

City of Lake Worth Beach, Florida

FINANCIAL STATEMENTS

September 30, 2025



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March 30, 2026

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, 2025. 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. 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.

Carr, Riggs & Ingram, LLC, 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, 2025. The independent auditor's report is located at the front of the financial section of this report.

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



PROFILE

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

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

The City is primarily a residential community of approximately 7 square miles with a population of approximately 43,600. 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.

The City of Lake Worth Beach is a dynamic and multicultural community with a strong social and environmental consciousness. Residents and visitors are drawn to the City's independent character, acceptance of diverse cultures and lifestyles, historic architecture, vibrant downtown, and distinctive residential neighborhoods. The City is committed to preserving its historic architectural fabric, with more than 1,000 historic buildings contributing to the character and human scale of both the downtown district and surrounding neighborhoods.

Lake Worth Beach also serves as an important geographic and cultural center within Palm Beach County. The downtown district is widely recognized as the artistic heart of the community and supports a variety of cultural and artistic activities throughout the year. The area features live music venues, coffee houses, art galleries, antique shops, retail establishments, and diverse dining options. Community events, art exhibitions, and festivals held in the downtown district attract residents and visitors from across the region, supporting the local economy and reinforcing the City's role as a regional center for arts and culture.

REPORTING ENTITY

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

ACCOUNTING AND INTERNAL CONTROL

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



BUDGETARY CONTROLS

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

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

LOCAL ECONOMY

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

Taxable values consistently continue to increase since the recession in 2012. As of 2025, the City's taxable value equals approximately \$3,695,000,000. When compared to values in adjacent City, there is investment potential.

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.

As of the City's fiscal year end, September 30, 2025, the City's unemployment rate increased to 3.6%. This is slightly lower than the State of Florida's rate of 4.2% and lower than the national rate of 4.4%. The City of Lake Worth Beach's primary employment industries are service occupations, office workers, management, professional and government.

Property taxes have increased over the prior year due to an increase in the assessed value of residential property. Property tax revenues in 2025 provided resources of approximately \$18.1 million or 42% of the General Fund budgeted expenditures of approximately \$43 million.

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



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

LONG RANGE FINANCIAL PLANNING

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

The City currently processes all the major funds through an integrated financial system using multiple real time scenarios to model the best mix of working capital, appropriate levels of capital projects, adequate fund reserves, more accurate utility rates for residents and cash flow levels over a ten-year projection period. This integrated financial modeling provides both short-term and long-term information to aid in a better decision-making process.

The City also conducts a cost-of-service study of its utilities, 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 utilities operations is maintained.

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES

The City of Lake Worth Beach placed major emphasis on creating the conditions for private investment in the municipality. Significant infrastructure investments continue across the City with its Water Utilities Department major upgrades in the replacement of pipes and fire hydrants. As the City invests, developers and residents are also investing. The City's electric utility is continuing to upgrade its electric transmission and distribution systems under its System Hardening and Reliability Improvement Program (SHRIP).

Working Capital and Capital Project Funding

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



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

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

In 2022 and 2025, the City issued Combined Utility Bonds providing approximately \$46.1 million and \$51.5 million, respectively, in project proceeds to finance the City's utilities infrastructure improvements consisting of mainly the System Hardening and Reliability Improvement Program (SHRIP). A GRIP grant was also awarded to the City in the amount of \$25 million to support SHRIP related projects.

The City also continues to advance capital improvement projects through additional funding sources, including allocations received under the American Rescue Plan Act (ARPA) and revenues generated from the Penny Sales Tax. These funding sources support a variety of infrastructure, facility, and community improvement projects and allow the City to address critical capital needs while reducing reliance on traditional debt financing and maintaining long-term fiscal stability.

ACKNOWLEDGMENTS

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

Respectfully yours,

A handwritten signature in black ink that reads "Yannick Ngendahayo".

Yannick Ngendahayo
Finance Director



City of Lake Worth Beach, Florida
City Officials
As of September 30, 2025

City Commission

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

OFFICE HELD

NAME OF OFFICIAL

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

Betty Resch
Sarah Malega
Christopher McVoy
Mimi May
Anthony Segrish

Management Team:

Interim City Manager/Public Works Director
Assistant City Manager
City Attorney

Jamie Brown
Troy Perry
Torcivia, Donlon, Goddeau &
Rubin, P.A.

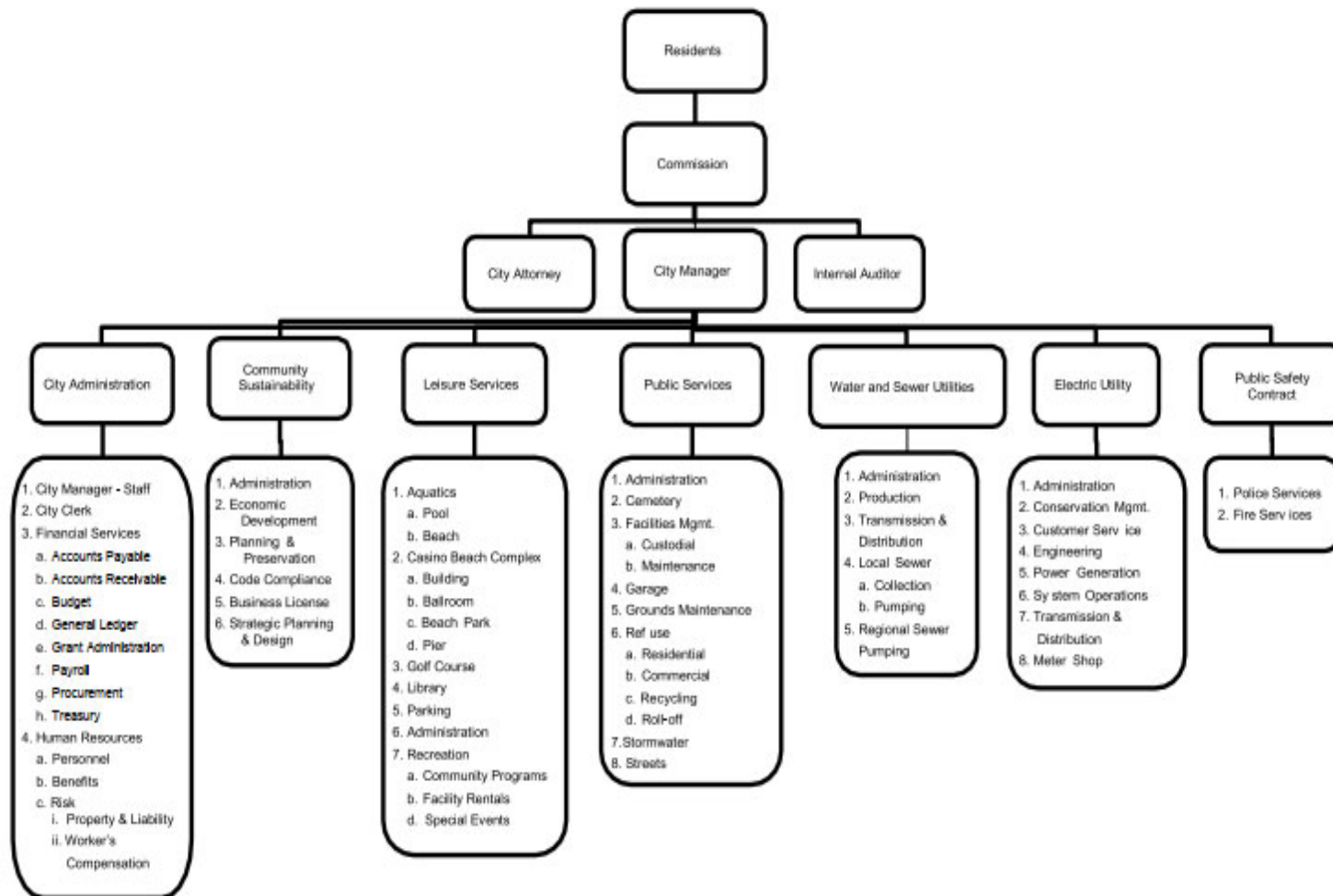
City Clerk
Community Sustainability Director
Finance Director
Information Technology Director
Human Resources Director
Water Utilities Director
Electric Utility Director
Internal Auditor
Leisure Services Director

Melissa Ann Coyne, MMC
William Waters
Yannick Ngendahayo
Nelly Peralta
Loren Slaydon
Vaughn Baker, P.E.
Edward Liberty
William Brown
Teanna McKay

Community Redevelopment Agency:
Executive Director

Joan Oliva

City of Lake Worth Beach, Florida
Organization Chart
As of September 30, 2025





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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Lake Worth Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Lake Worth Beach, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Worth Beach, Florida as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police, Fire, or General Employee Pension Trust Funds, which represents 100% of the assets, net position and additions of the pension trust fiduciary funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the Police, Fire, and General Employee Trust Funds, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lake Worth Beach, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lake Worth Beach, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Worth Beach, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lake Worth Beach, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 13 to 25), budgetary comparison information (pages 113 to 117) and pension and OPEB supplementary information (pages 118 to 135) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Worth Beach, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and State of Florida financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other schedules, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026, on our consideration of the City of Lake Worth Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake Worth Beach, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Worth Beach, Florida's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026

City of Lake Worth Beach, Florida Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2025

As management of the City of Lake Worth Beach (the "City"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report.

The information contained within this Management's Discussion and Analysis (MD&A) is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to Financial Statements and the Required Supplementary Information that is provided in addition to this MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by approximately \$322,290,000 (net position).
- The City's total net position increased by approximately \$54,106,000 or 20.2% in comparison to the prior year. The increase was a result of an increase in governmental activities and business-type activities of approximately \$32,462,000 and \$21,644,000, respectively. The City's net position increased as a result of this year's operations.
- At the end of the current fiscal year, fund balance for the General Fund was approximately \$27,853,000 or 70.7% of total General Fund expenditures. Of this balance, approximately \$1,634,000 has been restricted to the City's future capital projects, \$9,900 has been assigned to housing initiative, \$6,300 is classified as nonspendable and \$26,203,000 is classified as unassigned.
- The City's business-type activities reported total net position of approximately \$204,766,000, which is a \$21.6 million or 11.8% increase in comparison to the prior year's net position. Approximately \$100,585,000 or 49% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's current and other assets increased by approximately \$69,848,000 in comparison to the prior year mainly due to a new Consolidated Utility Revenue Bonds, Series 2025 and a Capital Improvement Revenue Bond, Series 2025 issued during the fiscal year in the amount of \$50,535,000 and \$2,850,000, respectively.

Overview of the Financial Statements

This financial section of the annual comprehensive financial report consists of the following: independent auditor's report, management's discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents combining and individual fund statements and schedules. The basic financial statements include the following two kinds of statements that present different views of the City:

City of Lake Worth Beach, Florida Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2025

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.

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, Beach Fund, Discretionary Sales Tax Fund and the American Rescue Plan Act Fund, as these are considered to be major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for these other nonmajor funds is provided in the form of combining statements.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of providing water service, electric utility service,

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

local and regional sewer service, stormwater utility, refuse collection and disposal. The City uses internal service funds to account for the financing of insurance, garage, information technology services and employee benefits provided to other funds of the City on a cost-reimbursement basis. Because these services primarily support business-type rather than governmental, they have been included within business-type activities in the government-wide statements.

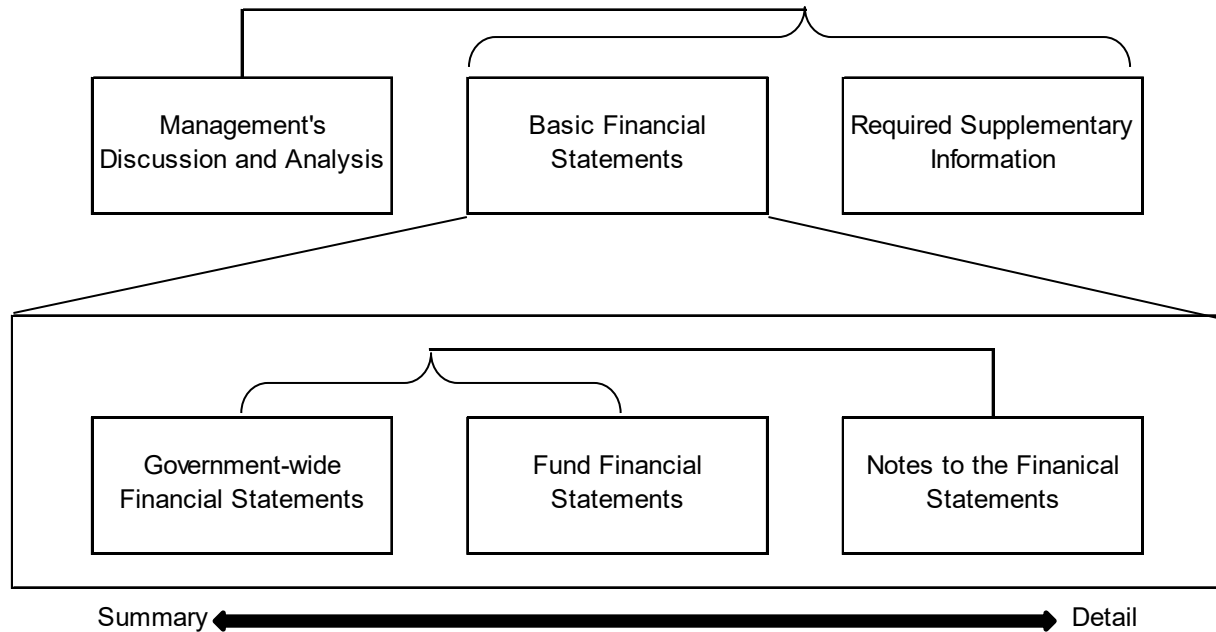
Proprietary funds provide the same type of information as the government-wide business-type statements, only in more detail. The water, electric and local and regional sewer funds are major funds and are presented separately. Data for the other enterprise funds are aggregated into a single presentation.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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that explains and supports the information in the financial statements. The required supplementary section presents certain information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The figure below shows how the required parts of this annual report are arranged and relate to one another.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

**Required Components of the
City's Annual Comprehensive Financial Report**



Government-Wide Financial Analysis

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

There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. **Net results of activities** could impact (increase/decrease) current assets and unrestricted net position.
2. **Borrowing for capital** will increase noncurrent assets and long-term debt.
3. **Spending borrowed proceeds on new capital assets** will reduce noncurrent assets and increase capital assets.
4. **Spending of nonborrowed current assets on new capital assets** will reduce current assets and increase capital assets and will reduce unrestricted net position and increase net investment in capital assets.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

5. **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.

