
2019	4,205,995	4,205,995	-	15,972,516	26.3%
2018	3,987,293	3,987,293	-	14,415,632	27.7%
2017	4,086,164	4,086,164	-	14,138,657	28.9%
2016	4,440,602	4,440,602	-	10,882,231	40.8%
2015	4,614,165	4,614,165	-	10,831,667	42.6%
2014	4,553,202	4,553,202	-	11,902,397	38.3%
2013	3,982,877	3,982,877	-	11,547,885	34.5%
2012	3,293,953	3,293,953	-	11,916,382	27.6%
2011	2,786,433	2,786,433	-	10,951,357	25.4%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	19 years (single equivalent amortization period)
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	5.0%-7.5%, depending on years of service, including inflation
Investment rate of return	7.30%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Non-Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2017 Actuarial Valuation. Florida Statutes Chapter 112.63 mandates the use of the same mortality assumptions used by FRS in either of the two most recently published FRS actuarial valuation reports.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Police Officers' Relief and Retirement System – Schedule of Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 3,307,932	\$ 3,307,932	\$ -	\$ 1,071,183	308.8%
2019	3,233,586	3,233,586	-	1,042,087	310.3%
2018	2,742,005	2,823,410	(81,405)	970,555	290.9%
2017	2,696,961	2,778,366	(81,405)	1,041,543	266.8%
2016	2,615,683	2,673,733	(58,050)	1,275,960	209.5%
2015	2,548,833	2,564,159	(15,326)	1,250,989	205.0%
2014	2,341,353	2,341,353	-	1,333,456	175.6%
2013	2,071,189	2,071,189	-	1,445,490	143.3%
2012	1,733,395	1,733,395	-	1,460,425	118.7%
2011	1,569,833	1,569,833	-	1,553,664	101.0%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.5%, including inflation
Investment rate of return	7.15%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2017 actuarial valuation, as mandated by Florida Statutes Chapter 112.63.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Firefighters' Pension Trust – Schedule of Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 3,243,971	\$ 3,243,971	\$ -	\$ 445,929	727.5%
2019	2,872,622	2,872,622	-	639,283	449.4%
2018	2,794,091	2,794,091	-	755,301	369.9%
2017	2,811,277	2,811,277	-	942,090	298.4%
2016	2,709,016	2,709,016	-	968,706	279.7%
2015	2,550,030	2,550,030	-	1,050,059	242.8%
2014	2,625,210	2,625,210	-	1,073,629	244.5%
2013	2,332,795	2,332,795	-	994,538	234.6%
2012	1,845,288	1,845,288	-	1,073,889	171.8%
2011	1,705,530	1,705,530	-	1,118,599	152.5%

Notes to Schedule:

Valuation date: October 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.50%
Investment rate of return	7.15%
Mortality	RP- 2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB.

City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**  
**Pension Trust Funds – Schedule of Investment Returns**  
**Last Ten Fiscal Years**

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expenses		
	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust
2020	10.54 %	10.38 %	11.54 %
2019	4.91	4.98	3.46
2018	9.63	8.15	11.92
2017	12.84	11.44	11.14
2016	7.30	6.76	7.51
2015	0.43	1.48	(2.16)
2014	12.19	10.14	9.03
2013	16.25	15.44	13.81
2012	19.43	19.80	20.64
2011	(0.89)	(0.34)	0.38



City of Lake Worth Beach, Florida

**Required Supplementary Information (unaudited)**

**City of Lake Worth Beach OPEB Plan**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

**Last Three Fiscal Years**

Fiscal year ending September 30:	2020	2019	2018
Measurement date September 30:	2019	2018	2017
<hr/>			
Total pension liability:			
Service cost	\$ 28,506	\$ 21,674	\$ 21,929
Interest on total OPEB liability	76,947	63,806	62,760
Changes in benefit terms	-	184,337	-
Differences between expected and actual experience	-	141,142	-
Changes of assumptions	189,844	7,230	(63,321)
Benefit payments	(247,744)	(230,272)	(214,928)
Net change in total OPEB liability	47,553	187,917	(193,560)
Total OPEB liability – beginning	2,104,415	1,916,498	2,110,058
Total OPEB liability – ending	<u>\$ 2,151,968</u>	<u>\$ 2,104,415</u>	<u>\$ 1,916,498</u>
<hr/>			
Covered payroll	\$ 19,767,821	\$ 19,192,059	\$ 19,430,154
<hr/>			
Total OPEB liability as percentage of covered payroll	10.89%	10.97%	9.86%

**Notes to schedule:**

Schedule is intended to show information for ten years. Additional years will be presented as they become available.

The discount rate was changed from 3.83% to 2.75% for fiscal year 2020.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

**THE FOLLOWING COMBINING STATEMENTS INCLUDE THE NONMAJOR GOVERNMENTAL FUNDS, NON- MAJOR ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUNDS AND THE DISCRETELY PRESENTED COMPONENT UNITS. IN ADDITION, BUDGET - TO- ACTUAL SCHEDULES ARE PRESENTED.**

## **City of Lake Worth Beach, Florida**

### **Nonmajor Governmental Funds**

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#### **Special Revenue Funds**

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

##### **Building Permit Fund**

To account for revenues and expenditures associated with the services provided by the building department.

##### **Golf Fund**

This fund accounts for the operations and rental payments of City-owned golf courses.

##### **Parking Improvement Fund**

Was established by the City Commission to segregate funds and accumulate funds from development assessments on downtown-area properties. These funds are to be used for parking lot maintenance, striping and the possible installation of parking meters to control downtown parking use.

##### **Code Remediation Fund**

To account for the transactions from code compliance liens placed on city properties which have been vacated and the properties acquired through foreclosures.

##### **Grants Fund**

To account for certain revenues and expenditures related to federal, state and local grants awarded to the City.

##### **Tree Beautification Fund**

Accounts for the collection of tree removal fees and donations that are to be used for the preservation, maintenance, relocation or restoration of tree ecosystems on public or private land within the City limits.

##### **Utility Conservation Fund**

To account for the receipt and disbursement of funds collected from surcharges (Resolution 48-2009) for Energy Conservation programs.

##### **Simpkin Trust Fund**

To account for the receipt and disbursement of donated monies for the library.

##### **Library Trust Fund**

To account for the receipt and disbursement of monies for the library.

##### **Law Enforcement and Firefighters Education Fund**

To account for state contributions for police and firefighter education and the expenditures incurred.

##### **Law Enforcement Confiscated Property Fund**

To account for the receipt of monies from the sale of confiscated property and disbursement for special law enforcement activities in accordance with Florida statutes and federal regulations.

## **City of Lake Worth Beach, Florida**

### **Nonmajor Governmental Funds**

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#### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

##### **General Obligation Bond (GOB) 2018 Fund**

To account for principal and interest costs on the GOB series 2018 which is funded by property taxes.

#### **Capital Projects Funds**

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

##### **Park of Commerce Fund**

To account for the construction costs of the Park of Commerce Project, funded by City funds, grants, and other financing.

##### **Discretionary Sales Tax Fund**

To account for the "Palm Beach County District Schools, Cities and County Government Infrastructure One-Cent Sales Surtax" for the acquisition or construction of major capital facilities and the purchase of capital items.

##### **Capital Projects Fund**

To account for the acquisition or construction of major capital facilities and the purchase of capital items other than those financed by proprietary fund operations.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,655,279	\$ -	\$ 3,873,927	\$ 5,529,206
Investments	4,673,194	-	8,836,402	13,509,596
Accounts receivable, net	50,979	-	592,748	643,727
Accrued interest receivable	7,057	-	13,513	20,570
Inventories	8,383	-	-	8,383
Land held for resale	237,861	-	-	237,861
Prepaid items	13,280	-	-	13,280
<b>Total assets</b>	<b>\$ 6,646,033</b>	<b>\$ -</b>	<b>\$ 13,316,590</b>	<b>\$ 19,962,623</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 371,988	\$ -	\$ 340,285	\$ 712,273
Accrued liabilities	54,360	-	-	54,360
Due to other funds	151,714	16,433	-	168,147
Unearned revenue	45,061	-	-	45,061
<b>Total liabilities</b>	<b>623,123</b>	<b>16,433</b>	<b>340,285</b>	<b>979,841</b>
Fund balances:				
Nonspendable:				
Prepaid items	13,280	-	-	13,280
Inventories	8,383	-	-	8,383
Land held for resale	237,861	-	-	237,861
Restricted for:				
Public safety	4,596,437	-	-	4,596,437
Grants	146,415	-	-	146,415
Parking improvements	69,338	-	-	69,338
Public safety	492,506	-	-	492,506
Tree preservation	19,606	-	-	19,606
Energy conservation	220,811	-	-	220,811
Culture and recreation	218,273	-	-	218,273
Capital projects	-	-	6,986,897	6,986,897
Assigned to:				
Capital projects	-	-	5,989,408	5,989,408
Unassigned (deficit)	-	(16,433)	-	(16,433)
<b>Total fund balances (deficit)</b>	<b>6,022,910</b>	<b>(16,433)</b>	<b>12,976,305</b>	<b>18,982,782</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 6,646,033</b>	<b>\$ -</b>	<b>\$ 13,316,590</b>	<b>\$ 19,962,623</b>

City of Lake Worth Beach, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund GOB 2018	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 2,140,741	\$ -	\$ 2,140,741
Utility and other taxes	-	-	475,662	475,662
Licenses and permits	1,323,854	-	-	1,323,854
Charges for services	1,304,995	-	-	1,304,995
Intergovernmental	359,919	-	3,273,973	3,633,892
Investment income	70,336	-	129,830	200,166
Miscellaneous	73,882	-	177,000	250,882
<b>Total revenues</b>	<b>3,132,986</b>	<b>2,140,741</b>	<b>4,056,465</b>	<b>9,330,192</b>
Expenditures:				
Current:				
General government	61,314	-	16,867	78,181
Public safety	1,219,095	-	-	1,219,095
Transportation	134	-	134,746	134,880
Culture and recreation	1,188,554	-	-	1,188,554
Capital outlay	441,698	-	1,160,553	1,602,251
Debt service:				
Principal	-	730,000	-	730,000
Interest	-	1,424,088	-	1,424,088
<b>Total expenditures</b>	<b>2,910,795</b>	<b>2,154,088</b>	<b>1,312,166</b>	<b>6,377,049</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>222,191</b>	<b>(13,347)</b>	<b>2,744,299</b>	<b>2,953,143</b>
Other financing sources (uses):				
Transfers in	15,000	-	-	15,000
Transfers out	(68,593)	-	-	(68,593)
Proceeds from debt issuance	75,000			75,000
<b>Total other financing sources</b>	<b>21,407</b>	<b>-</b>	<b>-</b>	<b>21,407</b>
<b>Net change in fund balance (deficit)</b>	<b>243,598</b>	<b>(13,347)</b>	<b>2,744,299</b>	<b>2,974,550</b>
Fund balances (deficit), beginning of year	5,779,312	(3,086)	10,232,006	16,008,232
Fund balances (deficit), end of year	\$ 6,022,910	\$ (16,433)	\$ 12,976,305	\$ 18,982,782

City of Lake Worth Beach, Florida

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
September 30, 2020

	Building Permit	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
<b>Assets:</b>												
Cash and cash equivalents	\$ 733,739	\$ 302,445	\$ 24,676	\$ 82,619	\$ 316,998	\$ 19,606	\$ -	\$ 17,717	\$ 54,021	\$ 90,696	\$ 12,762	\$ 1,655,279
Investments	3,833,512	-	44,591	445,171	-	-	247,233	93,895	-	-	8,792	4,673,194
Accounts receivable, net	15,354	-	-	-	35,625	-	-	-	-	-	-	50,979
Accrued interest receivable	5,858	-	71	678	-	-	292	142	-	-	16	7,057
Inventories	-	8,383	-	-	-	-	-	-	-	-	-	8,383
Land held for resale	-	-	-	237,861	-	-	-	-	-	-	-	237,861
Prepaid items	-	13,280	-	-	-	-	-	-	-	-	-	13,280
<b>Total assets</b>	<b>\$ 4,588,463</b>	<b>\$ 324,108</b>	<b>\$ 69,338</b>	<b>\$ 766,329</b>	<b>\$ 352,623</b>	<b>\$ 19,606</b>	<b>\$ 247,525</b>	<b>\$ 111,754</b>	<b>\$ 54,021</b>	<b>\$ 90,696</b>	<b>\$ 21,570</b>	<b>\$ 6,646,033</b>
<b>Liabilities:</b>												
Accounts and contracts payable	\$ 77,219	\$ 52,599	\$ -	\$ 35,962	\$ 206,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,988
Accrued liabilities	27,073	27,287	-	-	-	-	-	-	-	-	-	54,360
Due to other funds	-	125,000	-	-	-	-	26,714	-	-	-	-	151,714
Unearned revenue	-	45,061	-	-	-	-	-	-	-	-	-	45,061
<b>Total liabilities</b>	<b>104,292</b>	<b>249,947</b>	<b>-</b>	<b>35,962</b>	<b>206,208</b>	<b>-</b>	<b>26,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>623,123</b>
<b>Fund balances:</b>												
Nonspendable:												
Prepaid items	-	13,280	-	-	-	-	-	-	-	-	-	13,280
Inventories	-	8,383	-	-	-	-	-	-	-	-	-	8,383
Land held for resale	-	-	-	237,861	-	-	-	-	-	-	-	237,861
Restricted for:												
Public safety	4,484,171	-	-	-	-	-	-	-	-	90,696	21,570	4,596,437
Grants	-	-	-	-	146,415	-	-	-	-	-	-	146,415
Parking improvements	-	-	69,338	-	-	-	-	-	-	-	-	69,338
Public safety	-	-	-	492,506	-	-	-	-	-	-	-	492,506
Tree preservation	-	-	-	-	-	19,606	-	-	-	-	-	19,606
Energy conservation	-	-	-	-	-	-	220,811	-	-	-	-	220,811
Culture and recreation	-	52,498	-	-	-	-	-	111,754	54,021	-	-	218,273
<b>Total fund balances</b>	<b>4,484,171</b>	<b>74,161</b>	<b>69,338</b>	<b>730,367</b>	<b>146,415</b>	<b>19,606</b>	<b>220,811</b>	<b>111,754</b>	<b>54,021</b>	<b>90,696</b>	<b>21,570</b>	<b>6,022,910</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,588,463</b>	<b>\$ 324,108</b>	<b>\$ 69,338</b>	<b>\$ 766,329</b>	<b>\$ 352,623</b>	<b>\$ 19,606</b>	<b>\$ 247,525</b>	<b>\$ 111,754</b>	<b>\$ 54,021</b>	<b>\$ 90,696</b>	<b>\$ 21,570</b>	<b>\$ 6,646,033</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended September 30, 2020