6. **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

Summary Statement of Net Position

The following schedule presents a Summary Statement of Net Position of the City as of September 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	Total
	2025	2024	2025	2024	2025	2024
Current and other assets	\$110,175,940	\$ 96,260,629	\$ 241,787,797	\$ 185,855,168	\$ 351,963,737	\$ 282,115,797
Capital assets	91,787,737	90,360,641	233,296,070	221,189,727	325,083,807	311,550,368
Total assets	201,963,677	186,621,270	475,083,867	407,044,895	677,047,544	593,666,165
Deferred outflows of resources	9,586,450	18,330,395	2,498,481	5,976,084	12,084,931	24,306,479
Long-term liabilities						
outstanding	71,823,074	95,781,722	260,349,518	216,766,608	332,172,592	312,548,330
Other liabilities	5,934,342		11,056,391	12,440,302	16,990,733	28,722,954
Total liabilities	77,757,416	112,064,374	271,405,909	229,206,910	349,163,325	341,271,284
Deferred inflows of resources	16,268,291	7,960,362	1,410,656	604,032	17,678,947	8,564,394
Net position:						
Net investment in capital assets	45,443,359	42,743,224	81,280,869	96,167,590	126,724,228	138,910,814
Restricted	37,608,656	35,395,367	13,087,426	12,014,192	50,696,082	47,409,559
Unrestricted (deficit)	34,472,405	6,788,338	110,397,488	75,028,255	144,869,893	81,816,593
Total net position	\$117,524,420	\$ 84,926,929	\$ 204,765,783	\$ 183,210,037	\$ 322,290,203	\$ 268,136,966

The overall position of the City increased in fiscal year 2025. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$322.3 million. The total net position of the City increased by \$54 million or approximately 20.2% from \$268.1 million in 2024 to \$322.3 million in 2025.

The \$69.8 million increase in the City's current and other assets was primarily driven by the issuance of the Consolidated Utility Revenue Bonds, Series 2025, and the Capital Improvement Revenue Bond, Series 2025, during the fiscal year, in the amounts of \$50,535,000 and \$2,850,000, respectively. Excess revenues over expenses also contributed to this increase, resulting from higher utility rates, increased property tax revenues, and increased state revenue sharing.

The decrease in deferred outflows of resources is primarily attributable to a decrease in the net difference between projected and actual earnings on pension investments.

The increase in long-term liabilities of approximately \$19.7 million is mainly due to the issuance of the previously mentioned revenue bonds totaling approximately \$53.4 million, partially offset by a decrease in the net pension liability from approximately \$66.1 million to \$38.9 million.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

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

The largest portion of the City's net position, \$126.7 million, or 39%, reflects its investment in capital assets (for example: land, land improvements, buildings and structures, infrastructure, machinery and equipment, vehicles, and construction in progress), less any related debt used to acquire those assets that remains outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$50.7 million, or 16%, is reported separately to reflect legal constraints placed on the use of these resources by bond covenants and enabling legislation. Restricted net position increased by \$3.3 million, primarily due to increases in the electric utility storm fund and debt service fund of \$1.6 million and \$1.4 million, respectively.

Summary of Changes in Net Position

The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenue:

Economic condition can reflect a declining, stable, or growing environment and has an impact on property, non-ad valorem assessments, sales or other tax revenue as well as consumer spending habits for building permits, user fees and consumption.

The City Commission has the authority to set increases or decreases in the City's rates such as electric, water, sewer, permitting, impact fees, user fees and certain taxes.

Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring) can change and impact the annual comparisons.

Market impacts on investment income may cause investment revenue to fluctuate from year to year.

Introduction of new programs can have an impact on property, non-ad valorem assessments, sales, or other tax revenue as well as consumer spending habits for building permits, user fees and consumption.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

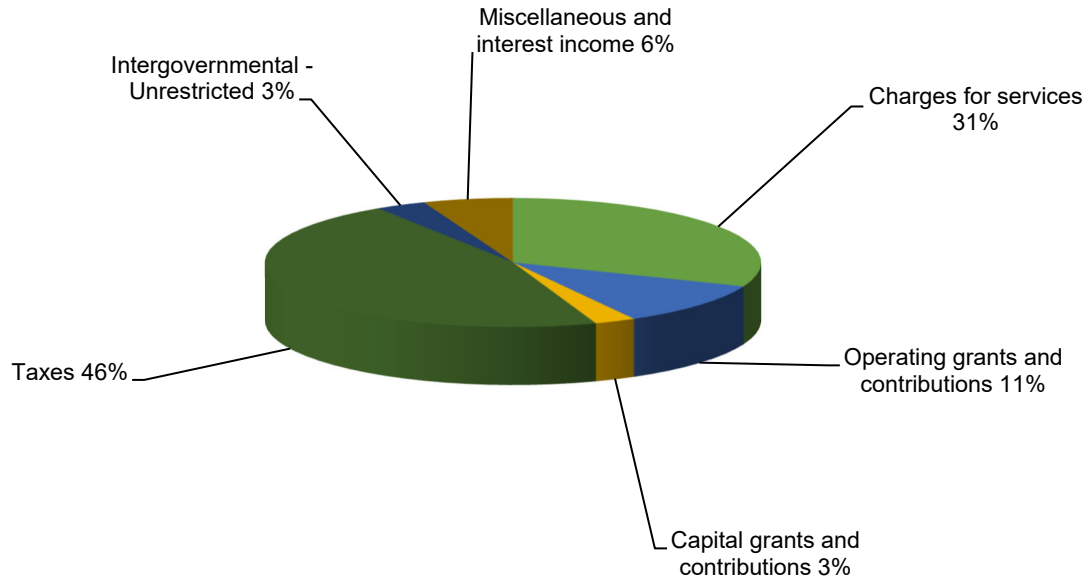
The following schedule presents a summary of the City's operations for fiscal year 2025, with comparative information for fiscal year 2024:

Summary Statement of Changes in Net Position

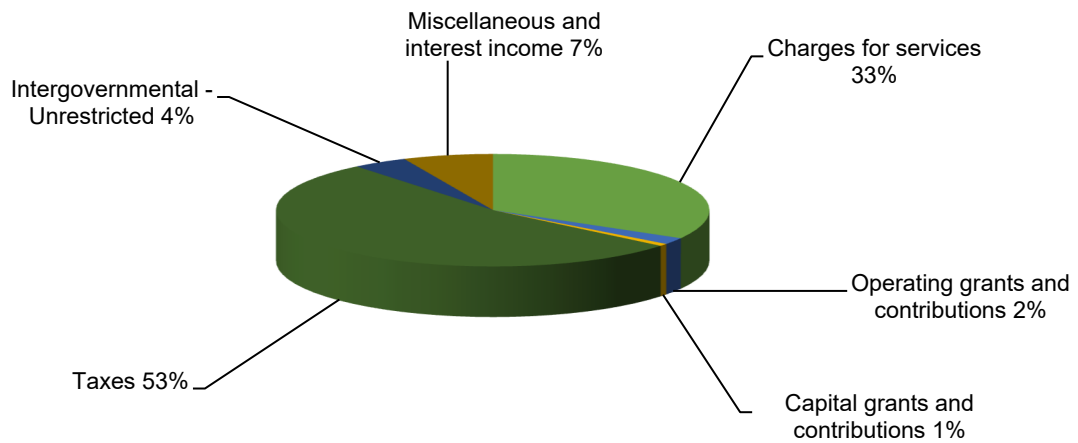
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue:						
Program revenue:						
Charges for services	\$ 24,673,107	\$ 21,569,028	\$ 124,580,554	\$ 116,997,924	\$ 149,253,661	\$ 138,566,952
Operating grants and contributions	8,613,575	1,254,569	-	-	8,613,575	1,254,569
Capital grants and contributions	2,121,956	434,852	1,537,736	764,823	3,659,692	1,199,675
General revenue:						
Taxes	36,734,737	34,456,283	-	-	36,734,737	34,456,283
Intergovernmental - Unrestricted	2,618,069	2,656,878	-	-	2,618,069	2,656,878
Investment income	3,318,693	3,639,263	4,727,681	5,905,536	8,046,374	9,544,799
Miscellaneous	1,337,980	716,687	1,365,952	2,334,137	2,703,932	3,050,824
Total revenue	79,418,117	64,727,560	132,211,923	126,002,420	211,630,040	190,729,980
Expenses:						
General government	5,407,609	6,667,215	-	-	5,407,609	6,667,215
Public safety	20,215,247	21,631,692	-	-	20,215,247	21,631,692
Physical environment	2,559,152	1,932,558	-	-	2,559,152	1,932,558
Transportation	5,816,013	5,221,110	-	-	5,816,013	5,221,110
Culture and recreation	8,189,449	7,818,074	-	-	8,189,449	7,818,074
Interest and fiscal charges	1,633,264	1,720,738	-	-	1,633,264	1,720,738
Electric utility	-	-	64,094,491	61,215,267	64,094,491	61,215,267
Water utility	-	-	19,264,257	18,072,785	19,264,257	18,072,785
Local sewer	-	-	11,831,623	12,461,550	11,831,623	12,461,550
Regional sewer	-	-	8,519,255	16,666,157	8,519,255	16,666,157
Stormwater utility	-	-	2,151,286	2,085,626	2,151,286	2,085,626
Refuse collection and disposal	-	-	8,001,237	7,198,043	8,001,237	7,198,043
Total expenses	43,820,734	44,991,387	113,862,149	117,699,428	157,682,883	162,690,815
Increases (decreases) in net position before transfers	35,597,383	19,736,173	18,349,774	8,302,992	53,947,157	28,039,165
Gain on sale of capital assets	159,110	-	-	-	159,110	-
Transfers in (out)	(3,294,171)	(20,165)	3,294,171	20,165	-	-
Change in net position	32,462,322	19,716,008	21,643,945	8,323,157	54,106,267	28,039,165
Net position, beginning	84,926,929	65,210,921	183,210,037	174,886,880	268,136,966	240,097,801
Restatement - Increase (decrease)	135,169	-	(88,199)	-	46,970	-
Net position, beginning (as restated)	85,062,098	65,210,921	183,121,838	174,886,880	268,183,936	240,097,801
Net position, ending	\$ 117,524,420	\$ 84,926,929	\$ 204,765,783	\$ 183,210,037	\$ 322,290,203	\$ 268,136,966

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

FY 25 - Revenue by Source - Governmental Activities

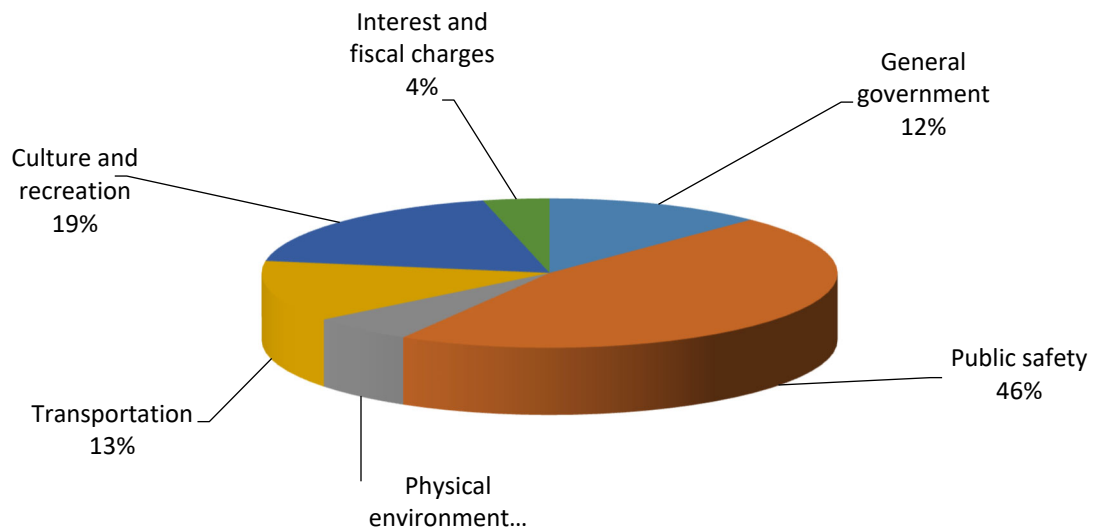


FY 24 - Revenue by Source - Governmental Activities

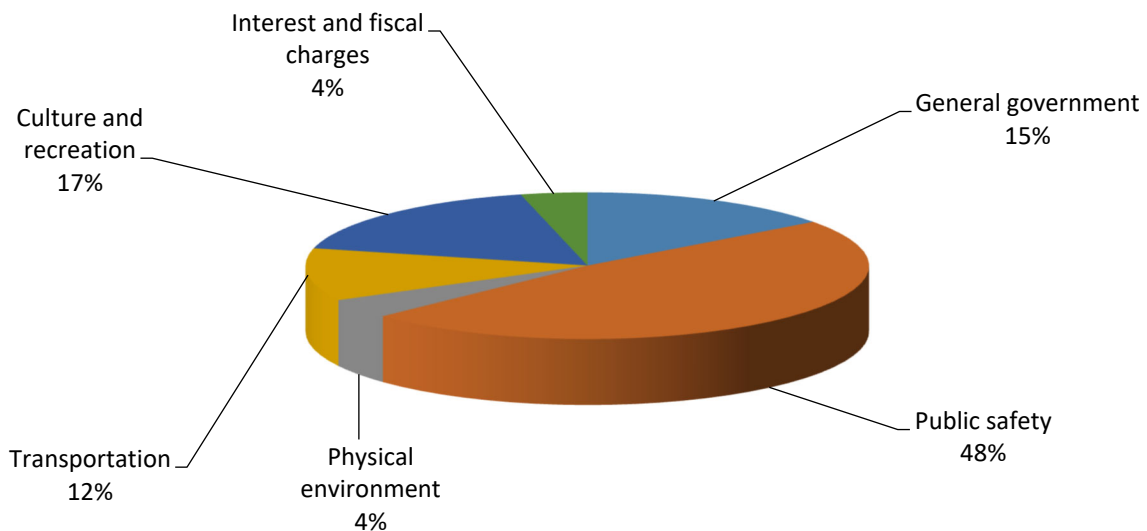


City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

FY 25 Expenses by Program - Governmental Activities



FY 24 Expenses by Program - Governmental Activities



City of Lake Worth Beach, Florida Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2025