	Building Permit	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Nonmajor Special Revenue Funds
Revenues:												
Licenses and permits	\$ 1,323,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,323,854
Charges for services	171	1,304,824	-	-	-	-	-	-	-	-	-	1,304,995
Intergovernmental	-	-	-	-	355,911	-	-	-	-	4,008	-	359,919
Investment income	59,544	-	628	6,330	-	-	2,728	982	-	-	124	70,336
Miscellaneous	-	9,898	-	58,756	-	4,999	-	-	229	-	-	73,882
<b>Total revenues</b>	<b>1,383,569</b>	<b>1,314,722</b>	<b>628</b>	<b>65,086</b>	<b>355,911</b>	<b>4,999</b>	<b>2,728</b>	<b>982</b>	<b>229</b>	<b>4,008</b>	<b>124</b>	<b>3,132,986</b>
Expenditures:												
Current:												
General government	-	-	-	-	-	-	61,314	-	-	-	-	61,314
Public safety	871,032	-	-	194,875	153,163	-	-	-	-	-	25	1,219,095
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	134	-	-	-	-	-	-	-	-	134
Culture and recreation	-	1,177,184	-	-	11,089	-	-	281	-	-	-	1,188,554
Capital outlay	95,423	-	-	-	346,275	-	-	-	-	-	-	441,698
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest and other costs	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>966,455</b>	<b>1,177,184</b>	<b>134</b>	<b>194,875</b>	<b>510,527</b>	<b>-</b>	<b>61,314</b>	<b>281</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>2,910,795</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>417,114</b>	<b>137,538</b>	<b>494</b>	<b>(129,789)</b>	<b>(154,616)</b>	<b>4,999</b>	<b>(58,586)</b>	<b>701</b>	<b>229</b>	<b>4,008</b>	<b>99</b>	<b>222,191</b>
Other financing sources (uses):												
Transfers in	-	-	-	-	15,000	-	-	-	-	-	-	15,000
Transfers out	(38,593)	-	-	-	-	-	-	(30,000)	-	-	-	(68,593)
Proceeds from debt issuance	-	75,000	-	-	-	-	-	-	-	-	-	75,000
<b>Total other financing sources (uses)</b>	<b>(38,593)</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,407</b>
<b>Net change in fund balances</b>	<b>378,521</b>	<b>212,538</b>	<b>494</b>	<b>(129,789)</b>	<b>(139,616)</b>	<b>4,999</b>	<b>(58,586)</b>	<b>(29,299)</b>	<b>229</b>	<b>4,008</b>	<b>99</b>	<b>243,598</b>
Fund balances (deficit), beginning of year	4,105,650	(138,377)	68,844	860,156	286,031	14,607	279,397	141,053	53,792	86,688	21,471	5,779,312
Fund balances, end of year	\$ 4,484,171	\$ 74,161	\$ 69,338	\$ 730,367	\$ 146,415	\$ 19,606	\$ 220,811	\$ 111,754	\$ 54,021	\$ 90,696	\$ 21,570	\$ 6,022,910



City of Lake Worth Beach, Florida

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
September 30, 2020

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 6,522	\$ 2,809,066	\$ 1,058,339	\$ 3,873,927
Investments	4,160,871	3,736,230	939,301	8,836,402
Accounts receivable, net	84,608	443,614	64,526	592,748
Accrued interest receivable	6,362	5,716	1,435	13,513
<b>Total assets</b>	<b>\$ 4,258,363</b>	<b>\$ 6,994,626</b>	<b>\$ 2,063,601</b>	<b>\$ 13,316,590</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 265,646	\$ 7,729	\$ 66,910	\$ 340,285
Fund balances:				
Restricted for:				
Capital Projects	-	6,986,897	-	6,986,897
Assigned to:				
Capital projects	3,992,717	-	1,996,691	5,989,408
<b>Total fund balances</b>	<b>3,992,717</b>	<b>6,986,897</b>	<b>1,996,691</b>	<b>12,976,305</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,258,363</b>	<b>\$ 6,994,626</b>	<b>\$ 2,063,601</b>	<b>\$ 13,316,590</b>

City of Lake Worth Beach, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended September 30, 2020**

	Park of Commerce	Discretionary Sales Tax	Capital Projects	Total Nonmajor Capital Projects Funds
Revenues:				
Utility and other taxes	\$ -	\$ -	\$ 475,662	\$ 475,662
Intergovernmental	626,271	2,647,702	-	3,273,973
Investment income	62,543	55,559	11,728	129,830
Miscellaneous	-	-	177,000	177,000
<b>Total revenues</b>	<b>688,814</b>	<b>2,703,261</b>	<b>664,390</b>	<b>4,056,465</b>
Expenditures:				
Current:				
General government	9,128	7,547	192	16,867
Transportation	-	30,577	104,169	134,746
Capital outlay	907,186	103,630	149,737	1,160,553
<b>Total expenditures</b>	<b>916,314</b>	<b>141,754</b>	<b>254,098</b>	<b>1,312,166</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(227,500)</b>	<b>2,561,507</b>	<b>410,292</b>	<b>2,744,299</b>
<b>Net change in fund balances</b>	<b>(227,500)</b>	<b>2,561,507</b>	<b>410,292</b>	<b>2,744,299</b>
Fund balances, beginning of year	4,220,217	4,425,390	1,586,399	10,232,006
Fund balances, end of year	<u>\$ 3,992,717</u>	<u>\$ 6,986,897</u>	<u>\$ 1,996,691</u>	<u>\$ 12,976,305</u>

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Building Permit Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 1,202,000	\$ 1,202,000	\$ 1,323,854	\$ 121,854
Charges for services	150	150	171	21
Investment income	15,000	15,000	59,544	44,544
<b>Total revenues</b>	<b>1,217,150</b>	<b>1,217,150</b>	<b>1,383,569</b>	<b>166,419</b>
Expenditures:				
Current:				
Public safety	1,698,439	1,698,439	871,032	827,407
Capital outlay	649,195	649,195	95,423	553,772
<b>Total expenditures</b>	<b>2,347,634</b>	<b>2,347,634</b>	<b>966,455</b>	<b>1,381,179</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,130,484)</b>	<b>(1,130,484)</b>	<b>417,114</b>	<b>1,547,598</b>
Other financing sources (uses):				
Transfers out	(38,593)	(38,593)	(38,593)	-
Appropriated fund balance	1,169,077	1,169,077	-	(1,169,077)
<b>Total other financing sources (uses)</b>	<b>1,130,484</b>	<b>1,130,484</b>	<b>(38,593)</b>	<b>(1,169,077)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>378,521</b>	<b>\$ 378,521</b>
Fund balance, beginning of year			4,105,650	
Fund balance, end of year			<u>\$ 4,484,171</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Golf Fund

For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,215,325	\$ 1,215,325	\$ 1,304,824	\$ 89,499
Miscellaneous	1,000	1,000	9,898	8,898
<b>Total revenues</b>	<b>1,216,325</b>	<b>1,216,325</b>	<b>1,314,722</b>	<b>98,397</b>
Expenditures:				
Current:				
Culture and recreation	1,207,575	1,207,575	1,177,184	30,391
<b>Total expenditures</b>	<b>1,207,575</b>	<b>1,207,575</b>	<b>1,177,184</b>	<b>30,391</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,750</b>	<b>8,750</b>	<b>137,538</b>	<b>128,788</b>
Other financing sources (uses):				
Appropriated fund balance	(8,750)	(8,750)	-	8,750
Proceeds from debt issuance	-	-	75,000	75,000
<b>Total other financing sources (uses)</b>	<b>(8,750)</b>	<b>(8,750)</b>	<b>75,000</b>	<b>83,750</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>212,538</b>	<b>\$ 212,538</b>
Fund balance (deficit), beginning of year			(138,377)	
Fund balance, end of year			<u>\$ 74,161</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Parking Improvement Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 500	\$ 500	\$ 628	\$ 128
Expenditures:				
Transportation	50	50	134	(84)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>450</u>	<u>450</u>	<u>494</u>	<u>44</u>
Other financing sources (uses):				
Appropriated fund balance	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
<b>Total other financing sources (uses)</b>	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>494</u>	<u>\$ 494</u>
Fund balance, beginning of year			<u>68,844</u>	
Fund balance, end of year			<u>\$ 69,338</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Code Remediation Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 4,000	\$ 4,000	\$ 6,330	\$ 2,330
Miscellaneous	180,000	180,000	58,756	(121,244)
<b>Total revenues</b>	<b>184,000</b>	<b>184,000</b>	<b>65,086</b>	<b>(118,914)</b>
Expenditures:				
Current:				
Public safety	256,500	256,500	194,875	61,625
<b>Total expenditures</b>	<b>256,500</b>	<b>256,500</b>	<b>194,875</b>	<b>61,625</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(72,500)</b>	<b>(72,500)</b>	<b>(129,789)</b>	<b>(57,289)</b>
Other financing sources (uses):				
Appropriated fund balance	72,500	72,500	-	(72,500)
<b>Total other financing sources (uses)</b>	<b>72,500</b>	<b>72,500</b>	<b>-</b>	<b>(72,500)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(129,789)</b>	<b>\$ (129,789)</b>
Fund balance, beginning of year			860,156	
Fund balance, end of year			<u>\$ 730,367</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Grants Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,703,794	\$ 2,703,794	\$ 355,911	\$ (2,347,883)
<b>Total revenues</b>	<b>2,703,794</b>	<b>2,703,794</b>	<b>355,911</b>	<b>(2,347,883)</b>
Expenditures:				
Current:				
Public safety	283,657	283,657	153,163	130,494
Culture and recreation	11,787	11,787	11,089	698
Capital Outlay	2,185,000	2,185,000	346,275	1,838,725
<b>Total expenditures</b>	<b>2,480,444</b>	<b>2,480,444</b>	<b>510,527</b>	<b>1,969,917</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>223,350</b>	<b>223,350</b>	<b>(154,616)</b>	<b>(377,966)</b>
Other financing sources (uses):				
Transfers in	15,000	15,000	15,000	-
Appropriated fund balance	(238,350)	(238,350)	-	238,350
<b>Total other financing sources (uses)</b>	<b>(223,350)</b>	<b>(223,350)</b>	<b>15,000</b>	<b>238,350</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(139,616)</b>	<b>\$ (139,616)</b>
Fund balance, beginning of year			286,031	
Fund balance, end of year			<u>\$ 146,415</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Tree Beautification Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 6,000	\$ 6,000	\$ 4,999	\$ (1,001)
<b>Total revenues</b>	<b>6,000</b>	<b>6,000</b>	<b>4,999</b>	<b>(1,001)</b>
Expenditures:				
Current:				
Physical environment	6,000	6,000	-	6,000
<b>Total expenditures</b>	<b>6,000</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>4,999</b>	<b>4,999</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,999</b>	<b>\$ 4,999</b>
Fund balance, beginning of year			14,607	
Fund balance, end of year			<u>\$ 19,606</u>	