The City's governmental activities net position increased from \$85.1 million in fiscal year 2024 to \$117.5 million in fiscal year 2025. Total revenues from governmental activities increased by \$14.7 million, or 22.7%, compared to fiscal year 2024. This increase was primarily driven by a \$2.3 million, or 6.6%, increase in tax revenues, mainly resulting from an 8% increase in the City's total taxable assessed value, and a \$9.4 million increase in ARPA revenues earned during fiscal year 2025 compared to 2024.

The City's business-type activities net position increased from \$183.2 million in fiscal year 2024 to \$204.8 million in fiscal year 2025. The \$21.6 million increase was primarily attributable to a \$7.5 million increase in charges for services resulting from higher utility rates, \$1.5 million in transfers from earned ARPA revenues, and a \$1.7 million transfer from the electric utility rate stabilization fund. In addition, business-type activities expenses were significantly lower in fiscal year 2025 compared to 2024, as fiscal year 2024 included approximately \$7 million in costs related to the repair of a force main break.

Financial Analysis of the City's Funds

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2025, the City's governmental funds reported combined fund balances of approximately \$90.2 million, an increase of approximately \$19.1 million compared to the prior year. Of this amount, approximately \$37.6 million, or 42%, is restricted for specific purposes. The remaining balance is classified as nonspendable, committed, assigned, or unassigned.

The General Fund is the City's chief operating fund. At September 30, 2025, the General Fund reported an unassigned fund balance of approximately \$26.2 million, compared to approximately \$21.1 million in fiscal year 2024. The unassigned fund balance represents approximately 94.1% of the total General Fund balance.

During fiscal year 2025, the General Fund recognized approximately \$54.7 million in revenues and incurred approximately \$39.4 million in expenditures. Property tax revenues increased to approximately \$18.1 million from approximately \$16.6 million in the prior year, primarily reflecting growth in taxable assessed value. Property taxes, along with utility taxes, charges for services, and intergovernmental revenues, represent the City's largest General Fund revenue sources.

Public safety expenditures decreased by approximately \$7.4 million to approximately \$16.9 million but still represented the largest share of expenditures at 42.9%. The decrease was primarily attributable to approximately \$8.6 million of police services contract costs being funded with ARPA funds rather than the General Fund during fiscal year 2025.

Police and fire rescue services are provided through contracts with the Palm Beach County Sheriff's Office and Palm Beach County Fire Rescue, respectively. These costs are driven by interlocal agreements with each entity and include pension-related costs associated with former police and fire employees.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

Proprietary Funds

The City's Proprietary Funds include the City's Enterprise Funds – Electric, Water, Local Sewer, Regional Sewer, Stormwater Utility, and the Refuse Collection and Disposal Fund. An Enterprise Fund is used to account for activities for which a fee is charged to external users for goods and services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Electric Fund, Water Fund, Local Sewer Fund, Regional Sewer Fund, Stormwater Utility Fund and the Refuse Collection and Disposal Fund at the end of the current fiscal year totaled approximately \$12,181,000, \$26,164,000, \$8,960,000, \$33,199,200, \$5,131,000 and \$7,354,000, respectively.
- The change in net position for the Electric Fund, Water Fund, Local Sewer Fund, Regional Sewer Fund, Stormwater Utility Fund and the Refuse Collection and Disposal Fund at the end of the current fiscal year totaled approximately \$8,713,000, \$749,000, \$2,560,000, \$4,264,000, \$2,329,000 and \$6,737,000, respectively.
- The operating income for enterprise funds is primarily due to an increase in electricity, water, sewer, stormwater and solid waste rates.

General Fund Budgetary Highlights

During the fiscal year, several interdepartmental amendments were made to the original General Fund budget. The difference between the adopted and final budget was significantly affected by the reallocation of ARPA funds to cover approximately \$8.6 million of police services contract costs that were originally expected to be funded by the General Fund. Overall, General Fund revenues exceeded budgeted amounts while expenditures were below budget. As a result, current year operations increased fund balance by approximately \$5.1 million after all financial policies were implemented.

General Fund revenues exceeded budgeted amounts by approximately \$4.9 million, or 10%. This favorable variance was primarily attributable to higher-than-anticipated tax revenues, charges for services, intergovernmental revenues, and other revenues of approximately \$1.0 million, \$0.7 million, \$1.5 million, and \$1.5 million, respectively.

General Fund expenditures were approximately \$3.7 million, or 8.5%, below budget. The variance was primarily due to lower-than-budgeted expenditures in the general government, public safety, and culture and recreation departments, which came in under budget by approximately \$2.3 million, \$0.8 million, and \$0.5 million, respectively.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2025, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$325.1 million invested in a variety of capital assets, which represents a net increase (additions, deductions and depreciation) of approximately \$13.5 million or 2.2%. Construction-in-progress increased by approximately \$19.4 million to a total of approximately \$67.9 million. The increase in capital assets is mainly attributable to various infrastructure projects throughout the City. The following schedule summarizes the City's capital assets as of September 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 8,753,243	\$ 8,753,243	\$ 2,570,938	\$ 2,570,938	\$ 11,324,181	\$ 11,324,181
Construction in progress	9,728,406	4,832,406	58,153,149	43,606,599	67,881,555	48,439,005
Land improvements	7,024,436	7,024,436	468,972	468,972	7,493,408	7,493,408
Buildings and structures	44,059,062	44,309,252	99,193,485	99,193,485	143,252,547	143,502,737
Right of Use - Buildings	5,434,635	5,434,635	318,464	318,463	5,753,099	5,753,098
Subscription assets	132,782	-	749,841	749,841	882,623	749,841
Infrastructure	108,055,363	108,055,363	239,956,108	235,243,717	348,011,471	343,299,080
Machinery and equipment	5,105,335	5,061,559	35,009,837	34,672,078	40,115,172	39,733,637
Right of Use - Equipment	320,292	320,292	-	123,850	320,292	444,142
Vehicles	1,695,056	1,653,444	16,155,190	15,401,313	17,850,246	17,054,757
Total Capital assets	190,308,610	185,444,630	452,575,984	432,349,256	642,884,594	617,793,886
Accumulated depreciation	98,520,873	95,083,989	219,279,914	211,159,529	317,800,787	306,243,518
Net Capital assets	\$ 91,787,737	\$ 90,360,641	\$ 233,296,070	\$ 221,189,727	\$ 325,083,807	\$ 311,550,368

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

- Roadway Projects – \$2,893,000
- System Hardening and Reliability Improvement Program (SHRIP) – \$11,395,000
- Stormwater Main NRP – Parrot Cove - \$1,283,000

Additional information on the City's capital assets can be found in Note 6.

Debt Administration

As of September 30, 2025, the City had debt outstanding of approximately \$278.4 million. Of this amount, approximately \$43.6 million and \$186.6 million are secured by specific governmental fund and enterprise fund revenue sources, respectively. The debt position of the City is summarized below and is explained further in Note 8 Long-Term Debt.

City of Lake Worth Beach, Florida
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
State revolving fund loans	\$ -	\$ -	\$ 14,063,334	\$ 14,954,583	\$ 14,063,334	\$ 14,954,583
Note payable	-	-	15,000,000	15,000,000	15,000,000	15,000,000
Revenue bonds	43,647,553	45,760,613	186,562,443	136,605,509	230,209,996	182,366,122
Subscription liability	88,532	-	56,724	298,380	145,256	298,380
Leased liability	3,094,381	3,169,493	81,982	186,133	3,176,363	3,355,626
	46,830,466	48,930,106	215,764,483	167,044,605	262,594,949	215,974,711
Bond premium	1,538,709	1,622,187	14,311,272	13,869,624	15,849,981	15,491,811
Total	\$ 48,369,175	\$ 50,552,293	\$ 230,075,755	\$ 180,914,229	\$ 278,444,930	\$ 231,466,522

The City's long-term debt increased by approximately \$47.0 million or 20.3% primarily due to the issuance of the Consolidated Utility Revenue Bonds, Series 2025, and the Capital Improvement Revenue Bond, Series 2025, during the fiscal year, in the amounts of \$50,535,000 and \$2,850,000, respectively.

Economic Factors and Next Year's Budget

The City considered the following economic factors in developing its 2025-2026 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 2026, they are estimated to continue this trend.
- The General Fund budget for 2026 of approximately \$53.7 million is approximately \$3.0 million more than the fiscal year 2025 adopted budget. The adopted budget reflected a level service budget with excess revenues strengthening fund balance and working capital.
- The fiscal year 2026 budget maintains and improves service levels wherever possible, with the restraint of gradual increases in revenues. The City of Lake Worth Beach, Florida continues to look for efficiencies and improved productivity in the reorganization of its departments and infrastructure planning of capital assets.

Requests for Information

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



CITY OF LAKE WORTH BEACH, FLORIDA
Basic Financial Statements

City of Lake Worth Beach, Florida
Statement of Net Position

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
Assets				
Cash and cash equivalents	\$ 68,004,207	\$ 33,466,979	\$ 101,471,186	\$ 7,520,425
Investments	22,742,662	31,798,333	54,540,995	4,203,056
Accounts receivable, net	1,201,344	18,438,500	19,639,844	382,307
Lease receivable	11,322,944	-	11,322,944	-
Accrued interest receivable	108,545	183,512	292,057	14,304
Due from other governments	2,292,731	449,635	2,742,366	-
Due from component unit	89	-	89	-
Internal balances	901,299	(901,299)	-	-
Inventories	11,832	21,781,897	21,793,729	-
Land held for resale	111,589	-	111,589	10,281,818
Prepaid items	6,315	-	6,315	10,679
Restricted assets:				
Cash and cash equivalents	2,199,403	34,780,584	36,979,987	-
Investments	1,272,980	60,229,790	61,502,770	-
Deposits	-	1,316,174	1,316,174	-
Investment in joint venture	-	40,243,692	40,243,692	-
Capital assets:			-	
Nondepreciable	18,481,649	60,724,087	79,205,736	773,206
Depreciable, net	73,306,088	172,571,983	245,878,071	3,828,629
Total assets	201,963,677	475,083,867	677,047,544	27,014,424
Deferred outflows of resources:				
Deferred outflows relating to pensions	9,512,548	2,412,519	11,925,067	-
Deferred outflows relating to OPEB	73,902	85,962	159,864	-
Total deferred outflows of resources	9,586,450	2,498,481	12,084,931	-

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position (Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Accounts and contracts payable	1,043,633	2,552,763	3,596,396	27,762
Accrued liabilities	423,355	6,927,181	7,350,536	38,844
Accrued interest payable	293,897	73,539	367,436	-
Due to primary government	-	-	-	89
Due to other government	17,569	-	17,569	-
Unearned revenue	4,155,888	-	4,155,888	1,271,016
Liabilities payable from restricted assets	-	1,502,908	1,502,908	-
Due within one year:				
Notes payable	-	1,045,328	1,045,328	569,389
Bonds payable	2,176,469	1,008,529	3,184,998	-
Lease liability	76,678	81,982	158,660	-
Subscription liability	42,944	42,319	85,263	-
Compensated absences	40,270	43,507	83,777	-
Due in more than a year:				
Notes payable	-	28,018,006	28,018,006	582,485
Bonds payable	43,009,793	199,865,186	242,874,979	-
Lease liability	3,017,703	-	3,017,703	-
Subscription liability	45,588	14,405	59,993	-
Compensated absences	1,168,958	902,212	2,071,170	-
Insurance claims payable	-	2,647,910	2,647,910	-
Total OPEB liability	578,394	669,341	1,247,735	-
Deposits payable	-	8,819,314	8,819,314	-
Net pension liability	21,666,277	17,191,479	38,857,756	-
Total liabilities	77,757,416	271,405,909	349,163,325	2,489,585

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position (Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Deferred inflows of resources:				
Deferred inflows relating to pensions	5,781,747	1,219,684	7,001,431	-
Deferred inflows relating to leases	10,446,383	-	10,446,383	-
Deferred inflows relating to OPEB	40,161	52,619	92,780	-
Deferred inflow -other	-	138,353	138,353	-
Total deferred inflows of resources	16,268,291	1,410,656	17,678,947	-
Net position:				
Net investment in capital assets	45,443,359	81,280,869	126,724,228	3,449,961
Restricted for:				
Debt service	2,363,440	2,053,857	4,417,297	-
FMPA	-	1,316,174	1,316,174	-
Renewal and replacement	-	9,717,395	9,717,395	-
Grants	1,530,886	-	1,530,886	-
Capital projects	21,204,035	-	21,204,035	-
Public safety	3,489,878	-	3,489,878	-
Community redevelopment	-	-	-	21,074,878
Parking improvements	79,548	-	79,548	-
Public safety	-	-	-	-
Rate stabilization	501,390	-	501,390	-
Electric Utility Storm	2,091,938	-	2,091,938	-
Tree preservation	73,684	-	73,684	-
Energy conservation	207,803	-	207,803	-
Culture and recreation	6,066,054	-	6,066,054	-
Unrestricted (deficit)	34,472,405	110,397,488	144,869,893	-
Total net position	\$ 117,524,420	\$ 204,765,783	\$ 322,290,203	\$ 24,524,839

The accompanying notes are an integral part of these financial statements.



The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida Statement of Activities

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,407,609	\$ 15,794,333	\$ -	\$ 1,950,794
Public safety	20,215,247	1,568,988	8,605,580	-
Physical environment	2,559,152	159,442	-	-
Transportation	5,816,013	3,706,596	-	-
Culture and recreation	8,189,449	3,443,748	7,995	171,162
Interest and fiscal charges	1,633,264	-	-	-
Total governmental activities	43,820,734	24,673,107	8,613,575	2,121,956
Business-type activities:				
Electric	64,094,491	69,180,964	-	-
Water	19,264,257	19,166,368	-	454,960
Local sewer	11,831,623	13,384,194	-	235,141
Regional sewer	8,519,255	11,782,343	-	398,000
Stormwater utility	2,151,286	2,981,938	-	449,635
Refuse collection and disposal	8,001,237	8,084,747	-	-
Total business-type activities	113,862,149	124,580,554	-	1,537,736
Total primary government	\$ 157,682,883	\$ 149,253,661	\$ 8,613,575	\$ 3,659,692
Component unit:				
Lake Worth CRA	\$ 5,468,483	\$ -	\$ 2,027,133	\$ -

General revenue:

Taxes:

Property and other taxes
 Franchise fees based on gross receipts
 Utility services taxes
 Gas taxes
 State and other shared revenues
 Intergovernmental – unrestricted
 Investment income – unrestricted
 Gain on sale of capital assets
 Miscellaneous
 Transfers

Total general revenues and transfers

Change in net position

Net Position beginning of the year, previously stated
 Prior period adjustments
 Net Position beginning of year, as restated

Net Position end of year

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Activities

Net (Expense) Revenue and Changes in Net Position Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Unit	
\$ 12,337,518	\$ -	\$ 12,337,518	\$ -	
(10,040,679)	-	(10,040,679)	-	
(2,399,710)	-	(2,399,710)	-	
(2,109,417)	-	(2,109,417)	-	
(4,566,544)	-	(4,566,544)	-	
(1,633,264)	-	(1,633,264)	-	
(8,412,096)	-	(8,412,096)	-	
-	5,086,473	5,086,473	-	
-	357,071	357,071	-	
-	1,787,712	1,787,712	-	
-	3,661,088	3,661,088	-	
-	1,280,287	1,280,287	-	
-	83,510	83,510	-	
-	12,256,141	12,256,141	-	
\$ (8,412,096)	\$ 12,256,141	\$ 3,844,045	\$ -	
				(3,441,350)
21,074,085	-	21,074,085	7,000,931	
223,118	-	223,118	-	
5,713,967	-	5,713,967	-	
954,490	-	954,490	-	
8,769,077	-	8,769,077	-	
2,618,069	-	2,618,069	-	
3,318,693	4,727,681	8,046,374	414,598	
1,337,980	1,365,952	2,703,932	14,831	
159,110	-	159,110	-	
(3,294,171)	3,294,171	-	-	
40,874,418	9,387,804	50,262,222	7,430,360	
32,462,322	21,643,945	54,106,267	3,989,010	
84,926,929	183,210,037	268,136,966	20,535,829	
135,169	(88,199)	46,970	-	
85,062,098	183,121,838	268,183,936	20,535,829	
\$ 117,524,420	\$ 204,765,783	\$ 322,290,203	\$ 24,524,839	

City of Lake Worth Beach, Florida Balance Sheet – Governmental Funds

<i>September 30, 2025</i>	General	Beach Fund	American Rescue Plan Act Fund	Discretionary Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 18,530,434	\$ 1,542,979	\$ 4,580,066	\$ 12,401,517	\$ 27,774,983	\$ 64,829,979
Investments	6,081,262	2,000,165	-	4,364,182	10,297,053	22,742,662
Receivables, net	848,497	-	-	-	352,847	1,201,344
Due from other governments	843,813	-	-	730,542	718,376	2,292,731
Due from other funds	1,485,245	-	-	-	-	1,485,245
Due from component unit	89	-	-	-	-	89
Leases receivable	154,754	8,653,908	-	-	2,514,282	11,322,944
Interest receivable	19,747	9,697	-	21,816	57,285	108,545
Prepaid expenses	6,315	-	-	-	-	6,315
Inventories	-	-	-	-	11,832	11,832
Land held for resale	-	-	-	-	111,589	111,589
Restricted cash	1,633,519	542,865	-	-	23,019	2,199,403
Restricted investments	-	-	-	-	1,272,980	1,272,980
Total assets	\$ 29,603,675	\$ 12,749,614	\$ 4,580,066	\$ 17,518,057	\$ 43,134,246	\$ 107,585,658
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts and contracts payable	\$ 336,487	\$ 71,840	\$ -	\$ 1,364	\$ 635,306	\$ 1,044,997
Accrued liabilities	296,128	89,152	-	-	36,711	421,991
Due to other funds	-	-	-	-	583,946	583,946
Due to other government	17,569	-	-	-	-	17,569
Unearned revenue	951,988	5,512	3,092,127	-	106,261	4,155,888
Total liabilities	1,602,172	166,504	3,092,127	1,364	1,362,224	6,224,391
Deferred inflows of resources						
Deferred inflows related to leases	148,839	7,944,359	-	-	2,353,185	10,446,383
Deferred inflows from grants	-	-	-	-	718,375	718,375
Total deferred inflows of resources	148,839	7,944,359	-	-	3,071,560	11,164,758
Fund balances						
Nonspendable						
Prepaid items	6,315	-	-	-	-	6,315
Inventories	-	-	-	-	11,832	11,832
Land held for resale	-	-	-	-	111,589	111,589
Restricted for						
Public Safety	-	-	-	-	3,489,878	3,489,878
Capital Projects	1,633,519	542,865	1,487,939	17,516,693	23,019	21,204,035
Rate Stabilization	-	-	-	-	501,390	501,390
Electric Utility Storm	-	-	-	-	2,091,938	2,091,938
Parking Improvement	-	-	-	-	79,548	79,548
Grants	-	-	-	-	1,530,886	1,530,886
Tree Preservation	-	-	-	-	73,684	73,684
Energy conservation	-	-	-	-	207,803	207,803
Culture and Recreation	-	4,095,886	-	-	1,970,168	6,066,054
Debt service	-	-	-	-	2,363,440	2,363,440
Assigned to						
Capital Projects	-	-	-	-	26,245,287	26,245,287
Housing initiatives	9,864	-	-	-	-	9,864
Unassigned	26,202,966	-	-	-	-	26,202,966
Total fund balances	27,852,664	4,638,751	1,487,939	17,516,693	38,700,462	90,196,509
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,603,675	\$ 12,749,614	\$ 4,580,066	\$ 17,518,057	\$ 43,134,246	\$ 107,585,658

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2025

Total fund balances - governmental funds		\$ 90,196,509
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		91,787,737
Accrued interest payable not reported in the governmental funds		(293,897)
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds		718,375
Deferred inflow of resources related to OPEB are not recognized in therefore are not reported in the government funds. These liabilities are comprised of the following:		
Revenue bonds payable, net of premium	(45,186,262)	
Lease liability	(3,094,381)	
Subscription liability	(88,532)	
Net pension liability	(21,666,277)	
Total OPEB liability	(578,394)	
Compensated absences	(1,209,228)	(71,823,074)
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 on the statement of net position		
Deferred outflows relating to pensions	9,512,548	
Deferred inflows relating to pensions	(5,781,747)	
Deferred outflows relating to OPEB	73,902	
Deferred inflows relating to OPEB	(40,161)	3,764,542
Internal service funds used by management to charge the costs risk managements, 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	22,975,896	
Less due to business-type activities for "Look back" allocation	\$ (19,801,668)	3,174,228
Net position of governmental activities		\$ 117,524,420

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds

<i>For the year ended September 30, 2025</i>	General	Beach Fund	American Rescue Plan Act Fund	Discretionary Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 18,056,342	\$ -	\$ -	\$ -	\$ 3,017,743	\$ 21,074,085
Utility and other taxes	6,183,313	-	-	-	708,262	6,891,575
Licenses and permits	1,240,741	-	-	-	1,561,149	2,801,890
Intergovernmental	6,990,333	-	10,556,374	4,453,072	186,996	22,186,775
Charges for services	18,942,568	3,736,934	-	-	3,828,497	26,507,999
Fines and forfeitures	1,182,413	785,216	-	-	-	1,967,629
Investment earnings (loss)	815,448	282,216	430,085	563,333	1,227,611	3,318,693
Rents & Royalties	44,202	-	-	-	-	44,202
Miscellaneous revenue	1,197,842	48,937	-	-	91,201	1,337,980
Total revenues	54,653,202	4,853,303	10,986,459	5,016,405	10,621,459	86,130,828
Expenditures						
Current						
General government	12,417,071	-	8,605,580	7,107	453,512	21,483,270
Public safety	16,896,461	-	-	-	2,011,072	18,907,533
Physical environment	2,675,985	-	-	-	-	2,675,985
Transportation	2,130,715	1,383,585	-	-	85	3,514,385
Culture & Recreation	3,874,510	2,745,877	-	-	1,504,059	8,124,446
Capital outlay	445,322	10,966	-	-	5,182,917	5,639,205
Debt service			-	-		
Principal	704,698	522,758	-	-	1,004,967	2,232,423
Interest	268,129	150,615	-	-	1,226,207	1,644,951
Total expenditures	39,412,891	4,813,801	8,605,580	7,107	11,382,819	64,222,198
Excess (deficiency) of revenues over (under) expenditures	15,240,311	39,502	2,380,879	5,009,298	(761,360)	21,908,630
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	15,061,078	15,061,078
Transfers out	(10,252,219)	(737,500)	(1,942,814)	(3,676,954)	(1,745,762)	(18,355,249)
Proceeds from subscription lease	132,782	-	-	-	-	132,782
Proceeds from capital asset disposal	-	-	-	-	340,150	340,150
Net other financing sources (uses)	(10,119,437)	(737,500)	(1,942,814)	(3,676,954)	13,655,466	(2,821,239)
Net change in fund balances	5,120,874	(697,998)	438,065	1,332,344	12,894,106	19,087,391
Fund balances, beginning of year	22,785,723	5,250,894	1,049,874	16,184,349	25,703,109	70,973,949
Adjustments	(53,933)	85,855	-	-	103,247	135,169
Fund balances, beginning of year after adjustments	22,731,790	5,336,749	1,049,874	16,184,349	25,806,356	71,109,118
Fund balances, end of year	\$ 27,852,664	\$ 4,638,751	\$ 1,487,939	\$ 17,516,693	\$ 38,700,462	\$ 90,196,509

The accompanying notes are an integral part of these 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 year ended September 30,

2025

Net change in fund balances - total governmental funds \$ 19,087,391

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 capital outlay exceed depreciation in the current period.