City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Utility Conservation Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 2,728	\$ 2,728
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,728</b>	<b>2,728</b>
Expenditures:				
Current:				
General government	114,178	114,178	61,314	52,864
<b>Total expenditures</b>	<b>114,178</b>	<b>114,178</b>	<b>61,314</b>	<b>52,864</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(114,178)</b>	<b>(114,178)</b>	<b>(58,586)</b>	<b>55,592</b>
Other financing sources (uses):				
Appropriated fund balance	114,178	114,178	-	(114,178)
<b>Total other financing sources (uses)</b>	<b>114,178</b>	<b>114,178</b>	<b>-</b>	<b>(114,178)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(58,586)</b>	<b>\$ (58,586)</b>
Fund balance, beginning of year			279,397	
Fund balance, end of year			<u>\$ 220,811</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Simpkin Trust Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 2,500	\$ 2,500	\$ 982	\$ (1,518)
<b>Total revenues</b>	<b>2,500</b>	<b>2,500</b>	<b>982</b>	<b>(1,518)</b>
Expenditures:				
Current:				
Culture and recreation	-	-	281	(281)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>281</b>	<b>(281)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,500</b>	<b>2,500</b>	<b>701</b>	<b>(1,799)</b>
Other financing sources (uses):				
Transfers out	(30,000)	(30,000)	(30,000)	-
Appropriated fund balance	27,500	27,500	-	(27,500)
<b>Total other financing sources (uses)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(30,000)</b>	<b>(27,500)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(29,299)</b>	<b>\$ (29,299)</b>
Fund balance, beginning of year			141,053	
Fund balance, end of year			<u>\$ 111,754</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Library Trust Fund  
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 229	\$ (4,771)
<b>Total revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>229</b>	<b>(4,771)</b>
Expenditures	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,000</b>	<b>5,000</b>	<b>229</b>	<b>(4,771)</b>
Other financing sources (uses):				
Appropriated fund balance	(5,000)	(5,000)	-	5,000
<b>Total other financing sources (uses)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>	<b>5,000</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>229</b>	<b>\$ 229</b>
Fund balance, beginning of year			53,792	
Fund balance, end of year			\$ 54,021	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Neighborhood Road Program Fund**  
**For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 199,138	\$ 199,138
<b>Total revenues</b>	-	-	199,138	199,138
Expenditures:				
Capital outlay	20,214,304	20,214,304	7,933,455	12,280,849
<b>Total expenditures</b>	20,214,304	20,214,304	7,933,455	12,280,849
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(20,214,304)	(20,214,304)	(7,734,317)	12,479,987
Other financing sources (uses):				
Appropriated fund balance	20,214,304	20,214,304	-	(20,214,304)
<b>Total other financing sources (uses)</b>	20,214,304	20,214,304	-	(20,214,304)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	(7,734,317)	<u>\$ (7,734,317)</u>
Fund balance, beginning of year			14,215,567	
Fund balance, end of year			<u>\$ 6,481,250</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Law Enforcement and Firefighters Education Fund

For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 4,008	\$ (1,992)
<b>Total revenues</b>	6,000	6,000	4,008	(1,992)
Expenditures:				
Public safety	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	6,000	6,000	4,008	(1,992)
Other financing sources (uses):				
Appropriated fund balance	(6,000)	(6,000)	-	6,000
<b>Total other financing sources (uses)</b>	(6,000)	(6,000)	-	6,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	4,008	<u>\$ 4,008</u>
Fund balance, beginning of year			<u>86,688</u>	
Fund balance, end of year			<u>\$ 90,696</u>	

City of Lake Worth Beach, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Law Enforcement Confiscated Property Fund  
For the Fiscal Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	124	124
<b>Total revenues</b>	-	-	124	124
Expenditures:				
Public safety	-	-	25	(25)
Capital outlay	10,000	10,000	-	(10,000)
<b>Total expenditures</b>	10,000	10,000	25	(10,025)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(10,000)	(10,000)	99	10,099
Other financing sources (uses):				
Appropriated fund balance	10,000	10,000	-	(10,000)
<b>Total other financing sources (uses)</b>	10,000	10,000	-	(10,000)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	99	<u>\$ 99</u>
Fund balance, beginning of year			21,471	
Fund balance, end of year			<u>\$ 21,570</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Government Obligation Bond 2018  
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Property taxes	\$ 2,154,088	\$ 2,154,088	\$ 2,140,741	\$ (13,347)
Investment income	500	500	-	(500)
<b>Total revenues</b>	<b>2,154,588</b>	<b>2,154,588</b>	<b>2,140,741</b>	<b>(13,847)</b>
Current:				
Debt service:				
Principal	730,000	730,000	730,000	-
Interest	1,424,088	1,424,088	1,424,088	-
<b>Total expenditures</b>	<b>2,154,088</b>	<b>2,154,088</b>	<b>2,154,088</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>500</b>	<b>500</b>	<b>(13,347)</b>	<b>(13,847)</b>
Other financing sources (uses)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>(13,347)</b>	<b>\$ (13,847)</b>
Fund balance (deficit), beginning of year			\$ (3,086)	
Fund balance (deficit), end of year			<u>\$ (16,433)</u>	

City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Park of Commerce Fund  
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 626,271	\$ 626,271
Investment income	-	-	62,543	62,543
<b>Total revenues</b>	-	-	688,814	688,814
Expenditures:				
Current:				
General government	-	-	9,128	(9,128)
Capital outlay	2,545,346	2,545,346	907,186	1,638,160
<b>Total expenditures</b>	2,545,346	2,545,346	916,314	1,629,032
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(2,545,346)	(2,545,346)	(227,500)	2,317,846
Other financing sources (uses):				
Transfers in	-	-	-	-
Appropriated fund balance	2,545,346	2,545,346	-	(2,545,346)
<b>Total other financing sources (uses)</b>	2,545,346	2,545,346	-	(2,545,346)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	(227,500)	<u>\$ (227,500)</u>
Fund balance, beginning of year			<u>4,220,217</u>	
Fund balance, end of year			<u>\$ 3,992,717</u>	



City of Lake Worth Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Discretionary Sales Tax Fund  
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Sales tax	\$ 47,000	\$ 47,000	\$ 2,647,702	\$ 2,600,702
Investment income	-	-	55,559	55,559
<b>Total revenues</b>	47,000	47,000	2,703,261	2,656,261
Expenditures:				
Current:				
General government	-	-	7,547	(7,547)
Transportation	47,000	47,000	30,577	16,423
Capital outlay	103,630	103,630	103,630	-
<b>Total expenditures</b>	150,630	150,630	141,754	8,876
<b>Excess (deficiency) of revenues         over (under) expenditures</b>	(103,630)	(103,630)	2,561,507	2,665,137
Other financing sources (uses):				
Transfers out	-	-	-	-
Appropriated fund balance	103,630	103,630	-	(103,630)
<b>Total other financing sources (uses)</b>	103,630	103,630	-	(103,630)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	2,561,507	<u>\$ 2,561,507</u>
Fund balance, beginning of year			4,425,390	
Fund balance, end of year			<u>\$ 6,986,897</u>	

City of Lake Worth Beach, Florida

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Utility and other taxes	\$ -	\$ -	\$ 475,662	\$ 475,662
Investment income	-	-	11,728	11,728
Miscellaneous	-	-	177,000	177,000
<b>Total revenues</b>	-	-	664,390	664,390
Expenditures:				
Current:				
General government	27,000	27,000	192	26,808
Transportation	103,345	103,345	104,169	(824)
Capital outlay	396,299	396,299	149,737	246,562
<b>Total expenditures</b>	526,644	526,644	254,098	272,546
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(526,644)	(526,644)	410,292	936,936
Other financing sources (uses):				
Transfers in	6,695,000	6,695,000	-	(6,695,000)
Appropriated fund balance	(6,168,356)	(6,168,356)	-	6,168,356
<b>Total other financing sources (uses)</b>	526,644	526,644	-	(526,644)
<b>Net change in fund balance</b>	\$ -	\$ -	410,292	\$ 410,292
Fund balance, beginning of year			1,586,399	
Fund balance, end of year			<u>\$1,996,691</u>	

## City of Lake Worth Beach, Florida

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### Nonmajor Enterprise Funds

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.

#### **Stormwater Utility Fund**

This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.

#### **Refuse Collection and Disposal Fund**

To account for the provision of solid waste removal for the residents of the service area. All activities to provide such service are accounted for, including collection and disposal.

City of Lake Worth Beach, Florida  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,365,295	\$ 979,353	\$ 4,344,648
Investments	3,671,771	7,033,106	10,704,877
Accounts receivable, net	-	401,809	401,809
Accrued interest receivable	5,613	10,753	16,366
<b>Total current assets</b>	<b>7,042,679</b>	<b>8,425,021</b>	<b>15,467,700</b>
Non-current assets:			
Capital assets:			
Land	138,346	593,700	732,046
Construction in progress	1,593,279	-	1,593,279
Land improvements	241,637	-	241,637
Buildings and structures	-	296,994	296,994
Infrastructure	6,114,168	-	6,114,168
Machinery and equipment	449,553	76,687	526,240
Vehicles	380,233	4,400,992	4,781,225
Accumulated depreciation	(3,143,300)	(2,980,592)	(6,123,892)
<b>Total non-current assets</b>	<b>5,773,916</b>	<b>2,387,781</b>	<b>8,161,697</b>
<b>Total assets</b>	<b>12,816,595</b>	<b>10,812,802</b>	<b>23,629,397</b>
Deferred outflows of resources:			
Deferred outflows relating to pensions	139,187	506,484	645,671
Deferred outflows relating to OPEB	7,998	38,779	46,777
<b>Total deferred outflows of resources</b>	<b>147,185</b>	<b>545,263</b>	<b>692,448</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts and contracts payable	\$ 67,224	\$ 177,614	\$ 244,838
Accrued liabilities	15,042	45,763	60,805
Compensated absences	88	15,050	15,138
<b>Total current liabilities</b>	<b>82,354</b>	<b>238,427</b>	<b>320,781</b>
Non-current liabilities:			
Compensated absences	11,758	58,577	70,335
Bonds payable	3,932,146	525,000	4,457,146
OPEB liability	38,305	185,715	224,020
Net pension liability	1,015,063	3,334,826	4,349,889
<b>Total non-current liabilities</b>	<b>4,997,272</b>	<b>4,104,118</b>	<b>9,101,390</b>
<b>Total liabilities</b>	<b>5,079,626</b>	<b>4,342,545</b>	<b>9,422,171</b>
Deferred inflows of resources:			
Deferred inflows relating to pensions	23,244	77,029	100,273
Deferred inflows relating to OPEB	-	-	-
<b>Total deferred inflows of resources</b>	<b>23,244</b>	<b>77,029</b>	<b>100,273</b>
Net position:			
Net investment in capital assets	1,841,770	1,862,781	3,704,551
Unrestricted	6,019,140	5,075,710	11,094,850
<b>Total net position</b>	<b>7,860,910</b>	<b>6,938,491</b>	<b>14,799,401</b>

**City of Lake Worth Beach, Florida**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Nonmajor Enterprise Funds**

**For the Fiscal Year Ended September 30, 2020**

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 1,930,639	\$ 6,586,508	\$ 8,517,147
Operating expenses:			
Cost of services	1,203,307	4,895,654	6,098,961
General and administrative	274,920	852,567	1,127,487
Depreciation	252,553	470,543	723,096
<b>Total operating expenses</b>	<b>1,730,780</b>	<b>6,218,764</b>	<b>7,949,544</b>
<b>Operating income</b>	<b>199,859</b>	<b>367,744</b>	<b>567,603</b>
Non-operating revenues (expenses):			
Investment income	54,796	107,009	161,805
Other	11,861	29,477	41,338
<b>Total non-operating revenues (expenses)</b>	<b>66,657</b>	<b>136,486</b>	<b>203,143</b>
<b>Income before transfers</b>	<b>266,516</b>	<b>504,230</b>	<b>770,746</b>
Other financing (uses):			
Transfers out	-	(52,000)	(52,000)
<b>Change in net position</b>	<b>266,516</b>	<b>452,230</b>	<b>718,746</b>
Net position, beginning of year	7,594,394	6,486,261	14,080,655
Net position, end of year	\$ 7,860,910	\$ 6,938,491	\$ 14,799,401

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 1,946,457	\$ 6,571,276	\$ 8,517,733
Payments to suppliers	(736,725)	(2,550,271)	(3,286,996)
Payments to employees	(475,554)	(1,575,806)	(2,051,360)
Payments for interfund services received	(376,706)	(1,228,003)	(1,604,709)
<b>Net cash provided by (used in) operating activities</b>	<b>357,472</b>	<b>1,217,196</b>	<b>1,574,668</b>
Cash flows from non-capital financing activities:			
Other receipts	11,861	29,477	41,338
Transfer to other funds	-	(52,000)	(52,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>11,861</b>	<b>(22,523)</b>	<b>(10,662)</b>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital asset, net	(982,082)	(1,030,220)	(2,012,302)
Proceeds from issuance of debt	3,932,146	525,000	4,457,146
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,950,064</b>	<b>(505,220)</b>	<b>2,444,844</b>
Cash flows from investing activities:			
Purchase of investments	(50,000)	(90,000)	(140,000)
Sale of investments	-	-	-
Interest and gains or losses on investments	68,358	111,054	179,412
<b>Net cash provided by (used in) investing activities</b>	<b>18,358</b>	<b>21,054</b>	<b>39,412</b>
<b>Net change in cash and cash equivalents</b>	<b>3,337,755</b>	<b>710,507</b>	<b>4,048,262</b>
Cash and cash equivalents, beginning	27,540	268,846	296,386
Cash and cash equivalents, ending	<b>\$ 3,365,295</b>	<b>\$ 979,353</b>	<b>\$ 4,344,648</b>

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds (Continued)  
For the Fiscal Year Ended September 30, 2020

	Stormwater Utility	Refuse Collection and Disposal	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 199,859	\$ 367,744	\$ 567,603
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	252,553	470,543	723,096
Provision for uncollectible accounts	(76)	3,307	3,231
Decrease (increase) in assets and deferred outflows:			
Accounts receivable	15,970	(21,846)	(5,876)
Deferred outflows relating to OPEB	4,861	19,808	24,669
Deferred outflows relating to pensions	(1,702)	(8,253)	(9,955)
Increase (decrease) in liabilities and deferred inflows:			
Accounts and contracts payable	(189,547)	105,185	(84,362)
Accrued liabilities	4,331	5,606	9,937
Compensated absences	4,979	4,844	9,823
Net OPEB liability	846	4,104	4,950
Net pension liability	84,258	343,292	427,550
Deferred inflows relating to OPEB	(375)	(1,822)	(2,197)
Deferred inflows relating to pensions	(18,485)	(75,316)	(93,801)
<b>Total adjustments</b>	<b>157,613</b>	<b>849,452</b>	<b>1,007,065</b>
<b>Net cash provided by operating activities</b>	<b>\$ 357,472</b>	<b>\$ 1,217,196</b>	<b>\$ 1,574,668</b>
Supplemental disclosure of investing activities:			
Unrealized gains on investments	\$ 3,742	\$ 5,497	\$ 9,239

***City of Lake Worth Beach, Florida***

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## **City of Lake Worth Beach, Florida**

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### **Internal Service Funds**

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Internal Service Funds are used to account for activity that provides goods or services to other funds or departments of the primary government and its component units on a cost reimbursement basis.