Capital outlay	5,133,630	
Disposition of capital assets and other adjustments	(200,500)	
Depreciation expense	(3,506,034)	1,427,096

Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item. 537,532

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	11,687	
Change in lease liability	75,112	
Change in subscription liability	(88,532)	
Principal payment revenue bonds	2,113,060	
Amortization of bond premium	83,478	
Change in compensated absences	(54,963)	
Change in OPEB liability	(92,148)	
Change in net pension liability	21,922,641	23,970,335

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	(8,770,584)	
Change in deferred inflows relating to pensions	(5,614,345)	
Change in deferred outflows relating to OPEB	26,639	
Change in deferred inflows relating to OPEB	87,638	(14,270,652)

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	4,593,948	
Current year "Look Back" allocation to Enterprise Funds	(2,883,328)	1,710,620

Change in net position of governmental activities \$ 32,462,322

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position - Proprietary Funds

	<u>Business-type Activities - Enterprise Funds</u>		
<i>September 30, 2025</i>	Electric	Water	Local Sewer
Assets			
Current assets			
Cash and cash equivalents	\$ 679,337	\$ 9,383,926	\$ 4,479,852
Investments	620,199	6,126,637	1,879,562
Accounts receivable	12,795,112	2,597,038	1,869,145
Interest receivable	2,687	51,100	9,167
Inventories	21,526,104	186,035	-
Due from other governments	-	-	-
Total current assets	35,623,439	18,344,736	8,237,726
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	20,038,919	2,809,314	2,259,639
Investments	37,960,830	15,491,351	2,441,670
Investment in joint venture	-	-	-
Deposits	1,316,174	-	-
Capital assets			
Non-depreciable	46,717,509	7,730,207	1,187,473
Depreciable, net	68,895,707	75,629,204	13,933,936
Total noncurrent assets	174,929,139	101,660,076	19,822,718
Total assets	\$ 210,552,578	\$ 120,004,812	\$ 28,060,444
Deferred Outflows of Resources			
Deferred outflows related to OPEB	\$ 52,577	\$ 13,092	\$ 1,629
Deferred outflows related to pensions	1,429,860	411,265	197,892
Total deferred outflow of resources	\$ 1,482,437	\$ 424,357	\$ 199,521

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position - Proprietary Funds

				Governmental Activities -		
Regional Sewer		Nonmajor Enterprise Funds		Internal Service Fund		
\$	3,455,586	\$	2,677,152	\$	20,675,853	15,965,354
	948,989		12,512,925		22,088,312	9,710,021
	584,882		592,323		18,438,500	-
	12,385		60,055		135,394	48,118
	-		-		21,712,139	69,758
	-		449,635		449,635	-
	5,001,842		16,292,090		83,499,833	25,793,251
	8,498,558		85,621		33,692,051	1,088,533
	1,515,224		2,820,715		60,229,790	-
	40,243,692		-		40,243,692	-
	-		-		1,316,174	-
	546,400		3,534,297		59,715,886	1,008,201
	5,705,469		7,561,043		171,725,359	846,624
	56,509,343		14,001,676		366,922,952	2,943,358
\$	61,511,185	\$	30,293,766	\$	450,422,785	\$ 28,736,609
\$	243	\$	18,421	\$	85,962	\$ -
	54,025		319,477		2,412,519	-
\$	54,268	\$	337,898	\$	2,498,481	\$ -

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position - Proprietary Funds (Continued)

	Business-type Activities - Enterprise Funds		
<i>September 30, 2025</i>	Electric	Water	Local Sewer
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 1,885,540	\$ 211,759	\$ 75,409
Accrued liabilities	3,219,475	113,744	117,186
Accrued interest payable	857	61,470	58
Due to other funds	901,299	-	-
Compensated absences	18,478	11,160	7,110
Note payable	-	1,045,328	-
Revenue bonds payable	83,907	295,752	130,834
Payable from restricted assets	1,221,711	163,147	34,300
Total current liabilities	7,331,267	1,902,360	364,897
Noncurrent liabilities			
Insurance claims payable	-	-	-
Compensated absences	458,853	117,361	37,399
OPEB liability	375,732	121,646	34,353
Note payable	-	13,018,006	-
Revenue bonds payable	144,132,285	41,848,063	6,996,479
Lease liability	49,189	23,488	9,305
IT subscription liability	56,724	-	-
Net pension liability	10,331,090	2,432,285	1,089,961
Payable from restricted assets:			
Deposits Payable	6,884,603	1,934,711	-
Total noncurrent liabilities	162,288,476	59,495,560	8,167,497
Total liabilities	\$ 169,619,743	\$ 61,397,920	\$ 8,532,394
Deferred Inflows of Resources			
Deferred inflows related to refunding	\$ 69,177	\$ 69,176	\$ -
Deferred inflows related to pensions	662,309	223,588	95,538
Deferred inflows related to OPEB	33,335	5,393	951
Total deferred inflows of resources	\$ 764,821	\$ 298,157	\$ 96,489
Net Position			
Net investment in capital assets	\$ 28,069,150	\$ 26,965,632	\$ 9,821,169
Restricted for			
Debt service	83,907	1,341,080	130,834
FMPA	1,316,174	-	-
Renewal and replacement	-	4,262,786	719,189
Unrestricted	12,181,220	26,163,594	8,959,890
Total net position	\$ 41,650,451	\$ 58,733,092	\$ 19,631,082
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			
Net position of business-type activities			

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Net Position - Proprietary Funds (Continued)

				Governmental Activities - Internal Service	
Regional Sewer	Nonmajor Enterprise Funds	Total		Fund	
\$ 93,979	\$ 119,707	\$ 2,386,394	\$ 166,369		
1,880,751	94,133	5,425,289	1,501,892		
-	-	62,385	11,154		
-	-	901,299	-		
-	4,179	40,927	2,580		
-	-	1,045,328	158,202		
-	339,834	850,327	-		
-	83,750	1,502,908	-		
1,974,730	641,603	12,214,857	1,840,197		
-	-	-	2,647,910		
-	183,677	797,290	104,922		
3,405	134,205	669,341	-		
15,000,000	-	28,018,006	1,167,684		
-	5,720,675	198,697,502	-		
-	-	81,982	-		
-	-	56,724	-		
386,267	2,951,876	17,191,479	-		
-	-	8,819,314	-		
15,389,672	8,990,433	254,331,638	3,920,516		
<u>\$ 17,364,402</u>	<u>\$ 9,632,036</u>	<u>\$ 266,546,495</u>	<u>\$ 5,760,713</u>		
\$ -	\$ -	\$ 138,353	\$ -		
14,994	223,255	1,219,684	-		
-	12,940	52,619	-		
<u>\$ 14,994</u>	<u>\$ 236,195</u>	<u>\$ 1,410,656</u>	<u>\$ -</u>		
\$ 6,251,869	\$ 8,555,577	\$ 79,663,397	\$ 1,617,472		
-	339,834	1,895,655	158,202		
-	-	1,316,174	-		
4,735,420	-	9,717,395	-		
33,198,768	11,868,022	92,371,494	21,200,222		
<u>\$ 44,186,057</u>	<u>\$ 20,763,433</u>	<u>184,964,115</u>	<u>\$ 22,975,896</u>		
		19,801,668			
		<u>\$ 204,765,783</u>			

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Funds

<i>For the year ended September 30, 2025</i>	<u>Business-type Activities - Enterprise Funds</u>		
	Electric	Water	Local Sewer
Operating Revenues			
Charges for services	\$ 67,649,047	\$ 18,389,935	\$ 13,256,904
Total operating revenues	67,649,047	18,389,935	13,256,904
Operating Expenses			
Cost of services	48,797,231	9,955,498	9,035,203
General and administrative	8,707,952	4,447,246	1,939,141
Depreciation	2,304,776	3,559,724	667,195
Total operating expenses	59,809,959	17,962,468	11,641,539
Operating income (loss)	7,839,088	427,467	1,615,365
Nonoperating Revenues (Expenses)			
Investment Income	2,184,335	972,171	245,727
Interest and fiscal charges	(4,284,532)	(1,301,789)	(190,084)
Other	1,227,879	87,569	1,688
Total nonoperating revenues (expenses)	(872,318)	(242,049)	57,331
Income (Loss) Before Contributions and Transfers	6,966,770	185,418	1,672,696
Capital contributions	-	454,960	235,141
Transfers in	1,745,762	108,636	651,700
Change in net position	8,712,532	749,014	2,559,537
Net position, beginning of year as previously reported	32,937,919	57,984,078	17,136,909
Prior period adjustments (see Note 2)	-	-	(65,364)
Net position, beginning of year as restated	32,937,919	57,984,078	17,071,545
Net position, end of year	\$ 41,650,451	\$ 58,733,092	\$ 19,631,082
Change in net position – proprietary funds financial statements			
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			
Change in net position of business-type activities			

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position –
Proprietary Funds (Continued)

		Governmental Activities -	
Regional Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
<u>\$ 11,734,138</u>	<u>\$ 10,667,202</u>	<u>\$ 121,697,226</u>	<u>\$ 14,966,055</u>
11,734,138	10,667,202	121,697,226	14,966,055
6,817,803	7,394,637	82,000,372	10,725,990
692,561	1,766,858	17,553,758	-
390,891	860,637	7,783,223	461,012
<u>7,901,255</u>	<u>10,022,132</u>	<u>107,337,353</u>	<u>11,187,002</u>
3,832,883	645,070	14,359,873	3,779,053
645,942	679,506	4,727,681	797,117
(618,000)	(130,391)	(6,524,796)	(66,536)
5,006	43,810	1,365,952	84,314
<u>32,948</u>	<u>592,925</u>	<u>(431,163)</u>	<u>814,895</u>
3,865,831	1,237,995	13,928,710	4,593,948
398,000	449,635	1,537,736	-
-	788,073	3,294,171	-
<u>4,263,831</u>	<u>2,475,703</u>	<u>18,760,617</u>	<u>4,593,948</u>
39,927,232	18,289,534	166,275,672	18,397,973
<u>(5,006)</u>	<u>(1,804)</u>	<u>(72,174)</u>	<u>(16,025)</u>
<u>39,922,226</u>	<u>18,287,730</u>	<u>166,203,498</u>	<u>18,381,948</u>
<u>\$ 44,186,057</u>	<u>\$ 20,763,433</u>	<u>\$ 184,964,115</u>	<u>\$ 22,975,896</u>
		18,760,617	
		2,883,328	
		<u>\$ 21,643,945</u>	

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida

Statement of Cash Flows – Proprietary Funds

Business-type Activities - Enterprise Funds			
<i>For the year ended September 30, 2025</i>	Electric	Water	Local Sewer
Operating Activities			
Cash received from customers for sales and services	\$ 66,839,158	\$ 17,992,560	\$ 13,133,507
Cash payments to employees	(484,289)	(203,766)	(84,130)
Cash payments to suppliers for goods and services	(64,266,292)	(14,901,321)	(11,131,526)
Cash payments for insurance and claims expenses	-	-	-
Net cash provided by operating activities	2,088,577	2,887,473	1,917,851
Noncapital Financing Activities			
Cash received from reimbursements	1,227,879	-	-
Other receipts	-	87,569	1,688
Cash transfers in from other funds	1,745,762	108,636	651,700
Net cash used in noncapital financing activities	2,973,641	196,205	653,388
Capital and Related Financing Activities			
(Acquisition) Disposal of capital assets	(15,351,089)	(1,572,386)	(842,509)
Proceeds for capital grants and contributions	-	454,960	235,141
Proceeds from debt	37,853,912	11,328,392	2,434,787
Principal paid on subscription liabilities	(41,006)	-	-
Principal paid on lease liabilities	(48,443)	(34,838)	(20,870)
Principal paid on debt	(2,471,879)	(1,771,651)	(212,096)
Interest paid on long-term debt, lease, and subscription liabilities	(4,284,365)	(1,301,781)	(190,082)
Net cash provided by (used in) capital and related financing activities	15,657,130	7,102,696	1,404,371
Investing Activities			
Investment income	2,183,773	961,963	243,880
Investment expenses	-	-	-
Investment in joint venture	-	-	-
Proceeds from sale/maturity of assets	-	-	-
Purchase of investments	(37,984,290)	(11,605,725)	(2,509,989)
Net cash provided by (used in) investing activities	(35,800,517)	(10,643,762)	(2,266,109)
Net increase (decrease) in cash and cash equivalents	(15,081,169)	(457,388)	1,709,501
Cash and cash equivalents, beginning of year	35,799,425	12,650,628	5,029,990
Cash and cash equivalents, end of year	\$ 20,718,256	\$ 12,193,240	\$ 6,739,491

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Cash Flows – Proprietary Funds (Continued)

		Governmental Activities -	
Regional	Nonmajor	Internal Service	
Sewer	enterprise	Total	Fund
\$ 12,656,307	\$ 10,709,299	\$ 121,330,831	\$ 15,141,100
(12,202)	(137,869)	(922,256)	41,929
(7,585,415)	(9,172,018)	(107,056,572)	(10,897,757)
-	-	-	(762,550)
5,058,690	1,399,412	13,352,003	3,522,722
-	-	1,227,879	-
5,006	43,810	138,073	84,314
-	788,073	3,294,171	-
5,006	831,883	4,660,123	84,314
(546,400)	(1,851,218)	(20,163,602)	(186,976)
398,000	-	1,088,101	-
-	2,850,000	54,467,091	-
-	-	(41,006)	(200,649)
-	-	(104,151)	-
-	(351,663)	(4,807,289)	(152,469)
(618,000)	(130,391)	(6,524,619)	(55,382)
(766,400)	516,728	23,914,525	(595,476)
643,520	667,211	4,700,347	791,463
-	-	-	-
(3,642,947)	-	(3,642,947)	-
-	-	-	-
(89,572)	(3,275,544)	(55,465,120)	(311,734)
(3,088,999)	(2,608,333)	(54,407,720)	479,729
1,208,297	139,690	(12,481,069)	3,491,289
10,745,847	2,623,083	66,848,973	13,562,598
\$ 11,954,144	\$ 2,762,773	\$ 54,367,904	\$ 17,053,887

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Cash Flows – Proprietary Funds (Continued)

<i>For the year ended September 30, 2025</i>	Business-type Activities - Enterprise Funds		
	Electric	Water	Local Sewer
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 7,839,088	\$ 427,467	\$ 1,615,365
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	2,304,776	3,559,724	667,195
Amortization	-	-	-
Bad debt expense	-	-	-
Change in assets, deferred outflows, liabilities and deferred inflows			
(Increase) decrease in assets and deferred outflows			
Accounts receivable	(819,740)	(280,117)	(178,606)
Inventory	(5,357,573)	(6,052)	-
Deposits	9,851	-	-
Deferred outflows related to pensions	1,881,934	643,343	276,883
Deferred outflows related to OPEB	(8,774)	(4,065)	(1,626)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	(861,934)	(492,525)	(182,347)
Accrued liabilities	(1,373,301)	(45,988)	55,209
Compensated absences	36,976	6,279	(4,678)
Payable from restricted assets	548,449	(136,369)	25,165
Accrued claims payable	-	-	-
Deposits payable	306,310	65,099	-
Total OPEB liability	(5,432)	(2,517)	(1,007)
Net pension liability	(2,858,052)	(977,034)	(420,494)
Deferred inflows related to pensions	527,178	180,219	77,561
Deferred inflows related to OPEB	(58,119)	(26,931)	(10,769)
Deferred inflows related to refunding	(23,060)	(23,060)	-
Total adjustments	(5,750,511)	2,460,006	302,486
Net cash provided by operating activities	\$ 2,088,577	\$ 2,887,473	\$ 1,917,851