#### **Information Technology**

The fund was established to centralize oversight, management and funding of the City's computer network, telephone and internet communication system.

#### **Insurance Fund**

This fund was established to enable centralized oversight, management and funding of the City's insurance coverage, deductibles and uninsured risks.

#### **City Garage Fund**

This fund was established to centralize oversight, management and funding of maintaining the City's vehicles.

#### **Employee Benefits**

This fund was established to enable centralized oversight, management and funding of the City's employee benefits.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Internal Service Funds  
September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 4,536	\$ 6,056	\$ 173,979	\$ 4,626,983	\$ 4,811,554
Investments	-	6,637,168	1,058,225	1,593,061	9,288,454
Accounts receivable, net	-	-	408	9,190	9,598
Accrued interest receivable	-	10,146	1,616	2,436	14,198
Due from other governments	-	1,492,552	-	-	1,492,552
Due from other funds	-	-	-	-	-
Inventories	-	-	103,300	-	103,300
Prepaid items	-	-	-	-	-
<b>Total current assets</b>	<b>4,536</b>	<b>8,145,922</b>	<b>1,337,528</b>	<b>6,231,670</b>	<b>15,719,656</b>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	350,000	-	1,500,000	-	1,850,000
Machinery and equipment	1,858,458	59,010	-	-	1,917,468
Vehicles	36,064	-	3,856,451	-	3,892,515
Accumulated depreciation	(1,507,055)	(17,514)	(3,068,473)	-	(4,593,042)
<b>Total non-current assets</b>	<b>737,467</b>	<b>41,496</b>	<b>2,287,978</b>	<b>-</b>	<b>3,066,941</b>
<b>Total assets</b>	<b>\$ 742,003</b>	<b>\$ 8,187,418</b>	<b>\$ 3,625,506</b>	<b>\$ 6,231,670</b>	<b>\$ 18,786,597</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts and contracts payable	\$ 95,729	\$ 16,212	\$ 67,549	\$ 178,691	\$ 358,181
Accrued liabilities	17,967	3,553,086	11,313	5,007,166	8,589,532
Compensated absences	1,733	-	2,627	-	4,360
<b>Total current liabilities</b>	<b>115,429</b>	<b>3,569,298</b>	<b>81,489</b>	<b>5,185,857</b>	<b>8,952,073</b>
Non-current liabilities:					
Insurance claims payable	-	3,349,943	-	-	3,349,943
Compensated absences	34,670	-	12,887	-	47,557
Bonds payable	350,000	-	1,500,000	-	1,850,000
<b>Total non-current liabilities</b>	<b>384,670</b>	<b>3,349,943</b>	<b>1,512,887</b>	<b>-</b>	<b>5,247,500</b>
<b>Total liabilities</b>	<b>500,099</b>	<b>6,919,241</b>	<b>1,594,376</b>	<b>5,185,857</b>	<b>14,199,573</b>
Net position:					
Net investment in capital assets	387,467	41,496	787,978	-	1,216,941
Unrestricted	(145,563)	1,226,681	1,243,152	1,045,813	3,370,083
<b>Total net position</b>	<b>241,904</b>	<b>1,268,177</b>	<b>2,031,130</b>	<b>1,045,813</b>	<b>4,587,024</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 1,738,196	\$ 2,879,699	\$ 1,121,146	\$ 8,278,943	\$ 14,017,984
<b>Total operating revenues</b>	<b>1,738,196</b>	<b>2,879,699</b>	<b>1,121,146</b>	<b>8,278,943</b>	<b>14,017,984</b>
Operating expenses:					
Cost of services	1,853,985	7,490,949	861,740	8,981,399	19,188,073
Depreciation	270,498	6,183	432,690	-	709,371
<b>Total operating expenses</b>	<b>2,124,483</b>	<b>7,497,132</b>	<b>1,294,430</b>	<b>8,981,399</b>	<b>19,897,444</b>
<b>Operating income (loss)</b>	<b>(386,287)</b>	<b>(4,617,433)</b>	<b>(173,284)</b>	<b>(702,456)</b>	<b>(5,879,460)</b>
Non-operating revenues (expenses):					
Intergovernmental	-	1,492,553	-	-	1,492,553
Investment income (loss)	-	92,274	16,898	25,137	134,309
Other	856	290,111	33,390	796	325,153
<b>Total non-operating revenues (expenses)</b>	<b>856</b>	<b>1,874,938</b>	<b>50,288</b>	<b>25,933</b>	<b>1,952,015</b>
<b>Income (loss) before transfers and contributions</b>	<b>(385,431)</b>	<b>(2,742,495)</b>	<b>(122,996)</b>	<b>(676,523)</b>	<b>(3,927,445)</b>
Capital contributions	-	-	176,543	-	176,543
Transfers in	-	-	-	-	-
Transfers out	-	-	(300,000)	-	(300,000)
<b>Change in net position</b>	<b>(385,431)</b>	<b>(2,742,495)</b>	<b>(246,453)</b>	<b>(676,523)</b>	<b>(4,050,902)</b>
Net position, beginning of year	627,335	4,010,672	2,277,583	1,722,336	8,637,926
Net position, end of year	\$ 241,904	\$ 1,268,177	\$ 2,031,130	\$ 1,045,813	\$ 4,587,024

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from interfund charges	\$ 1,738,196	\$ 2,879,699	\$ 1,121,146	\$ 8,278,943	\$ 14,017,984
Payments to suppliers	(1,137,480)	(4,794,638)	(488,935)	(3,864,919)	(10,285,972)
Payments to employees	(624,025)	(181,102)	(349,916)	(69,897)	(1,224,940)
<b>Net cash (used in) provided by operating activities</b>	<b>(23,309)</b>	<b>(2,096,041)</b>	<b>282,295</b>	<b>4,344,127</b>	<b>2,507,072</b>
Cash flows from non-capital financing activities:					
Other receipts	856	290,112	33,390	796	325,154
Payments received from other funds	-	1,489,000	-	-	1,489,000
Transfers out	-	-	(300,000)	-	(300,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>856</b>	<b>1,779,112</b>	<b>(266,610)</b>	<b>796</b>	<b>1,514,154</b>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets, net	(140,521)	-	(37,120)	-	(177,641)
Proceeds from issuance of debt	350,000	-	1,500,000	-	1,850,000
Contributed capital, cash transactions	-	-	176,543	-	176,543
<b>Net cash provided by capital and related financing activities</b>	<b>209,479</b>	<b>-</b>	<b>1,639,423</b>	<b>-</b>	<b>1,848,902</b>
Cash flows from investing activities:					
Purchase of investments	-	(90,000)	(15,000)	(25,000)	(130,000)
Sale of investments	-	-	-	-	-
Interest and gains or losses on investments	-	106,839	18,386	29,772	154,997
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>16,839</b>	<b>3,386</b>	<b>4,772</b>	<b>24,997</b>
<b>Net change in cash and cash equivalents</b>	<b>187,026</b>	<b>(300,090)</b>	<b>1,658,494</b>	<b>4,349,695</b>	<b>5,895,125</b>
Cash and cash equivalents, beginning	167,510	306,146	15,485	277,288	766,429
Cash and cash equivalents, ending	\$ 354,536	\$ 6,056	\$ 1,673,979	\$ 4,626,983	\$ 6,661,554

(Continued)

City of Lake Worth Beach, Florida

Combining Statement of Cash Flows  
Internal Service Funds (Continued)  
For the Fiscal Year Ended September 30, 2020

	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:					
Operating loss	(386,287)	(4,617,433)	(173,284)	(702,456)	(5,879,460)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) by (used in) operating activities:					
Depreciation	270,498	6,183	432,690	-	709,371
Decrease (increase) in assets:					
Prepaid items	-	-	18,979	-	18,979
Inventories	-	269	-	-	269
Increase (decrease) in liabilities:					
Accounts and contracts payable	76,631	(2,033,957)	6,441	42,608	(1,908,277)
Accrued liabilities	3,812	3,511,739	426	5,003,975	8,519,952
Insurance claims payable	-	1,037,158	-	-	1,037,158
Compensated absences	12,037	-	(2,957)	-	9,080
<b>Total adjustments</b>	<b>362,978</b>	<b>2,521,392</b>	<b>455,579</b>	<b>5,046,583</b>	<b>8,386,532</b>
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (23,309)</b>	<b>\$ (2,096,041)</b>	<b>\$ 282,295</b>	<b>\$ 4,344,127</b>	<b>\$ 2,507,072</b>
Supplemental disclosure of noncash investing and non-capital financing activities:					
Due from other governments	\$ -	\$ 1,492,552	\$ -	\$ -	\$ 1,492,552
Unrealized gains on investments	\$ -	\$ 4,396	\$ 884	\$ 1,246	\$ 6,526

***City of Lake Worth Beach, Florida***

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## **City of Lake Worth Beach, Florida**

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### **Fiduciary Funds**

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

### **Pension Trust Funds**

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#### **General Employees' Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits of all employees at appropriate amounts and times in the future. Resources are provided by employee and employer contributions, determined by an actuarial study, and investment earnings.

#### **Police Officers' Relief and Retirement System Pension Fund**

To account for the accumulation of resources to be used for retirement benefits for police officers. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

#### **Firefighters' Pension Trust Fund**

To account for the accumulation of resources to be used for retirement benefits for firefighters. Resources are provided by annual employee and employer contributions, state contributions, and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

### **Agency Fund**

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#### **Agency Fund**

The Agency fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

City of Lake Worth Beach, Florida

Combining Statement of Net Position  
Pension Trust Funds  
September 30, 2020

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,116,328	\$ 526,922	\$ 532,946	\$ 2,176,196
Investments at fair value:				
U.S. government and agency funds	5,749,443	2,898,265	4,687,461	13,335,169
Corporate bonds	6,557,843	3,239,489	7,859,284	17,656,616
Common stocks	44,909,092	20,936,635	29,187,987	95,033,714
Real estate	9,858,249	4,742,788	4,137,852	18,738,889
Mutual funds	492,057	309,456	905,458	1,706,971
Accrued interest, dividends and contributions receivable	4,924,403	3,631,196	3,577,735	12,133,334
Prepaid items	4,795	6,723	-	11,518
<b>Total assets</b>	73,612,210	36,291,474	50,888,723	160,792,407
<b>Liabilities:</b>				
Accounts payable	64,610	27,275	16,512	108,397
<b>Net position restricted     for pension benefits</b>	<u>\$ 73,547,600</u>	<u>\$ 36,264,199</u>	<u>\$ 50,872,211</u>	<u>\$ 160,684,010</u>



City of Lake Worth Beach, Florida

**Combining Statement of Changes in Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2020**

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 4,236,368	\$ 3,024,527	\$ 3,175,201	\$ 10,436,096
Chapter 175/185	-	-	68,770	68,770
Plan members	1,065,640	75,013	50,167	1,190,820
State	-	623,454	-	623,454
<b>Total contributions</b>	<b>5,302,008</b>	<b>3,722,994</b>	<b>3,294,138</b>	<b>12,319,140</b>
Investment income:				
Interest and dividends	1,747,386	1,049,402	833,318	3,630,106
Net change in fair value of investments	5,485,633	2,248,150	4,769,016	12,502,799
Other income	9,725	2,626	1,115	13,466
<b>Total investment income</b>	<b>7,242,744</b>	<b>3,300,178</b>	<b>5,603,449</b>	<b>16,146,371</b>
Less investment expenses	(383,999)	(162,403)	(126,646)	(673,048)
Net investment income	6,858,745	3,137,775	5,476,803	15,473,323
<b>Total additions</b>	<b>12,160,753</b>	<b>6,860,769</b>	<b>8,770,941</b>	<b>27,792,463</b>
Deductions:				
Pension benefits	9,948,781	3,804,703	4,811,072	18,564,556
Administrative expenses	147,456	97,657	90,029	335,142
<b>Total deductions</b>	<b>10,096,237</b>	<b>3,902,360</b>	<b>4,901,101</b>	<b>18,899,698</b>
<b>Change in net position</b>	<b>2,064,516</b>	<b>2,958,409</b>	<b>3,869,840</b>	<b>8,892,765</b>
Net position, beginning of year	71,483,084	33,305,790	47,002,371	151,791,245
Net position, end of year	\$ 73,547,600	\$ 36,264,199	\$ 50,872,211	\$ 160,684,010

City of Lake Worth Beach, Florida

Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Fiscal Year Ended September 30, 2020

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
Assets:				
Cash and cash equivalents	\$ 3,379	\$ -	\$ (3,379)	\$ -
<b>Total assets</b>	<b>\$ 3,379</b>	<b>\$ -</b>	<b>\$ (3,379)</b>	<b>\$ -</b>
Liabilities:				
Deposit payable	\$ 3,379	\$ -	\$ (3,379)	\$ -
<b>Total liabilities</b>	<b>\$ 3,379</b>	<b>\$ -</b>	<b>\$ (3,379)</b>	<b>\$ -</b>

## ***City of Lake Worth Beach, Florida***

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### **Discretely Presented Component Unit**

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#### **Community Redevelopment Agency Trust Fund**

To account for receipt and disbursements of general funds used for physical and economic redevelopment of targeted areas within the City.

#### **NSP2 Fund**

To account for the receipt and disbursements of governmental grant money (NSP) used for purchasing and rehabilitating foreclosed and abandoned properties of targeted areas within the City.

#### **CRA Capital Projects Fund**

To account for the acquisition or construction of major capital projects used for physical and economic redevelopment of targeted areas within the City.

City of Lake Worth Beach, Florida

Combining Balance Sheet  
Discretely Presented Component Unit  
For the Fiscal Year Ended September 30, 2020

	Community Redevelopment Agency			
	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	Total Component Unit
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,101,717	\$ 339,087	\$ 457,009	\$ 1,897,813
Investments	1,074,567	-	105,444	1,180,011
Accounts receivable, net	914	256	-	1,170
Due from other governments	-	-	-	-
Land held for resale	-	855,049	8,778,577	9,633,626
Prepaid items	6,013	-	5,387	11,400
<b>Total assets</b>	<b>\$ 2,183,211</b>	<b>\$ 1,194,392</b>	<b>\$ 9,346,417</b>	<b>\$ 12,724,020</b>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 70,285	\$ 465	\$ 7,369	\$ 78,119
Accrued liabilities	20,832	-	-	20,832
Due to other governments	255	-	-	255
<b>Total liabilities</b>	<b>91,372</b>	<b>465</b>	<b>7,369</b>	<b>99,206</b>
<b>Fund balances:</b>				
Nonspendable:				
Prepaid items	6,013	-	5,387	11,400
Restricted for:				
Community redevelopment	2,085,826	1,193,927	9,333,661	12,613,414
Assigned to:				
Capital projects	-	-	-	-
<b>Total fund balances</b>	<b>2,091,839</b>	<b>1,193,927</b>	<b>9,339,048</b>	<b>12,624,814</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,183,211</b>	<b>\$ 1,194,392</b>	<b>\$ 9,346,417</b>	<b>\$ 12,724,020</b>

City of Lake Worth Beach, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Discretely Presented Component Unit

For the Fiscal Year Ended September 30, 2020

	Community Redevelopment Agency			
	Community Redevelopment Agency Trust	NSP2	CRA Capital Projects	Total Component Unit
Revenues:				
Property taxes	\$ 3,365,636	\$ -	\$ -	\$ 3,365,636
Intergovernmental	16,780	-	-	16,780
Investment income	16,054	-	1,440	17,494
Miscellaneous	4,885	36,535	-	41,420
<b>Total revenues</b>	<b>3,403,355</b>	<b>36,535</b>	<b>1,440</b>	<b>3,441,330</b>
Expenditures:				
Current:				
Community redevelopment	3,228,920	25,340	351,623	3,605,883
Debt service:				
Principal	521,875	-	-	521,875
Interest	187,748	-	-	187,748
<b>Total expenditures</b>	<b>3,938,543</b>	<b>25,340</b>	<b>351,623</b>	<b>4,315,506</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(535,188)</b>	<b>11,195</b>	<b>(350,183)</b>	<b>(874,176)</b>
Other financing sources (uses):				
Proceeds from issuance of debt	-	-	903,003	903,003
Transfers in	-	-	36,520	36,520
Transfers out	(36,520)	-	-	(36,520)
<b>Total other financing sources (uses)</b>	<b>(36,520)</b>	<b>-</b>	<b>939,523</b>	<b>903,003</b>
<b>Net change in fund balances</b>	<b>(571,708)</b>	<b>11,195</b>	<b>589,340</b>	<b>28,827</b>
Fund balances - beginning of year, as restated (Note 14)	2,663,547	1,182,732	8,749,708	12,595,987
Fund balances, end of year	\$ 2,091,839	\$ 1,193,927	\$ 9,339,048	\$ 12,624,814

***City of Lake Worth Beach, Florida***

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**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

**Contents**

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<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>122 - 131</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	<b>132 – 136</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>137 – 143</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>144 – 146</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>147 - 149</b>

**Sources Note:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## City of Lake Worth Beach, Florida

### **NET POSITION BY COMPONENT (UNAUDITED)** **LAST TEN FISCAL YEARS (accrual basis of accounting)**

	2011	2012	2013	2014
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 60,345,422	\$ 63,132,112	\$ 63,660,538	\$ 59,907,246
Restricted	5,630,464	6,374,614	1,631,956	1,803,743
Unrestricted (deficit)	21,765,696	2,624,576	6,055,185	(45,102,488)
Total governmental activities net position	87,741,582	72,131,302	71,347,679	16,608,501
<b>Business-Type Activities:</b>				
Net investment in capital assets	73,913,475	60,153,130	66,248,211	65,053,346
Restricted	17,043,315	22,390,764	2,803,258	4,330,029
Unrestricted	53,714,975	68,980,999	79,507,888	59,487,552
Total business-type activities net position	144,671,765	151,524,893	148,559,357	128,870,927
<b>Total Government:</b>				
Net investment in capital assets	134,258,897	123,285,242	129,908,749	124,960,592
Restricted	22,673,779	28,765,378	4,435,214	6,133,772
Unrestricted	75,480,671	71,605,575	85,563,073	14,385,064
Total government net position	\$ 232,413,347	\$ 223,656,195	\$ 219,907,036	\$ 145,479,428

NOTE: The City implemented GASB statement No. 68, "Accounting and Financial Reporting for Pensions" in fiscal year 2015. Information for fiscal year 2014 has been restated.

NOTE: The City implemented GASB statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. Information for fiscal year 2017 has been restated.



	2015	2016	2017	2018	2019	2020
\$	58,548,019	\$ 56,328,679	\$ 55,276,904	\$ 57,137,390	\$ 55,217,776	\$ 38,366,100
	2,159,736	2,882,658	23,188,479	3,620,665	4,501,754	12,750,283
	(42,865,854)	(42,528,582)	(63,480,001)	(42,749,218)	(38,108,305)	(28,126,765)
	17,841,901	16,682,755	14,985,382	18,008,837	21,611,225	22,989,618
	67,396,574	74,381,420	83,094,062	90,093,724	95,692,038	95,049,432
	3,954,649	4,023,055	5,084,192	8,797,790	8,877,209	8,670,291
	64,875,277	71,056,620	64,199,523	48,072,470	46,249,865	50,052,179
	136,226,500	149,461,095	152,377,777	146,963,984	150,819,112	153,771,902
	125,944,593	130,710,099	138,370,966	147,231,114	150,909,814	133,415,532
	6,114,385	6,905,713	28,272,671	12,418,455	13,378,963	21,420,574
	22,009,423	28,528,038	719,522	5,323,252	8,141,560	21,925,414
\$	154,068,401	\$ 166,143,850	\$ 167,363,159	\$ 164,972,821	\$ 172,430,337	\$ 176,761,520

# City of Lake Worth Beach, Florida

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

	2011	2012	2013	2014
<b>Expenses:</b>				
Governmental Activities:				
General Government	\$ 2,779,104	\$ 2,625,404	\$ 2,326,955	\$ 2,297,354
Public Safety	19,077,692	18,516,774	19,624,339	19,971,563
Physical Environment	2,510,728	2,021,308	1,841,328	1,709,220
Transportation	1,382,039	3,388,138	3,923,414	3,775,229
Culture and Recreation	4,761,357	4,480,875	6,666,221	4,219,879
Community Redevelopment	2,664,189	-	-	-
Interest on Long-Term Debt	228,457	21,401	24,000	-
Total Governmental Activities Expenses	33,403,566	31,053,900	34,406,257	31,973,245
<b>Business-Type Activities:</b>				
Electric	49,596,103	52,552,814	51,377,436	50,529,559
Water	8,712,797	10,569,901	10,790,441	10,218,577
Local Sewer	5,460,696	6,239,262	5,304,658	6,522,133
Regional Sewer	3,815,581	6,070,749	11,061,208	5,827,196
Golf Course	1,343,390	-	-	-
Stormwater Utility	2,092,756	2,075,984	1,340,812	1,365,026
Refuse Collection and Disposal	3,245,043	3,954,656	3,956,006	4,880,048
Total Business-Type Activities Expenses	74,266,366	81,463,366	83,830,561	79,342,539
Total Primary Government Expenses	\$ 107,669,932	\$ 112,517,266	\$ 118,236,818	\$ 111,315,784
<b>Program Revenues:</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,332,345	\$ 2,062,610	\$ 2,229,910	\$ 1,791,964
Public Safety	717,382	526,601	572,064	934,486
Physical Environment	82,768	25,250	22,200	15,420
Transportation	793,998	650,724	1,021,207	1,425,139
Culture and Recreation	316,993	1,543,131	1,799,711	1,936,822
Community Redevelopment	-	-	-	-
Operating Grants and Contributions	1,948,280	940,072	1,275,649	809,270
Capital Grants and Contributions	4,683,790	3,533,795	2,913,927	559,996
Total Governmental Activities Program Revenues	10,875,556	9,282,183	9,834,668	7,473,097
<b>Business-Type Activities:</b>				
Charges for Services:				
Electric	55,903,189	53,885,218	51,062,159	54,537,479
Water	12,004,104	11,731,448	11,487,086	12,005,357
Local Sewer	6,983,675	7,705,072	7,222,939	6,322,018
Regional Sewer	5,043,689	6,586,821	5,231,267	4,657,237
Golf Course	1,184,647	-	-	-
Stormwater Utility	1,564,276	1,936,918	1,865,303	1,811,731
Refuse Collection and Disposal	4,906,260	5,491,867	5,587,032	5,840,137
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	148,343	-	677,280	398,574
Total Business-Type Activities Program Revenues	87,738,183	87,337,344	83,133,066	85,572,533
Total Primary Program Revenues	\$ 98,613,739	\$ 96,619,527	\$ 92,967,734	\$ 93,045,630

2015	2016	2017	2018	2019	2020
\$ 2,422,314	\$ 3,059,477	\$ 4,090,775	\$ 3,962,157	\$ 6,230,789	\$ 4,402,551
18,613,494	21,521,291	21,020,172	20,375,323	21,711,159	22,422,289
2,684,500	1,791,681	2,118,859	2,432,633	3,618,684	3,282,429
3,798,644	4,224,006	4,462,603	4,343,667	5,652,177	5,372,627
4,102,901	5,672,028	6,605,043	6,892,253	6,652,731	6,491,360
-	-	-	-	-	-
-	-	328,454	1,298,123	1,412,098	1,450,715
31,621,853	36,268,483	38,625,906	39,304,156	45,277,638	43,421,971
48,719,483	47,510,501	54,793,486	56,923,415	52,460,343	52,993,465
9,541,300	10,173,782	11,754,509	11,663,352	12,713,290	15,805,291
6,523,547	6,819,673	7,356,239	8,892,409	8,885,400	10,047,624
7,360,670	5,084,878	4,868,053	6,535,365	4,804,777	7,963,192
-	-	-	-	-	-
1,160,138	1,109,596	1,183,318	1,382,758	1,452,752	1,838,722
4,231,967	4,308,118	4,884,890	4,615,148	5,150,043	6,579,918
77,537,105	75,006,548	84,840,495	90,012,447	85,466,605	95,228,212
\$ 109,158,958	\$ 111,275,031	\$ 123,466,401	\$ 129,316,603	\$ 130,744,243	\$ 138,650,183
\$ 2,709,695	\$ 2,888,193	\$ 2,483,748	\$ 2,972,515	\$ 3,286,187	\$ 10,709,621
1,283,169	1,562,712	1,374,166	1,290,577	1,564,369	1,545,925
11,350	16,250	19,125	19,700	20,175	25,150
1,565,500	1,675,853	1,881,827	1,907,733	2,347,327	1,837,134
2,229,513	2,069,347	2,160,482	2,185,279	2,616,295	2,274,234
-	-	-	-	-	-
1,033,222	1,267,255	878,208	543,186	45,135	48,206
292,129	51,440	18,850	657,045	1,029,905	982,181
9,124,578	9,531,050	8,816,406	9,576,035	10,909,393	17,422,451
54,269,092	57,011,403	55,850,044	54,280,835	55,128,532	53,508,982
13,053,300	13,960,788	14,652,277	13,990,442	15,121,045	14,691,895
7,228,749	7,694,525	7,183,903	7,083,494	7,770,255	8,827,767
6,137,326	6,543,368	6,981,203	8,037,738	9,056,597	10,607,742
-	-	-	-	-	-
1,807,513	1,853,597	1,839,490	1,877,395	1,892,168	1,930,639
5,905,283	5,859,424	5,937,437	6,029,714	6,443,982	6,586,508
-	-	-	-	-	-
824,131	668,015	937,910	620,434	907,493	1,196,278
89,225,394	93,591,120	93,382,264	91,920,052	96,320,072	97,349,811
\$ 98,349,972	\$ 103,122,170	\$ 102,198,670	\$ 101,496,087	\$ 107,229,465	\$ 114,772,262