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Cash Flows – Proprietary Funds (Continued)

		Governmental Activities -	
Regional Sewer	Nonmajor enterprise	Total	Internal Service Fund
\$ 3,832,883	\$ 645,070	\$ 14,359,873	\$ 3,779,053
390,892	860,637	7,783,224	461,012
-	-	-	-
(5,006)	-	(5,006)	-
(147,354)	70,088	(1,355,729)	-
-	-	(5,363,625)	(21,102)
-	-	9,851	-
42,275	652,737	3,497,172	-
(240)	(4,864)	(19,569)	-
(75,052)	(10,523)	(1,622,381)	(150,665)
1,074,529	(27,991)	(317,542)	175,045
(138)	56,802	95,241	41,929
-	-	437,245	-
-	-	-	(762,550)
-	-	371,409	-
(1,739)	(3,011)	(13,706)	-
(64,202)	(991,296)	(5,311,078)	-
-	182,847	967,805	-
11,842	(31,084)	(115,061)	-
-	-	(46,120)	-
1,225,807	754,342	(1,007,870)	(256,331)
\$ 5,058,690	\$ 1,399,412	\$ 13,352,003	\$ 3,522,722

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Fiduciary Net Position – Fiduciary Funds

<i>September 30, 2025</i>	Employee Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 2,715,642
Contributions receivable	55,291
Accounts receivable	171,159
Accrued investment income	337,860
Prepaid expenses	7,123
Investments, at fair value	
Equity securities	141,772,178
Government securities	29,121,188
Corporate bonds	11,612,232
Real estate funds	17,934,863
Money market funds	3,608,768
Total assets	207,336,304
Liabilities	
Accounts payable	157,255
Total liabilities	157,255
Deferred inflows	
Advanced contributions from employer	3,312,432
Total deferred inflows	3,312,432
Net Position	
Restricted for pension benefits	203,866,617
Total net position	\$ 203,866,617

The accompanying notes are an integral part of these financial statements.

City of Lake Worth Beach, Florida
Statement of Changes in Fiduciary Net Position – Fiduciary Funds

<i>For the year ended September 30, 2025</i>	Employee Pension Trust Funds
Additions	
Contributions:	
State	\$ 671,832
Employer	11,833,363
Employees	1,419,330
Rollover	359,710
Total contributions	14,284,235
Investment income:	
Net appreciation in the fair value of investments	13,870,232
Interest and dividends	7,314,688
Total investment income	21,184,920
Less: investment related expense	(781,424)
Net investment income	20,403,496
Other income	25,065
Total additions	34,712,796
Deductions	
Benefits paid	15,354,990
Administrative expenses	385,255
Share plan distributions	1,351,672
Refund of contributions	133,313
DROP payments	2,180,789
Total deductions	19,406,019
Net increase in fiduciary net position	15,306,777
Net position, beginning of year	188,559,840
Net position, end of year	\$ 203,866,617

The accompanying notes are an integral part of these financial statements.



City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

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

Major Governmental Funds

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

American Rescue Plan Act Fund – The American Rescue Plan Act Fund is a special revenue fund that was established to account for funds received from the federal government to facilitate the recovery from the economic impact and health effects of the COVID-19 pandemic.

Beach Fund – To account for revenues and expenditures associated with the services provided by the beach, pier, pool, beach parking and casino building.

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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, Public Education, Electric Utility Rate Stabilization, Golf, Parking Improvement, Code Remediation, Grants, Tree Beautification, Utility Conservation, Simpkin Trust, Library Trust, Law Enforcement and Firefighters Education, Law Enforcement Confiscated Property and Electric Utility Storm.

Nonmajor Debt Service Funds

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 Projects 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, Capital Projects, Neighborhood Road Program and Recovery Capital Projects.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Community Redevelopment Fund, special revenue funds, capital project funds, and debt service fund.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

Cash and Cash Equivalents

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

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in GASBC Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the City's position in the pool is equal to the value of the pooled shares.

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.

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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

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.

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.

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.

Restricted Assets

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

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks and similar items), regardless of their acquisition date, are reported at cost or estimated historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below) in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of acquisition. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Depreciation is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Capital asset classes	Lives
Land Improvements	4 - 40
Infrastructure	4 - 20
Buildings and structure	10 - 40
Machinery and equipment	3 - 15
Vehicles	5

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflows relating to the pension plans and is discussed in further detail in the pension note. The second item is the deferred outflows relating to other postemployment benefits other than pensions and is discussed in further detail in OPEB note.

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

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.

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 use.

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.

Pensions

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

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Other Post-Employment Benefits (OPEB) Liability

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.

Leases

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

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

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

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

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

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

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Leases (continued)

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

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

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

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

Subscription-Based Information Technology Arrangements

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

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

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

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

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

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

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Property Taxes

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

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

The City levied taxes at a rate of approximately 5.49 mills plus County-levied Fire Municipal Services Taxing Unit rate of 3.46 and debt service of 0.92, for a total of 9.87 on all City parcels.

Nature and Use 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 Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Nature and Use of Fund Balance (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.

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, 2025, this balance was approximately \$26.2 million.

Net Position

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

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.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 30, 2026. See Note 17 for relevant disclosure(s). No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Standard requires retrospective application; however, the impact was de minimis to the September 30, 2024 balance, therefore was applied prospectively.

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

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

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

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

The City is evaluating the requirements of the above statements and the impact on reporting.

City of Lake Worth Beach, Florida Notes to Financial Statements

Note 2: CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION

During fiscal year 2025, changes within the financial reporting entity resulted in adjustments to and restatements of the beginning net position and fund balances, as follows:

	Governmental Activities	Business-type Activities/ Enterprise Fund	Total
Net position, September 30, 2024 as previously reported	\$ 84,926,929	\$ 183,210,037	\$ 268,136,966
Restatement			
Unbilled accounts receivable	-	(5,006)	(5,006)
Operating revenues and expenses, net	135,169	(83,193)	51,976
Net position, September 30, 2024, restated	\$ 85,062,098	\$ 183,121,838	\$ 268,183,936

	Governmental Funds			
			Nonmajor Governmental Funds	Total Governmental Funds
	General	Beach Fund		
Fund Balance (deficit) - October 1, 2024, as previously reported	\$ 22,785,723	\$ 5,250,894	\$ 25,703,109	\$ 70,973,949
Restatement				
Operating revenues and expenses, net	(53,933)	85,855	103,247	135,169
Fund Balance (deficit) - October 1, 2024, as restated	\$ 22,731,790	\$ 5,336,749	\$ 25,806,356	\$ 71,109,118

	Business Type - Enterprise Funds				
	Local Sewer	Regional Sewer	Nonmajor Enterprise	Total Enterprise Funds	Internal Service
Fund Balance (deficit) - October 1, 2024, as previously reported	\$ 17,136,909	\$ 39,927,232	\$ 18,289,534	\$ 166,275,672	\$ 18,397,973
Restatement					
Accounts receivable	-	(5,006)	-	(5,006)	-
Operating revenues and expenses, net	(65,364)	-	(1,804)	(67,168)	(16,025)
Fund Balance (deficit) - October 1, 2024, as restated	\$ 17,071,545	\$ 39,922,226	\$ 18,287,730	\$ 166,203,498	\$ 18,381,948

Prior period adjustments were recorded to correct previously unrecognized arbitrage liabilities and incomplete lease information under GASB Statement No. 87. These errors resulted from oversight in identifying arbitrage rebate obligations and delays in compiling lease data during GASB 87 implementation.

City of Lake Worth Beach, Florida

Notes to Financial Statements

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. The City had deposits with financial institutions of \$146,904,803 with a carrying amount of \$138,451,173.

Cash and Cash Equivalents: Cash and cash equivalents are defined as deposits with financial institutions and highly liquid investments which are readily convertible to known amounts of cash. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

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

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

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

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

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (Continued)

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:

		Maturities (in years)			
		Fair Value	Less than 1	1 - 5	More than 5
Investments by fair value level					
Primary government					
U.S. Treasuries	\$	45,348,498	\$ -	\$ 42,919,526	\$ 2,428,972
Mortgage-Backed Securities		11,768,512	-	11,768,512	-
Corporate Bonds		1,003,739	-	1,003,739	-
Money Market Mutual Fund		54,781,737	54,781,737	-	-
FL PALM		3,091,613	3,091,613	-	-
FL PRIME		49,666	49,666	-	-
Total primary government					
	\$	116,043,765	\$ 57,923,016	\$ 55,691,777	\$ 2,428,972

	Fair Value	Maturities (in years)			
		Less	1 - 5	More	
Component Unit					
Money Market Mutual Fund	\$ 4,203,056	\$ 4,203,056	\$ -	\$ -	
Total component unit	\$ 4,203,056	\$ 4,203,056	\$ -	\$ -	

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 investments had the following ratings:

Investments	City	
	Balance	Ratings
U.S. Treasuries	\$ 45,348,498	AA+
Mortgage-Backed Securities	11,768,512	AA+
Corporate Bonds	1,003,739	AAA
Florida PRIME	54,781,737	AAAm
Money Market Mutual Fund	3,091,613	AAAm
FL PALM	49,666	AAAm
	<u><u>\$ 116,043,765</u></u>	

Note 3: DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

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

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

Level 3: Investments reflect prices based upon unobservable sources.

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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 3: DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Investments	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 45,348,498	\$ 45,348,498	\$ -	\$ -
Corporate Bonds	1,003,739	1,003,739	-	-
Mortgage-Backed Securities	11,768,512	11,768,512	-	-
at fair value	<u>\$ 58,120,749</u>	<u>\$ 58,120,749</u>	<u>\$ -</u>	<u>\$ -</u>

Investments measured
at net asset value (NAV)

Money market mutual funds	54,781,737
Florida PRIME	49,666
FL PALM	3,091,613
Total	<u>\$ 57,923,016</u>
Total Investments	<u>\$ 116,043,765</u>

Component Unit

Investments measured at
amortized cost:

Money market funds	<u>\$ 4,203,056</u>
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The Florida Public Assets for Liquidity Management (FL PALM) offers a short-term investment program for Florida Public agency investors. FL PALM offers a fully liquid, variable rate investment option for participants to invest in shares of fixed-rate, fixed-term investments through the FL PALM Term Portfolio. The investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. FL PALM is directed by a Board of Trustees, which is made up of experienced school board members, superintendents, public agency officials, and an Advisory Committee of senior finance officers from member Districts and public agencies. The FL PALM investments are measured at the net asset value (NAV) per share, or equivalent. The redemption frequency is daily and unlimited. There are no unfunded commitments as of year-end.

City of Lake Worth Beach, Florida
Notes to 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	Discretionary Sales Tax Fund	Nonmajor Governmental Funds	Total
Customer accounts	\$ 72,085	\$ -	\$ 100,881	\$ 172,966
Utility and other taxes	1,011,312	-	366,751	1,378,063
Intergovernmental	843,813	730,542	718,376	2,292,731
Other receivables	165	-	-	165
Gross receivables	1,927,375	730,542	1,186,008	3,843,925
Less allowance for doubtful accounts	(235,065)	-	(114,785)	(349,850)
Total	\$ 1,692,310	\$ 730,542	\$ 1,071,223	\$ 3,494,075

	Electric Fund	Water Fund	Local Sewer Fund	Regional Sewer Fund	Nonmajor Enterprise Funds	Total
Customer accounts	\$ 14,584,582	\$ 3,112,784	\$ 2,095,204	\$ 584,882	\$ 664,213	\$ 21,041,665
Utility and other taxes	490,439	-	-	-	-	490,439
Intergovernmental	-	-	-	-	449,635	449,635
Other receivables	489,793	4,529	7,634	-	104,403	606,359
Gross receivables	15,564,814	3,117,313	2,102,838	584,882	1,218,251	22,588,098
Less allowance for doubtful accounts	(2,769,702)	(520,275)	(233,693)	-	(176,293)	(3,699,963)
Total	\$ 12,795,112	\$ 2,597,038	\$ 1,869,145	\$ 584,882	\$ 1,041,958	\$ 18,888,135

For fiscal year 2025, approximately 78% of the City's regional sewer fund revenues and 74% of corresponding receivables are generated from three major customers. The following table summarizes the concentration percentage by customer.

Customer	Revenues	Receivables
City of Lake Worth Beach	47%	0%
Town of Lantana	12%	26%
Village of Palm Springs	18%	48%
	77%	74%

City of Lake Worth Beach, Florida
Notes to Financial Statements

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

	<u>Receivable Fund</u>
Major Fund:	
General Fund	\$ 1,485,245
	<u>\$ 1,485,245</u>

	<u>Payable Fund</u>
Major Fund:	
Electric Fund	\$ 901,299
Nonmajor governmental funds	583,946
	<u>\$ 1,485,245</u>

The amounts payable to the general fund were to cover cash shortages for the electric fund, utility conservation fund and building fund. The funds will be repaid in the fiscal year 2026.