## City of Lake Worth Beach, Florida

### CHANGES IN NET POSITION (UNAUDITED)

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

	2011	2012	2013	2014
<b>Net (Expense) / Revenue:</b>				
Governmental Activities	\$ (22,528,010)	\$ (21,771,717)	\$ (24,571,589)	\$ (24,500,148)
Business-Type Activities	13,471,817	5,873,978	(697,495)	6,229,994
Total Primary Government Net Expenses	(9,056,193)	(15,897,739)	(25,269,084)	(18,270,154)
<b>General Revenues:</b>				
Governmental Activities:				
Taxes:				
Property Taxes	6,592,349	6,256,979	6,530,263	7,016,336
Franchise Taxes	42,836	54,068	36,127	39,358
Utility Taxes	5,335,753	5,020,040	5,118,045	5,040,381
Gas Taxes and Shared Revenues	3,170,202	3,288,619	3,488,545	3,731,994
Intergovernmental – Unrestricted	1,245,229	1,262,112	661,551	1,469,121
Investment Income – Unrestricted	85,908	50,884	72,073	84,656
Miscellaneous	200,291	479,396	104,778	202,581
Transfers	2,310,223	7,270,342	5,949,062	6,146,248
Total Governmental Activities Revenues	18,982,791	23,682,440	21,960,444	23,730,675
Business-Type Activities:				
Investment Income – Unrestricted	-	228,997	293,379	638,789
Miscellaneous	3,834,357	4,352,763	1,794,210	731,768
Transfers	(2,310,223)	(7,270,342)	(5,949,062)	(6,146,248)
Total Business-Type Activities Revenues	1,524,134	(2,688,582)	(3,861,473)	(4,775,691)
Total Primary Government General Revenues	\$ 20,506,925	\$ 20,993,858	\$ 18,098,971	\$ 18,954,984
<b>Change in Net Position:</b>				
Governmental Activities	\$ (3,545,219)	\$ 1,910,723	\$ (2,611,145)	\$ (769,473)
Business-type Activities	14,995,951	3,185,396	(4,558,968)	1,454,303
Total Primary Government	\$ 11,450,732	\$ 5,096,119	\$ (7,170,113)	\$ 684,830

2015	2016	2017	2018	2019	2020
\$ (22,497,275)	\$ (26,737,433)	\$ (29,809,500)	\$ (29,728,121)	\$ (34,368,245)	\$ (25,999,520)
11,688,289	18,584,572	8,541,769	1,907,605	10,853,467	2,121,599
(10,808,986)	(8,152,861)	(21,267,731)	(27,820,516)	(23,514,778)	(23,877,921)
7,016,336	7,933,054	8,501,004	10,446,929	12,236,801	13,044,494
39,358	40,559	57,146	149,379	130,486	138,871
5,040,381	5,249,541	5,323,406	5,157,559	5,378,990	5,473,291
3,731,994	3,913,702	5,866,094	6,780,214	6,914,217	6,444,705
1,469,121	1,528,273	1,669,080	1,647,276	1,689,341	1,534,497
84,656	73,088	96,906	399,621	1,076,109	485,389
202,581	79,538	176,950	294,959	209,266	218,393
6,146,248	6,760,532	6,991,921	7,875,639	10,335,423	352,000
23,730,675	25,578,287	28,682,507	32,751,576	37,970,633	27,691,640
638,789	584,317	371,686	580,489	1,379,774	505,611
731,768	826,238	959,846	1,343,752	1,057,737	410,438
(6,146,248)	(6,760,532)	(6,991,921)	(9,245,639)	(10,335,423)	(352,000)
(4,775,691)	(5,349,977)	(5,660,389)	(7,321,398)	(7,897,912)	564,049
\$ 18,954,984	\$ 20,228,310	\$ 23,022,118	\$ 25,430,178	\$ 30,072,721	\$ 28,255,689
\$ 1,233,400	\$ (1,159,146)	\$ (1,126,993)	\$ 3,023,455	\$ 3,602,388	\$ 1,692,120
6,912,598	13,234,595	2,881,380	(5,413,793)	2,955,555	2,685,648
\$ 8,145,998	\$ 12,075,449	\$ 1,754,387	\$ (2,390,338)	\$ 6,557,943	\$ 4,377,768

## City of Lake Worth Beach, Florida

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

	2011	2012	2013	2014
<b>General Fund:</b>				
Nonspendable	\$ 1,898,200	\$ 1,551,899	\$ 26,438	\$ 22,256
Committed	5,193,918	-	-	-
Assigned	8,435	8,435	9,462	9,267
Unassigned	2,015,792	3,823,324	4,237,941	4,359,619
Total General Fund	<u>\$ 9,116,345</u>	<u>\$ 5,383,658</u>	<u>\$ 4,273,841</u>	<u>\$ 4,391,142</u>
<b>All Other Governmental Funds:</b>				
Nonspendable	5,651,914	3,697	16,722	15,327
Restricted	3,260,848	1,318,521	1,631,956	1,803,743
Committed	3,469,027	2,709,902	2,068,146	2,021,065
Assigned	4,099,589	5,427,177	5,404,534	3,601,203
Unassigned (deficit)	-	(1,996,104)	(6,475,512)	(5,602,675)
Total All Other Governmental Funds	<u>16,481,378</u>	<u>7,463,193</u>	<u>2,645,846</u>	<u>1,838,663</u>
Total Governmental Funds	<u>\$ 25,597,723</u>	<u>\$ 12,846,851</u>	<u>\$ 6,919,687</u>	<u>\$ 6,229,805</u>

NOTE: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Information for fiscal years 2005-2010 have not been restated.

2015	2016	2017	2018	2019	2020
\$ 18,703	\$ 11,352	\$ 13,245	\$ 27,397	\$ 20,856	\$ 27,558
-	-	-	-	-	-
78,156	374,534	435,487	739,511	9,267	9,267
4,867,733	5,596,137	4,406,420	3,883,141	4,852,376	11,879,169
<u>\$ 4,964,592</u>	<u>\$ 5,982,023</u>	<u>\$ 4,855,152</u>	<u>\$ 4,650,049</u>	<u>\$ 4,882,499</u>	<u>\$ 11,915,994</u>
74,520	8,534	8,321	13,052	12,347	259,524
2,159,736	2,882,658	22,764,757	26,574,399	18,717,321	18,991,532
1,692,430	1,463,513	1,459,827	1,468,669	1,417,849	-
2,926,266	2,476,999	4,284,028	6,585,253	10,232,006	9,937,392
(4,823,306)	(4,291,069)	(3,909,745)	(3,777,022)	(3,352,766)	(16,433)
2,029,646	2,540,635	24,607,188	30,864,351	27,026,757	29,172,015
<u>\$ 6,994,238</u>	<u>\$ 8,522,658</u>	<u>\$ 29,462,340</u>	<u>\$ 35,514,400</u>	<u>\$ 31,909,256</u>	<u>\$ 41,088,009</u>

## City of Lake Worth Beach, Florida

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

	2011	2012	2013	2014
<b>Revenues:</b>				
Property Taxes	\$ 6,082,587	\$ 5,879,132	\$ 5,646,125	\$ 5,762,505
Utility and Other Taxes	6,709,122	6,192,834	5,882,323	5,311,296
Licenses and Permits	1,122,704	1,311,181	1,909,015	1,374,635
Fines and Forfeitures	340,140	253,858	209,517	507,709
Charges for Services	6,587,720	7,326,862	6,977,890	8,309,647
Intergovernmental	10,575,314	8,621,673	8,144,808	6,145,110
Investment Income	146,788	85,908	50,884	72,073
Rents and Royalties	28,256	811	22,874	21,921
Miscellaneous	204,917	281,729	311,550	165,899
<b>Total Revenues</b>	<b>31,797,548</b>	<b>29,953,988</b>	<b>29,154,986</b>	<b>27,670,795</b>
<b>Expenditures:</b>				
Current:				
General Government	5,743,061	6,805,608	5,923,710	5,751,549
Public Safety	19,090,029	18,293,122	19,482,378	19,773,044
Physical Environment	2,351,909	2,006,693	1,837,574	1,683,387
Transportation	1,052,798	875,626	1,244,226	1,129,732
Culture and Recreation	2,196,355	3,938,839	4,102,093	4,252,002
Community Redevelopment	2,257,690	-	-	-
Capital Outlay	3,567,570	8,338,374	4,073,029	1,825,165
Debt Service:				
Principal	1,338,833	-	-	-
Interest and Other Fiscal Charges	237,272	21,401	-	-
Cost of Issuance	-	-	-	-
<b>Total Expenditures</b>	<b>37,835,517</b>	<b>40,279,663</b>	<b>36,663,010</b>	<b>34,414,879</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,037,969)</b>	<b>(10,325,675)</b>	<b>(7,508,024)</b>	<b>(6,744,084)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	9,577,618	9,338,075	8,845,314	9,083,001
Transfers Out	(2,198,378)	(7,027,852)	(1,574,972)	(3,133,939)
Advances Forgiven	-	-	238,278	-
Proceeds from debt issuance	-	-	-	-
Proceeds from bond premiums	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>7,379,240</b>	<b>2,310,223</b>	<b>7,508,620</b>	<b>5,949,062</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,341,271</b>	<b>\$ (8,015,452)</b>	<b>\$ 596</b>	<b>\$ (795,022)</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.60%</b>	<b>0.07%</b>	<b>0.00%</b>	<b>0.00%</b>

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



2015	2016	2017	2018	2019	2020
\$ 6,316,354	\$ 7,217,524	\$ 7,902,965	\$ 9,903,427	\$ 11,698,612	\$ 12,763,120
5,237,870	5,454,398	5,556,899	5,477,082	5,648,150	5,645,711
2,306,549	2,298,863	1,913,624	2,372,876	2,766,369	2,398,276
990,180	1,196,984	1,136,209	941,176	1,200,141	1,331,593
8,113,998	8,319,650	8,411,704	9,298,864	10,355,013	17,306,080
6,324,240	6,521,260	8,072,671	9,008,012	9,456,191	8,395,719
99,182	73,088	98,989	400,146	1,076,208	485,649
21,099	20,974	20,703	20,642	19,841	19,445
299,088	224,878	413,554	513,776	481,431	329,152
29,708,560	31,327,619	33,527,318	37,936,001	42,701,956	48,674,745
5,634,202	6,199,180	6,917,043	7,575,275	9,535,056	8,412,275
20,326,650	20,746,172	21,418,839	21,329,407	22,028,842	23,123,385
1,755,019	1,773,092	2,070,505	2,310,527	2,519,813	2,285,176
1,284,203	1,652,394	1,845,235	2,026,304	2,839,274	2,770,493
4,370,469	4,606,962	5,291,682	5,812,796	5,986,881	5,926,539
-	-	-	-	-	-
1,719,832	2,431,377	4,128,562	17,016,282	11,642,411	9,696,551
-	-	-	423,722	702,238	780,664
-	-	303,736	817,195	1,388,008	1,450,715
-	-	-	172,597	-	-
35,090,375	37,409,177	41,975,602	57,484,105	56,642,523	54,445,798
(5,381,815)	(6,081,558)	(8,448,284)	(19,548,104)	(13,940,567)	(5,771,053)
7,503,308	6,820,532	7,122,980	10,248,836	10,663,633	435,593
(1,357,060)	(60,000)	(131,059)	(2,373,197)	(328,210)	(83,593)
-	-	-	-	-	-
-	849,446	22,396,045	17,724,525	-	13,991,367
-	-	-	-	-	907,884
6,146,248	7,609,978	29,387,966	25,600,164	10,335,423	15,251,251
\$ 764,433	\$ 1,528,420	\$ 20,939,682	\$ 6,052,060	\$ (3,605,144)	\$ 9,480,198
0.00%	0.00%	0.80%	3.07%	1.56%	4.99%

## City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	Tax Revenue Year	Real Property		Railroad Property	Total Net Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property			
2011	2010	\$ 1,053,076	\$ 53,324	\$ 3,735	\$ 1,110,135	8.49
2012	2011	990,200	52,992	3,825	1,047,017	8.95
2013	2012	1,041,529	51,276	4,350	1,097,155	8.95
2014	2013	1,143,415	49,839	4,763	1,198,017	8.95
2015	2014	1,260,658	51,353	5,148	1,317,159	8.95
2016	2015	1,415,323	51,077	5,596	1,471,996	8.95
2017	2016	1,584,396	43,122	5,781	1,633,299	9.70
2018	2017	1,758,006	49,116	5,924	1,813,046	9.70
2019	2018	1,933,683	57,977	7,795	1,999,455	10.06
2020	2019	2,119,926	48,866	7,413	2,176,205	10.06

Note: Property in the City is reassessed each year. The property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$1,000 of assessed value.