Interfund Transfers

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ -	\$ 10,252,219
Beach Fund	-	737,500
American Rescue Plan Act Fund	-	1,942,814
Discretionary Sales Tax	-	3,676,954
Nonmajor Governmental Funds	15,061,078	1,745,762
Major Enterprise Funds:		
Electric Fund	1,745,762	-
Water Fund	108,636	-
Local Sewer Fund	651,700	-
Regional Sewer Fund	-	-
Nonmajor Enterprise Funds	788,073	-
	<u>\$ 18,355,249</u>	<u>\$ 18,355,249</u>

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 5: INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS (Continued)

Interfund Transfers (Continued)

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

Transfers totaling \$10,252,000 from the General Fund were made primarily to the Recovery Capital Project Fund established during fiscal year 2025. Of this amount, \$8.6 million consisted of funds originally budgeted for police services in the General Fund that were subsequently reallocated to projects initially approved under the ARPA grant. The remaining \$1.6 million was transferred to fund various other projects.

Transfers totaling \$1,943,000 from the American Rescue Plan Act (ARPA) Fund were primarily made to reimburse the Sewer Fund and Stormwater Fund for expenditures approved under the ARPA grant, in the amounts of \$0.8 million and \$0.7 million, respectively.

Transfers totaling \$3,677,000 from the Discretionary Sales Tax Fund were primarily used to fund roadway projects, Gulfstream site work, and Ocean Rescue beach property staff offices, in the amounts of \$1.0 million, \$1.98 million, and \$0.7 million, respectively.

Transfers totaling \$1,746,000 from the Rate Stabilization Fund were made to reimburse the electric fund for excess power cost incurred during the fiscal year.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 6: CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2025:

<i>For the year ended September 30, 2025</i>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 8,753,243	\$ -	\$ -	\$ -	\$ 8,753,243
Construction-in-progress	4,832,406	4,915,460	(19,460)	-	9,728,406
Total capital assets, not being depreciated/amortized	13,585,649	4,915,460	(19,460)	-	18,481,649
Capital assets, being depreciated/amortized:					
Land improvements	7,024,436	-	-	-	7,024,436
Buildings and structures	44,309,252	-	(250,190)	-	44,059,062
Right of Use - Buildings	5,434,635	-	-	-	5,434,635
Infrastructure	108,055,363	-	-	-	108,055,363
Machinery and equipment	5,061,559	43,776	-	-	5,105,335
Right of Use - Equipment	320,292	-	-	-	320,292
Subscription assets	-	132,782	-	-	132,782
Vehicles	1,653,444	41,612	-	-	1,695,056
Capital assets, being depreciated/amortized	171,858,981	218,170	(250,190)	-	171,826,961
Less accumulated depreciation/amortized for:					
Land improvements	(2,607,854)	(45,945)	-	-	(2,653,799)
Buildings and structures	(20,876,533)	(985,419)	69,150	-	(21,792,802)
Right of Use - Buildings	(465,825)	(155,276)	-	-	(621,101)
Infrastructure	(65,283,639)	(1,970,063)	-	-	(67,253,702)
Machinery and equipment	(4,284,764)	(136,978)	-	-	(4,421,742)
Right of Use - Equipment	(188,202)	(62,734)	-	-	(250,936)
Subscription assets	-	(44,261)	-	-	(44,261)
Vehicles	(1,377,172)	(105,358)	-	-	(1,482,530)
Total accumulated depreciation/amortized	(95,083,989)	(3,506,034)	69,150	-	(98,520,873)
Total capital assets, being depreciated/amortized, net	76,774,992	(3,287,864)	(181,040)	-	73,306,088
Governmental activities capital assets, net	\$ 90,360,641	\$ 1,627,596	\$ (200,500)	\$ -	\$ 91,787,737

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 6: CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets during the year ended September 30, 2025:

<i>For the year ended September 30, 2025</i>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,570,938	\$ -	\$ -	\$ -	\$ 2,570,938
Construction-in-progress	43,606,599	16,266,603	(294,599)	(1,425,454)	58,153,149
Total capital assets, not being depreciated/amortized	46,177,537	16,266,603	(294,599)	(1,425,454)	60,724,087
Capital assets, being depreciated/amortized:					
Land improvements	468,972	-	-	-	468,972
Buildings and structures	99,193,485	-	-	-	99,193,485
Right of Use - Buildings	318,463	1	-	-	318,464
Infrastructure	235,243,717	3,514,388	(24,060)	1,222,063	239,956,108
Machinery and equipment	34,672,078	134,368	-	203,391	35,009,837
Right of Use - Equipment	123,850	-	(123,850)	-	-
Subscription assets	749,841	-	-	-	749,841
Vehicles	15,401,313	753,877	-	-	16,155,190
Capital assets, being depreciated/amortized	386,171,719	4,402,634	(147,910)	1,425,454	391,851,897
Less accumulated depreciation/amortized for:					
Land improvements	(465,641)	(488)	-	-	(466,129)
Buildings and structures	(68,763,172)	(2,352,521)	-	-	(71,115,693)
Right of Use - Buildings	(157,601)	(87,743)	-	-	(245,344)
Infrastructure	(96,773,524)	(4,307,242)	-	-	(101,080,766)
Machinery and equipment	(31,595,077)	(378,250)	-	(38,595)	(32,011,922)
Right of Use - Equipment	(104,497)	(19,353)	123,850	-	-
Subscriptions assets	(414,697)	(232,568)	-	-	(647,265)
Vehicles	(12,885,320)	(866,070)	-	38,595	(13,712,795)
Total accumulated depreciation/amortized	(211,159,529)	(8,244,235)	123,850	-	(219,279,914)
Total capital assets being depreciated/amortized, net	175,012,190	(3,841,601)	(24,060)	1,425,454	172,571,983
Business-type activities capital assets, net	\$ 221,189,727	\$ 12,425,002	\$ (318,659)	\$ -	\$ 233,296,070

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 6: CAPITAL ASSETS (CONTINUED)

Summary of changes in the discretely presented component unit for the year ended September 30, 2025:

<i>For the year ended September 30, 2025</i>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Discretely Presented Component Unit					
Capital assets, not being depreciated/amortized:					
Land	\$ 773,206	\$ -	\$ -	\$ -	\$ 773,206
Total capital assets, not being depreciated/amortized	773,206	-	-	-	773,206
Capital assets, being depreciated/amortized:					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,283,579	-	-	-	9,283,579
Buildings and structures	188,104	-	-	-	188,104
Machinery and equipment	178,804	-	-	-	178,804
Capital assets, being depreciated/amortized	9,874,318	-	-	-	9,874,318
Less accumulated depreciation/amortized for:					
Land improvements	(150,625)	(11,192)	-	-	(161,817)
Infrastructure	(5,285,784)	(370,271)	-	-	(5,656,055)
Buildings and structures	(64,784)	(6,270)	-	-	(71,054)
Machinery and equipment	(150,577)	(6,186)	-	-	(156,763)
Total accumulated depreciation/amortized	(5,651,770)	(393,919)	-	-	(6,045,689)
Total capital assets being depreciated/amortized, net	4,222,548	(393,919)	-	-	3,828,629
Business-type activities capital assets, net	\$ 4,995,754	\$ (393,919)	\$ -	\$ -	\$ 4,601,835

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 6: CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

<i>For the year ended September 30,</i>	<i>2025</i>
Governmental activities	
General Government	\$ 71,912
Physical Environment	4,491
Transportation	2,327,386
Public Safety	189,800
Culture and Recreation	912,445
Total depreciation and amortization expense - governmental activities	\$ 3,506,034
Business-type activities	
Electric	\$ 2,304,776
Water	3,559,724
Local sewer	667,195
Regional sewer	390,891
Stormwater utility	341,342
Refuse collection and disposal	519,295
Information technology	268,474
Self insurance	5,780
Fleet	186,758
Total depreciation and amortization expense - business-type activities	\$ 8,244,235
Discretely presented component unit	
Community redevelopment	\$ 393,919

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, West Palm Beach 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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 7: INVESTMENT IN JOINT VENTURE (Continued)

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 \$40,243,692.

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

Entity	Flow Allocation MGD	Reserve Capacity Percentage
Palm Beach County	24	34.30%
City of West Palm Beach	20.5	29.30%
City of Lake Worth Beach	11.5	16.40%
City of Riviera Beach	8	11.40%
Town of Palm Beach	6	8.60%
	70	100.00%

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 Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 45,760,613	\$ -	\$ (2,113,060)	\$ 43,647,553	\$ 2,176,469
Bond premium	1,622,187	-	(83,478)	1,538,709	-
Leased liability	3,169,493	-	(75,112)	3,094,381	76,678
Subscription liability	-	132,782	(44,250)	88,532	42,944
Compensated absences*	1,154,265	54,963	-	1,209,228	40,270
Total long-term debt	\$ 51,706,558	\$ 187,745	\$ (2,315,900)	\$ 49,578,403	\$ 2,336,361

* shown net

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
State revolving loans	\$ 14,954,582	\$ 131,478	\$ (1,022,726)	\$ 14,063,334	\$ 1,045,328
Notes payable	15,000,000	-	-	15,000,000	-
Revenue bonds	136,559,388	53,385,000	(3,381,945)	186,562,443	1,008,529
Leased liability	186,133	-	(104,151)	81,982	81,982
Subscription liability	298,380	-	(241,656)	56,724	42,319
Bond premium	13,915,746	950,613	(555,087)	14,311,272	-
Compensated absences*	808,411	137,308	-	945,719	43,507
Total long-term debt	\$ 181,722,640	\$ 54,604,399	\$ (5,305,565)	\$ 231,021,474	\$ 2,221,665

* shown net

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

Governmental and Business-Type Activities Debt

Consolidated utility revenue bonds – Series 2020 – In November 2020, the City issued \$88,930,000 of Consolidated utility revenue bonds, Series 2020 for the purpose of: (i) financing the acquisition, construction and equipping of certain improvements and additions to the City's consolidated electric, water and sewer utility system, (ii) repaying the then outstanding Utility System Refunding Revenue Bonds, Series 2013 and the Master Lease note payable agreement in connection with the energy savings project with Siemens Industry, Inc. in the amount of approximately \$29,000,000 and \$20,000,000, respectively, and (iii) paying the costs of issuance of the 2020 Bonds. The series 2020 Bonds mature in October 2051 with an interest rate ranging from 3.0% to 5.0%. The bonds are due in annual principal and interest installments secured by the City's net revenues of its utility systems through October 1, 2051, and subject to redemption prior to maturity as provided in the bond agreement.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2025, the principal amount outstanding on the Series 2020 was \$82,935,000.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (Continued)

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

2020 UT Bond Series Debt Service Payments

Year(s)	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ -	\$ 12,950	\$ -	\$ 1,641,450	\$ -	\$ 1,654,400
2027	25,000	25,275	1,725,000	3,239,775	1,750,000	3,265,050
2028	25,000	24,025	1,810,000	3,151,400	1,835,000	3,175,425
2029	30,000	22,650	1,910,000	3,058,400	1,940,000	3,081,050
2030	30,000	21,150	2,000,000	2,960,650	2,030,000	2,981,800
2031-2035	175,000	82,925	12,750,000	13,263,550	12,925,000	13,346,475
2036-2040	220,000	44,550	16,215,000	10,391,850	16,435,000	10,436,400
2041-2045	140,000	8,375	19,330,000	7,285,525	19,470,000	7,293,900
2046-2050	-	-	23,925,000	3,013,100	23,925,000	3,013,100
2051-2055	-	-	2,625,000	52,500	2,625,000	52,500
	<u>\$ 645,000</u>	<u>\$ 241,900</u>	<u>\$ 82,290,000</u>	<u>\$ 48,058,200</u>	<u>\$ 82,935,000</u>	<u>\$ 48,300,100</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, 2025, the principal amounts outstanding on the Series 2020A and 2020B bonds are approximately \$18,480,000.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (Continued)

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

Year(s)	Non-Adv Bond Series 2020AB Debt Service Payments					
	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,196,469	\$ 290,341	\$ 1,008,529	\$ 244,735	\$ 2,204,998	\$ 535,076
2027	591,452	245,423	498,548	206,873	1,090,000	452,296
2028	602,304	230,576	507,696	194,358	1,110,000	424,934
2029	615,870	214,528	519,129	180,830	1,134,999	395,358
2030	637,574	197,581	537,425	166,545	1,174,999	364,126
2031-2035	3,451,041	719,072	2,908,958	606,121	6,359,999	1,325,193
2036-2040	2,932,843	268,105	2,472,158	225,992	5,405,001	494,097
	<u>\$ 10,027,553</u>	<u>\$ 2,165,626</u>	<u>\$ 8,452,443</u>	<u>\$ 1,825,454</u>	<u>\$ 18,479,996</u>	<u>\$ 3,991,080</u>

Business-Type Activities Debt

Consolidated utility revenue bonds – Series 2022 – In May 2022, the City issued \$44,660,000 of Consolidated utility revenue bonds, Series 2022 for the purpose of: (i) financing the acquisition, construction and equipping of certain improvements and additions to the City’s consolidated electric, water and sewer utility system, and (ii) paying the costs of issuance of the 2022 Bonds. The series 2022 Bonds mature in October 2053 with an interest rate ranging from 3.0% to 5.0%. The bonds are due in annual principal and interest installments secured by the City’s net revenues of its utility systems through October 1, 2053, and subject to redemption prior to maturity as provided in the bond agreement.