Sources: - City of Lake Worth, Florida, Finance Department.  
- Palm Beach County Property Appraiser.  
- Certification of Taxable Value, DR-420, Final.  
- Tax Roll Certification, DR-403C, First Certified Tax Roll

## City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	Tax Roll Year	City of Lake Worth					Overlapping Rates (1)					Total Direct and Overlapping Rates
		General Operations	MSTU	Debt Service	Total City	Palm Beach County	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Palm Beach County Health Care District	Children's Services Council	
2011	2010	4.99	3.46	0.04	8.49	4.99	8.18	0.24	0.03	1.13	0.75	23.81
2012	2011	5.49	3.46	-	8.95	4.99	7.78	0.18	0.03	1.12	0.73	23.78
2013	2012	5.49	3.46	-	8.95	4.78	7.78	0.77	0.03	1.12	0.73	24.16
2014	2013	5.49	3.46	-	8.95	4.78	7.59	0.74	0.03	1.08	0.70	23.87
2015	2014	5.49	3.46	-	8.95	4.78	7.59	0.69	0.03	1.05	0.67	23.76
2016	2015	5.49	3.46	-	8.95	4.91	7.08	0.33	0.03	0.90	0.68	22.88
2017	2016	5.49	3.46	0.75	9.70	4.90	6.77	0.31	0.03	0.78	0.66	23.15
2018	2017	5.49	3.46	0.75	9.70	4.90	6.77	0.32	0.03	0.85	0.66	23.23
2019	2018	5.49	3.46	1.11	10.06	4.86	7.16	0.28	0.03	0.73	0.65	23.7719
2020	2019	5.49	3.46	1.11	10.06	4.81	7.01	0.27	0.03	0.73	0.65	23.5603

NOTE: All millage rates are based on \$1 for every \$1,000 of assessed value.

SOURCES: City of Lake Worth Finance Department and Palm Beach County Property Appraiser's Office (DR420 & Detailed Millage Chart).

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Worth. Not all overlapping rates apply to all City of Lake Worth property owners (i.e., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

## City of Lake Worth Beach, Florida

### PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Year (2)	Collected Within the Fiscal Year of the Levy (1)	Percent of Levy	Collections in Subsequent Year's	Total Collections to Date	Percent of Levy
		Amount			Amount	
2011	\$ 6,096,193	\$ 5,841,442	95.82%	\$ 206,029	\$ 6,047,471	99.20%
2012	5,752,832	5,728,138	99.57%	24,581	5,752,719	100.00%
2013	6,028,316	5,429,614	90.07%	374,692	5,804,306	96.28%
2014	6,561,373	5,694,788	86.79%	132,548	5,827,336	88.81%
2015	6,668,511	6,277,985	94.14%	5,404	6,283,389	94.22%
2016	7,225,095	6,951,573	96.21%	-	6,951,573	96.21%
2017	8,101,969	7,796,543	96.23%	-	7,796,543	96.23%
2018	9,006,434	8,660,077	96.15%	-	8,660,077	96.15%
2019	12,033,164	11,616,102	96.53%	-	11,616,102	96.53%
2020	13,179,530	12,737,088	96.64%	-	12,737,088	96.64%

SOURCES: City of Lake Worth, Finance Department and Palm Beach County Tax Collector's Office.

(1) Includes discounts taken by property taxpayers.

(2) Palm Beach County Tax Collector - Comparison of Taxes Levied - <http://www.co.palm-beach.fl.us/papa/Millage.htm>

\*As Adopted\*

## City of Lake Worth Beach, Florida

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

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SL BOUTWELL BUSINESS CENTER II LLC	\$ 27,621,752	1	1.33%	\$ -	-	-
LAKE WORTH VILLAGE, LLC	24,510,124	2	1.18%	-	-	-
OAKWOOD APARTMENTS 160 UNITS LLC	21,671,032	3	1.05%	-	-	-
VILLAGE AT LAKE OSBORNE LLC	13,099,183	4	0.63%	-	-	-
GSG INVESTMENTS	12,919,580	5	0.62%	-	-	-
PALM BEACH MOBILE HOME PARK, LLC	11,564,261	6	0.56%	-	-	-
CUBESMART LP (1)	11,153,442	7	0.54%	-	-	-
AKERS ROBERT L TRUST	9,321,089	8	0.45%	-	-	-
1920 10th AVENUE LLC	9,100,000	9	0.44%	-	-	-
CUBESMART LP (2)	8,800,000	10	0.42%	-	-	-
FLORIDA POWER & LIGHT CO	-	-	-	57,318,652	1	5.16%
BELLSOUTH TELECOMMUNICATIONS INC	-	-	-	7,429,140	2	0.67%
TOWNCENTER at BOCA RATON TRUST	-	-	-	6,934,463	3	0.62%
LANDRY LAWRENCE L &	-	-	-	4,562,021	4	0.41%
COMCAST of FLORIDA/GEORGIA LLC	-	-	-	3,666,229	5	0.33%
PANTCHERS BRHC LTD	-	-	-	3,419,928	6	0.31%
FLORIDQA POWER & LIGHT CO	-	-	-	3,300,160	7	0.30%
TJ PALM BEACH ASSOC LTD PTNRS	-	-	-	2,973,749	8	0.27%
2700 NORTH OCEAN LLC	-	-	-	2,903,013	9	0.26%
BREAKERS PALM BERACH INC	-	-	-	2,708,719	10	0.24%
	<b>\$ 149,760,463</b>		<b>7.22%</b>	<b>\$ 95,216,074</b>		<b>8.57%</b>

SOURCE: 2020 Tax roll provided by the Palm Beach County Tax Collector's Office  
Based on Lake Worth Top Ten Taxpayer Report.  
2011 statisitcs from COLWB 2011 CAFR

(1) Total Assessed Valuations \$ 2,073,205,235 Tax year 2020 don't include this in the statement  
\$ 1,110,135,000 Tax year 2011

## City of Lake Worth Beach, Florida

### ***SPECIAL ASSESSMENT COLLECTIONS (UNAUDITED) LAST TEN FISCAL YEARS***

<b>Fiscal Year Ended September 30,</b>	<b>Amount of Special Assessments Recorded Due During Fiscal Year</b>	<b>Special Assessments Collected</b>	<b>Total Outstanding Assessments (1)</b>
2011	\$ -	\$ 148,894	\$ 112,049
2012	-	23,100	88,949
2013	-	22,707	66,242
2014	-	25,284	40,958
2015	-	24,290	16,668
2016	-	9,064	7,604
2017	-	7,604	-
2018	-	-	-
2019	-	-	-
2020	-	-	-

NOTE: All special assessments are levied by adoption of a City resolution. Upon adoption of such resolution, a special assessment immediately becomes a lien upon the benefitted property.

Sources: City of Lake Worth, Florida, Finance Department.

## City of Lake Worth Beach, Florida

### ***RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED) LAST TEN FISCAL YEARS***

Fiscal Year Ended September 30,	Primary Government							Percent of Personal Income (1)	Debt Per Capita (1)
	Governmental Activities			Business-Type Activities					
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases	Total		
2011	\$ -	\$ 4,336,067	\$ 545,505	\$ 56,744,327	\$ 12,445,305	\$ 401,833	\$ 74,473,037	3.99%	2,133
2012	-	-	-	56,792,006	13,566,736	102,372	70,461,114	N/A	2,019
2013	-	-	-	54,030,000	9,632,083	-	63,662,083	N/A	1,791
2014	-	-	-	52,760,000	6,521,092	-	59,281,092	N/A	1,596
2015	-	-	-	49,595,000	6,223,140	-	55,818,140	N/A	1,482
2016	-	849,446	-	43,000,000	21,869,067	-	65,718,513	N/A	1,738
2017	22,267,392	973,205	-	39,565,000	27,904,081	-	90,709,678	N/A	2,390
2018	39,589,955	929,483	-	39,565,000	29,278,407	-	109,362,845	N/A	2,859
2019	38,901,061	882,245	-	36,035,000	30,470,991	-	106,289,297	N/A	2,778
2020	53,036,418	843,864	-	44,945,423	31,306,589	-	130,132,294	N/A	3,347

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics.

N/A Not Available.

## City of Lake Worth Beach, Florida

### **RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED) LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended September 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2011	\$ -	\$ (250,208)	\$ (250,208)	-0.02%	\$ (7.17)
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	22,267,392	-	22,267,392	1.36%	586.82
2018	39,589,955	(14,271)	(3) 39,575,684	2.18%	1,034.47
2019	38,901,061	(1,914)	(3) 38,899,147	1.95%	1,016.79
2020	53,036,418	-	(3) 53,036,418	2.44%	1,364.28

NOTE: Details regarding City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics.

(3) These amounts in Fund 203 CASH (BOA) account (101.01-01)



## City of Lake Worth Beach, Florida

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### **COMPUTATION OF LEGAL DEBT LIMIT (UNAUDITED)** **FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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Taxable Assessed Valuation	<u>\$ 2,176,205,000</u>
Debt Limit (25% of Valuation)	544,051,250
Outstanding Debt:	<u>53,880,282</u>
Debt-Contracting Margin	<u>\$ 490,170,968</u>
Percentage Debt-Contracting Limit Remaining	<u>90.10%</u>

NOTE: The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt and bonds. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits.

## City of Lake Worth Beach, Florida

### ***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)*** ***FISCAL YEAR ENDED SEPTEMBER 30, 2020***

<b><u>Government Unit:</u></b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to the City of Lake Worth (1)</b>	<b>Amount Applicable to the City of Lake Worth</b>
<b>Overlapping:</b>			
Debt Repaid with Property Taxes:			
Palm Beach County	\$ 61,115,000	1.06%	\$ 648,315
Palm Beach School Board	7,535,000	1.06%	79,932
<b>Subtotal</b>	<b>68,650,000</b>		<b>728,247</b>
<b>Direct Debt:</b>			
City of Lake Worth	\$ 53,880,282	100.00%	53,880,282
<b>Total Direct and Overlapping Debt</b>	<b>\$ 122,530,282</b>		<b>\$ 54,608,529</b>

SOURCES: Data provided by the Palm Beach County Finance Department and the Palm Beach County Property Appraiser.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Lake Worth. This process recognizes that, when the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

However, this does not imply that every taxpayer is a resident; and, therefore responsible for repaying the debt of each overlapping government.

- (1) The City of Lake Worth's share of overlapping debt of approximately 1.06%, as determined by the ratio of the City's assessed valuation of property for 2020 of \$ 2,119,926,410 to the total assessed value of taxable property in the areas (Palm Beach County) of \$ 199,839,939,452.

## City of Lake Worth Beach, Florida

### ***PLEDGED REVENUE COVERAGE (UNAUDITED) LAST TEN FISCAL YEARS***

<b>Fiscal Year Ended September 30,</b>	<b>Sewer Revenue (1)</b>	<b>Less: Operating Expenses (2)</b>	<b>Net Available Revenue</b>	<b>Debt Service Principal</b>	<b>Debt Service Interest</b>	<b>Coverage</b>
2011	\$ 7,027,613	\$ 4,811,414	\$ 2,216,199	\$ 255,000	\$ 68,597	6.85
2012	7,737,291	5,590,967	2,146,324	255,000	191,031	4.81
2013	7,254,074	4,659,716	2,594,358	-	-	100.00
2014	6,362,910	5,868,978	493,932	-	-	100.00
2015	7,328,527	5,877,591	1,450,936	-	-	100.00
2016	7,784,279	6,093,835	1,690,444	-	-	100.00
2017	7,214,779	6,504,503	710,276	-	-	100.00
2018	7,122,243	7,958,644	(836,401)	-	-	100.00
2019	7,842,696	7,929,551	(86,855)	-	-	100.00
2020	8,828,323	9,017,939	(189,616)	-	-	100.00

SOURCE: City of Lake Worth, Finance Department

(1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.

(2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.

## City of Lake Worth Beach, Florida

### **PLEDGED REVENUE COVERAGE (UNAUDITED)** **LAST TEN FISCAL YEARS (continued)**

<b>Fiscal Year Ended September 30,</b>	<b>Electric Revenue (1)</b>	<b>Less: Operating Expenses (2)</b>	<b>Net Available Revenue</b>		<b>Debt Service Principal</b>	<b>Debt Service Interest</b>	<b>Coverage</b>
2010	\$ 59,895,691	\$ 55,899,906	\$ 3,995,785		\$ 1,210,000	\$ 1,338,799	1.57
2011	56,113,677	46,404,184	9,709,493		-	617,085	15.73
2012	53,998,826	49,774,388	4,224,438		1,290,000	1,181,145	1.71
2013	51,143,917	48,826,115	2,317,802		635,000	669,238	1.78
2014	54,635,498	48,028,511	6,606,987		1,582,500	685,779	2.91
2015	54,399,160	46,526,432	7,872,728		1,627,500	642,765	3.47
2016	57,161,737	44,823,917	12,337,820	(3)	-	576,200	21.41
2017	55,991,458	50,603,851	5,387,607	(3)	1,717,500	1,450,893	1.70
2018	54,539,122	53,757,573	781,549	(3)	969,166	980,044	0.40
2019	55,541,906	48,617,931	6,923,975	(3)	2,457,410	878,056	2.08
2020	53,720,691	45,720,809	7,999,882	(3)	2,556,211	849,427	2.35

SOURCE: City of Lake Worth, Finance Department

- (1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.
- (2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.
- (3) Debt service principal payments were made early for the Utility System Refunding Revenue Bonds.

## City of Lake Worth Beach, Florida

### PLEDGED REVENUE COVERAGE (UNAUDITED)

#### LAST TEN FISCAL YEARS (continued)

Fiscal Year Ended September 30,	Water Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue		Debt Service Principal	Debt Service Interest	Coverage
2011	\$ 12,127,703	\$ 6,681,473	\$ 5,446,230		\$ -	\$ 617,085	8.83
2012	11,803,738	7,008,004	4,795,734		1,290,000	1,181,145	1.94
2013	11,545,178	7,107,407	4,437,771		635,000	669,238	3.40
2014	12,059,246	6,775,980	5,283,266		1,880,452	854,928	1.93
2015	13,258,306	6,437,459	6,820,847		1,933,319	804,048	2.49
2016	14,161,798	6,748,708	7,413,090	(3)	313,895	153,207	15.87
2017	14,768,650	7,468,404	7,300,246	(3)	2,031,395	1,171,760	2.28
2018	14,132,486	7,800,797	6,331,689	(3)	397,780	906,983	4.85
2019	15,373,494	8,352,033	7,021,461	(3)	2,575,749	842,734	2.05
2020	14,794,765	9,355,546	5,439,219	(3)	2,732,209	826,979	1.53

SOURCE: City of Lake Worth, Finance Department

(1) Gross revenue includes operating revenue and investment income, net of uncollectible accounts.

(2) Total expenses, net of depreciation, debt interest, and uncollectible accounts.

(3) Debt service principal payments were made early for the Water Revenue Bond.

## City of Lake Worth Beach, Florida

### DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED) LAST TEN FISCAL YEARS

Year	Population (1)	Personal Income (Amounts Expressed in Thousands) (4)	Per Capita Personal Income (4)	Assessed Value (Amounts Expressed in Thousands) (2)	Per Capita Assessed Value	Unemployment Rate (3)
2011	34,910	\$ 1,867,685	\$ 53,500	\$ 1,110,135	\$ 31,800	10.3%
2012	34,901	N/A	N/A	1,047,017	30,000	8.7%
2013	35,555	N/A	N/A	1,097,155	30,858	6.6%
2014	37,145	N/A	N/A	1,198,017	32,252	6.2%
2015	37,674	N/A	N/A	1,317,159	34,962	5.1%
2016	37,803	N/A	68,743	1,471,996	38,939	5.8%
2017	37,946	N/A	N/A	1,633,299	43,043	4.5%
2018	38,257	N/A	N/A	1,813,046	47,391	4.4%
2019	38,484	N/A	N/A	1,999,455	51,955	3.0%
2020	38,875	N/A	N/A	2,176,205	55,980	7.2%

#### SOURCES:

- (1) University of Florida, Bureau of Economic Research.
- (2) Palm Beach County Property Appraiser.
- (3) U.S. Department of Labor, Bureau of Labor Statistics.
- (4) University of Florida, Bureau of Economic Research - For Palm Beach County, (City of Lake Worth data is not available).  
<http://www.bebr.ufl.edu/data/county/palm-beach>

N/A: Not Available.

## City of Lake Worth Beach, Florida

### **PRINCIPAL EMPLOYERS (UNAUDITED) CURRENT YEAR AND NINE YEARS AGO**

City of Lake Worth, Florida Employer	2020	
	Number of Employees	Rank
Palm Beach State College	1,148	1
City of Lake Worth	307	2
Lake Worth High School	269	3
American Medical Response	213	4
Highland Elementary	150	5
Publix (214 N. Dixie Hwy.)	148	6
Barton Elementary	136	7
Publix (1910 Lake Worth Rd.)	122	8
North Grade Elementary	94	9
Lake Worth Middle School	74	10
	<u>2,661</u>	
	2020	
	Employees	Rank
	</	

SOURCE: Business Development Board of Palm Beach County.

## City of Lake Worth Beach, Florida

### **FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (UNAUDITED) LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Number of Employees:</b>										
General Government	66	69	63	65	71	73	78	76	76	74
Public Safety	14	10	12	14	13	12	14	13	14	14
Physical Environment	15	13	13	13	15	13	20	24	24	26
Transportation	7	4	3	11	8	11	16	16	13	13
Culture and Recreation	42	16	20	28	19	22	25	25	25	27
Community Redevelopment	2	6	7	2	2	2	4	4	4	4
Electric	72	88	72	66	73	67	71	68	69	71
Water and Sewer	44	39	48	47	55	48	55	50	50	48
Refuse	28	28	30	30	30	28	33	32	32	29
Total Full Time Employees	290	273	268	276	286	276	316	308	307	306

Source: COLWB Payroll Register, PPE 10/6/2019





## Lake Worth Little Free Libraries

*"Take A Book ~ Leave A Book"*



# City of Lake Worth Beach, Florida

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Building Department:</b>										
Building Permits Issued-Res.	1,211	1,309	2,170	1,702	2,050	2,503	2,224	2,954	2,758	2,515
Building Permits Issued-Com.	641	480	500	425	703	657	751	539	677	750
<b>Culture and Recreation:</b>										
Golf Course-Attendance	42,500	38,199	42,983	59,367	42,103	34,554	39,218	38,869	48,680	41,038
Swimming Pool-Attendance	*	*	*	8,118	13,143	13,304	*	*	*	*
Fishing Pier-Attendance	65,644	72,799	78,102	90,250	87,258	88,264	89,240	91,246	92,158	*
<b>Public Library:</b>										
Circulation-All Media	155,274	83,790	81,256	62,454	44,599	48,112	43,321	36,336	29,728	8,956
Patrons Registered	19,511	21,457	22,398	23,565	19,548	15,490	15,696	16,330	19,179	19,679
Patrons Registered-Inside City	14,567	16,281	17,444	17,355	14,867	11,325	11,421	11,932	15,387	19,376
<b>Utility System:</b>										
<b>Water:</b>										
Total Number of Bills	150,255	153,898	156,219	157,646	161,573	160,395	161,410	167,222	168,259	169,418
Number of Units Billed	1,706,506	15,217,786	14,782,623	15,698,399	16,135,064	15,881,991	15,995,970	15,332,625	15,721,546	15,270,195
Total Amount Billed	10,852,667	12,045,014	11,338,385	11,791,811	13,318,069	13,345,940	13,709,754	12,992,941	13,572,778	13,603,381
Average Selling Price	6.36	0.79	0.77	0.76	0.83	0.84	0.86	0.85	0.86	0.89
Average Bill	72.39	78.27	72.58	74.80	82.43	83.21	84.94	77.70	80.67	80.29
Number of Connections	12,216	12,301	*	*	*	*	*	*	*	*
Water Main Breaks	22	30	*	*	*	*	*	*	*	*
<b>Sewer:</b>										
Total Number of Bills	136,945	138,412	140,700	142,187	143,379	146,821	147,742	148,476	149,150	150,298
Number of Units Billed	1,177,201	11,345,142	14,219,556	11,603,213	11,929,331	12,216,102	12,408,208	12,013,792	12,100,257	12,098,238
Total Amount Billed	6,534,005	7,224,736	6,856,410	6,003,365	6,725,422	7,018,882	7,283,007	7,117,298	7,755,324	8,957,673
Average Selling Price	5.55	0.64	0.62	0.52	0.57	0.57	0.59	0.60	0.64	0.74
Average Bill	47.72	52.20	48.73	42.23	47.00	48.00	49.30	47.94	52.00	59.60
Number of Connections	11,108	11,106	11,268	11,192	11,216	11,218	12,194	12,373	*	*

Sources: Various City Departments

# City of Lake Worth Beach, Florida

## OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

### LAST TEN FISCAL YEARS (continued)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Electric:</b>										
<b>Residential Customers:</b>										
Total Number of Bills	260891	236321	268028	271926	281016	283149	285434	287853	288716	290701
Number of Units Billed	661734180	670732013	450714920	307934950	324881383	329044873	329388680	324223300	336004339	342054167
Total Amount Billed	31217074	30357449	28629223	30515277	33156771	32802475	32786766	30907817	31993460	32849669.45
Average Selling Price	\$ 0.05	\$ 0.05	\$ 0.07	\$ 0.10	\$ 0.11	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Average Bill	\$ 120	\$ 128	\$ 107	\$ 112	\$ 118	\$ 116	\$ 115	\$ 107	\$ 111	\$ 113
<b>Commercial Customers:</b>										
Total Number of Bills	35400	33758	35538	36429	37561	37674	37677	37808	37843	37840
Number of Units Billed	253410443	190521820	136281598	108714074	152817241	125097776	127896107	126102700	126436901	131523506
Total Amount Billed	16866100	11852622	14807277	15057782	15645193	15573116	15893259	15342976	15330753	14284317.23
Average Selling Price	\$ 0.07	\$ 0.06	\$ 0.11	\$ 0.14	\$ 0.11	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.09
Average Bill	\$ 476	\$ 351	\$ 417	\$ 413	\$ 417	\$ 413	\$ 422	\$ 406	\$ 405	\$ 377
<b>Private Area Lighting:</b>										
Total Number of Bills	6739	6558	6484	6488	6574	6536	6556	6507	6433	6538
Number of Units Billed	2070352	2339530	2349288	1260696	1235578	1193692	1200994	2431880	2428976	2507128
Total Amount Billed	202599	201083	201892	226235	220335	216292	217297	262582	262342	270911.75
Average Selling Price	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.11	\$ 0.09
Average Bill	\$ 30	\$ 31	\$ 31	\$ 35	\$ 34	\$ 33	\$ 33	\$ 40	\$ 41	\$ 41
<b>Commercial Demand:</b>										
Total Number of Bills	908	1056	1055	1029	1032	1034	1031	1046	1076	1032
Number of Units Billed	93041066	122380220	54570150	56307954	53104190	52771310	52555086	50615850	49801395	49284132
Total Amount Billed	6169848	7571587	6042329	6202544	5869258	5855878	5641515	5451325	5367370	5328048.85
Average Selling Price	\$ 0.07	\$ 0.06	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.09
Average Bill	6,795	7,170	5,727	6,028	5,687	5,663	5,418	5,212	4,988	5,163
<b>Street Lights:</b>										
Total Number of Bills	108	108	104	112	108	112	109	108	108	108
Number of Units Billed	4359714	5013600	4978576	2541824	2506800	2568936	2592168	4964044	4964880	4966112
Total Amount Billed	355775	360750	385599	385858	383706	392298	395382	476141	476280	476384.17
Average Selling Price	\$ 0.09	\$ 0.07	\$ 0.08	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10
Average Bill	\$ 3,294	\$ 3,340	\$ 3,708	\$ 3,445	\$ 3,553	\$ 3,503	\$ 3,627	\$ 4,409	\$ 4,410	\$ 4,411
<b>Solid Waste:</b>										
Residential accounts	9	8	3	24	42	34	37	38	20	20
Commercial accounts	1068	1085	1086	1104	1136	1127	1129	1119	1112	1110

Sources: Various City Departments.

## City of Lake Worth Beach, Florida

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government:</b>										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Safety:</b>										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	-	-	-	-			-	-		
Fire:										
Fire Stations	2	2	2	2	2	2	2	2	3	3
<b>Transportation:</b>										
Miles of Streets:										
Streets-Paved	102	102	102	102	102	102	116	116	116	116
Streets-Unpaved	17	17	17	17	17	17	23	23	23	23
Number of Street Lights	4,102	4,102	4,102	4,102	4,102	4,305	4,526	4,526	4,526	4,526
<b>Culture and Recreation:</b>										
Parks	11	11	11	11	11	11	11	11	11	11
Parks Acreage	267	267	267	267	267	267	267	267	267	267
Tennis Courts	8	8	8	8	8	7	7	7	5	5
Baseball/Softball Fields	10	10	10	10	10	6	8	8	6	6
In/Outdoor Basketball Courts	4	4	4	4	4	4	4	4	4	4
Public Boat Ramps	1	1	1	1	1	1	1	1	1	1
Community Centers	2	2	2	2	2	1	1	1	1	1
Municipal Gym	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Shuffleboard	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
<b>Utility System:</b>										
Fire Hydrants	959	964	976	996	1,003	1,034	1,081	1,105	1,105	1,139
<b>Solid Waste:</b>										
Collection Trucks	22	22	22	22	22	23	26	27	27	27
<b>Water System:</b>										
Total Wells	18	18	16	16	17	15	15	15	15	15
Usable Wells	17	17	14	13	15	15	15	15	15	15
Miles of Water Lines	156	156	156	156	157	156	165	168	169	169.0
<b>Sewer System:</b>										
Miles of Sewer Lines	98	98	98	98	98	114	117	125	126	126.0
<b>Electric System:</b>										
Generating Plants	1	1	1	1	1	1	1	1	1	1
Miles of Distribution Lines	147	147	147	147	147	147	290	296	296	296

Sources: Various City Departments.

## City of Lake Worth Beach, Florida

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