Under the terms of the authorizing resolution related to the bonds, should the City default in any of its obligations or covenants created by such resolution, the bondholders may, in addition to any remedy set forth in such resolution, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolution, and may enforce and compel the performance of all duties required by the resolution, or by any applicable statutes to be performed by the City or by any officer thereof. As of September 30, 2025, the principal amount outstanding on the Series 2022 was \$42,435,000.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (Continued)

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

2022 UT Bond Series Debt Service Payments			
Year(s)	Business-type Activities		
	Principal	Interest	
2026	\$ -	\$ 926,875	
2027	805,000	1,837,650	
2028	835,000	1,804,850	
2029	880,000	1,766,150	
2030	920,000	1,721,150	
2031-2035	5,360,000	7,847,250	
2036-2040	6,880,000	6,325,250	
2041-2045	8,675,000	4,519,475	
2046-2050	10,620,000	2,588,600	
2051-2055	7,460,000	455,400	
	<u>\$ 42,435,000</u>	<u>\$ 29,792,650</u>	

Consolidated utility revenue bonds – Series 2025 – In June 2025, the City issued \$50,535,000 of Consolidated utility revenue bonds, Series 2025 for the purpose of: (i) financing the acquisition, construction and equipping of certain improvements and additions to the City's consolidated electric, water and sewer utility system, and (ii) paying the costs of issuance of the 2025 Bonds. The series 2025 Bonds mature in October 2053 with an interest rate ranging from 4.75% to 5.25%. The bonds are due in annual principal and interest installments secured by the City's net revenues of its utility systems through October 1, 2055, 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, 2025, the principal amount outstanding on the Series 2025 was \$50,535,000.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (Continued)

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

2025 UT Bond Series Debt Service Payments		
Year(s)	Business-type Activities	
	Principal	Interest
2026	\$ -	\$ 1,263,369
2027	740,000	2,508,238
2028	780,000	2,470,238
2029	825,000	2,430,113
2030	865,000	2,387,863
2031-2035	5,015,000	11,229,563
2036-2040	6,465,000	9,787,644
2041-2045	8,355,000	7,894,769
2046-2050	10,640,000	5,592,594
2051-2055	13,680,000	2,571,000
2056-2060	3,170,000	79,250
	<u>\$ 50,535,000</u>	<u>\$ 48,214,641</u>

State Revolving Loan Payable – In connection with the City’s Reverse Osmosis Treatment Plant, the City entered into loan agreements with the State Department of Environmental Protection’s Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$7,092,000 with interest rate ranging from 2.61% to 2.82%. The City is required to maintain rates and charges for the services furnished by the water system which will be sufficient to provide revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments (debt service). The loans are payable in semi-annual principal installments through October 2031. As of September 30, 2025, the principal outstanding on the notes was \$2,774,713.

In connection with the replacement of approximately 17 miles of 2-inch water lines which were corroded within the City’s water distribution system, the City entered into loan agreements with the State Department of Environmental Protection’s Drinking Water Revolving Fund Loan Program. The resulting loans were approximately \$9,104,000 with interest rates ranging from 0.57% to 1.57%. The loans are payable in semi-annual installments of principal and interest through March 2048. As of September 30, 2025, the principal outstanding on the notes was \$6,934,035.

In connection with the water distribution replacement project for the Lake Osborne Estates Water Main Improvements, the City entered into loan agreements with the State Department of Environmental Protection’s Drinking Water Revolving Fund Loan Program. The resulting loan was approximately \$3,034,000 with an interest rate of 0.50%. The loans are payable in semi-annual installments of principal and interest through April 2041. As of September 30, 2025, the principal outstanding on the note was \$1,991,631.

In connection with the 2-inch watermain replacement phase 5 and 6, the City entered into loan agreements with the State Department of Environmental Protection’s Drinking Water Revolving Fund Loan Program. The resulting loan was approximately \$2,496,000 with an interest rate of 0.07%. As of September 30, 2025, the principal outstanding on the note was \$2,231,477.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (CONTINUED)

In connection with the lead service inventory and replacement, 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 \$131,000 with an interest rate of 0.00%. As of September 30, 2025, the principal outstanding on the note was \$131,478.

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

State Revolving Loans			
Year(s)	Principal	Interest	
2026	\$ 1,045,328	\$ 133,773	
2027	1,064,885	119,374	
2028	1,079,593	104,666	
2029	1,094,618	89,641	
2030	1,076,077	74,423	
2028-2032	3,913,785	203,856	
2033-2037	3,153,683	94,853	
2038-2042	1,260,326	28,006	
2043-2047	375,039	3,883	
	<u>\$ 14,063,334</u>	<u>\$ 852,475</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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (CONTINUED)

Capital Improvement Revenue Note, Series 2024: In June 2024, the City issued a Capital Improvement Revenue Note, Series 2024 (the “Note”) in the amount of \$15,000,000 for the principal purpose of financing the construction and renovation of capital additions, extensions, and improvements within the City (the “Project”) which include the regional sewer force main break repair. The Note matures in April 2028 with an interest rate of 4.12%. Interest on the Note shall be paid on an annual basis commencing October 1, 2024, and the principal shall be paid in full on the maturity date. As of September 30, 2025, the principal amount outstanding on the Note is \$15,000,000.

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, subject to any applicable grace period.

As of September 30, 2025, debt service requirements on the Capital Improvement Revenue Note, Series 2024 to maturity are as follows:

Capital Improvement Revenue Note, Series 2024		
Year(s)	Business-type Activities	
	Principal	Interest
2026	\$ -	\$ 618,000
2027	-	618,000
2028	15,000,000	309,000
	<u>\$ 15,000,000</u>	<u>\$ 1,545,000</u>

Capital Improvement Revenue Bond, Series 2025: In June 2025, the City issued a Capital Improvement Revenue Bond, Series 2025 (the “Bond”) in the amount of \$2,850,000 for the principal purpose of financing the construction and renovation of capital additions, extensions, and improvements within the City (the “Project”). The Bond matures in October 2044 with an interest rate of 4.53%. Interest on the Bond shall be paid on an annual basis commencing October 1, 2025, and the principal shall be paid in full on the maturity date. As of September 30, 2025, the principal amount outstanding on the Bond is \$2,850,000.

In the event of default, the outstanding principal balance and accrued interest on the Bond, together with any additional amounts payable may be accelerated and become immediately due and payable, subject to any applicable grace period.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (CONTINUED)

As of September 30, 2025, debt service requirements on the Capital Improvement Revenue Bond, Series 2025 to maturity are as follows:

2025 Stormwater Capital improvement Revenue Bond			
Debt Service Payments			
Year(s)	Business-type Activities		
	Principal	Interest	
2026	\$ -	\$ 64,553	
2027	97,000	126,908	
2028	101,000	122,423	
2029	106,000	117,735	
2030	111,000	112,820	
2031-2035	636,000	482,128	
2036-2040	798,000	320,316	
2041-2045	1,001,000	117,531	
	<u>\$ 2,850,000</u>	<u>\$ 1,464,414</u>	

Governmental Activities

General Obligation Bonds, Series 2017 and 2018: In November 2016, a majority of the electors voting at a referendum within the City approved the issuance of general obligation bonds in a principal amount not exceeding \$40 million for purposes of improving local roadways. In May 2017, the City issued General Obligation Bonds, Series 2017, in the principal amount of \$21,685,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 2.375% to 5.00%.

In August 2018, the City issued an additional General Obligation Bonds, Series 2018, in the principal amount of \$17,295,000 for the exclusive purpose of improving local roadways with an interest rate ranging from 3.00% to 5.00%. The City may issue up to the remaining \$1,020,000 authorized amount of general obligation bonds pursuant to the referendum described above. The current 2017 and 2018 GOB series bonds are due in annual principal and interest installments secured in by the City's ad-valorem taxes through July 1, 2048, and subject to redemption prior to maturity as provided in the Series 2017 and 2018 bond agreements.

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, 2025, the principal amounts outstanding on the GOB series 2017 and 2018 bonds are \$18,040,000 and \$14,935,000, respectively.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (CONTINUED)

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
2026	\$ 565,000	\$ 609,875	2026	\$ 415,000	\$ 565,713
2027	595,000	581,625	2027	435,000	544,963
2028	625,000	551,875	2028	460,000	523,213
2029	640,000	537,031	2029	480,000	500,213
2030	655,000	517,831	2030	500,000	481,013
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
2046-2050	2,230,000	117,775	2046-2050	2,730,000	214,288
	<u>\$ 18,040,000</u>	<u>\$ 7,799,738</u>		<u>\$ 14,935,000</u>	<u>\$ 7,626,231</u>

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	\$1,708,462	\$ -	\$ (556,588)	\$1,151,874	\$569,389
Total	<u>\$1,708,462</u>	<u>\$ -</u>	<u>\$ (556,588)</u>	<u>\$1,151,874</u>	<u>\$569,389</u>

Community Redevelopment Agency (CRA) Revenue Note, Series 2016 – In April 2021, the CRA Board of Directors approved the issuance of a revenue note, Series 2021 in an aggregate principal amount of \$3,263,250 to refinance the \$4,000,000 original principal amount of Lake Worth Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2016, the \$1,500,000 original principal amount of Lake Worth Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Debenture, Series 2018 and the \$903,000 Convertible Line of Credit dated January 9, 2020. The original principal amounts were for property acquisition and other improvements in the designated CRA area of the City. The revenue note Series 2021 is due in annual principal installments ranging from \$478,872 to \$582,485 from April 2022 through 2027 with an interest rate of 2.30%. The revenue note is payable from a pledge of tax increment revenues. As of September 30, 2025, the principal outstanding on the note is \$1,151,874.

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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 8: LONG TERM DEBT AND LIABILITIES (CONTINUED)

As of September 30, 2025, debt service requirements on the Revenue Notes Series 2021 to maturity are as follows:

CRA Revenue Note - Series 2021		
Year(s)	Principal	Interest
2026	569,389	26,493
2027	582,485	13,397
	<u>\$ 1,151,874</u>	<u>\$ 39,890</u>

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

The City Charter permits the City to pledge the funds or property taxing power of the City for the payment of debt. This is subject to mandatory requirements that the total indebtedness of the City shall never exceed an amount equal to 25% of the total assessed value of the taxable property within its corporate limits. As of September 30, 2025, the City's debt limit is \$923,630,000.

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

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities		
Sources of Revenue Pledged:	Ad Valorem Revenues	Non-ad Valorem Revenues	Various Revenues	Tax Increment Revenues
Current Revenue Pledged	\$3,017,743	\$38,919,891	\$29,530,829	\$7,000,931
Current Debt Service	2,157,338	2,740,077	9,697,875	595,813
Total Future Revenues Pledged	32,975,000	10,672,554	229,937,049	1,151,874
Purpose of Debt	Local Roadways	Capital Improvements	Utilities and Refunding	Economic Development
Term of Commitment	2018 - 2048	2020-2040	2021-2053	2023 - 2027
Percentage of Debt Service to Current Year Pledged Revenues	71.49%	7.04%	32.84%	8.51%

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 9: LEASES

Lease Receivable

As of September 30, 2025, City of Lake Worth Beach, FL had 12 active leases. The leases have receipts that range from \$18,817 to \$355,234 and interest rates that range from 0.3250% to 3.5133%. As of September 30, 2025, the total combined value of the lease receivable is \$8,115,837, the total combined value of the short-term lease receivable is \$11,322,944, and the combined value of the deferred inflow of resources is \$10,446,383. The leases had \$0 of Variable Receipts and \$0 of Other Receipts, not included in the Lease Receivable, within the fiscal year.

The future lease and interest revenues expected to maturity as of September 30, 2025, were as follows:

<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ 1,189,640	\$ 162,537	\$ 1,352,177
2027	1,201,543	146,308	1,347,851
2028	938,714	130,595	1,069,309
2029	840,738	116,865	957,603
2030	763,100	107,544	870,644
2031-2035	2,651,011	437,604	3,088,615
2036-2040	1,857,267	269,722	2,126,989
2041-2045	222,168	180,460	402,628
2046-2050	287,351	155,539	442,890
2051-2055	363,553	123,626	487,179
2056-2060	452,347	83,551	535,898
2061-2065	555,512	33,976	589,488
Total	\$ 11,322,944	\$ 1,948,327	\$ 13,271,271

As of September 30, 2025, City of Lake Worth Beach, FL had 4 active leases. The leases have payments that range from \$37,899 to \$74,125 and interest rates that range from 0.4080% to 2.0750%. As of September 30, 2025, the total combined value of the lease liability is \$3,176,363, the total combined value of the short-term lease liability is \$158,659. The combined value of the right to use asset, as of September 30, 2025 is \$320,292 with accumulated amortization of \$250,936 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 9: LEASES (CONTINUED)

The future principal and interest lease payments as of September 30, 2025, were as follows:

Governmental Activities

<i>For the years ending September 30,</i>	Principal Payments	Interest Expense	Total
2026	\$ 76,678	\$ 61,683	\$ 138,361
2027	16,915	60,615	77,530
2028	11,624	60,376	72,000
2029	11,858	60,142	72,000
2030	84,097	59,903	144,000
2031-2035	446,555	273,445	720,000
2036-2040	493,322	226,678	720,000
2041-2045	544,988	175,012	720,000
2046-2050	602,065	117,935	720,000
2051-2055	665,120	54,880	720,000
2056	141,159	2,840	143,999
Total	\$ 3,094,381	\$ 1,153,509	\$ 4,247,890

Business-Type Activities

<i>For the years ending September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2026	\$ 81,982	\$ 160	\$ 82,142
Total	\$ 81,982	\$ 160	\$ 82,142

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 10: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

As of September 30, 2024, Lake Worth Beach, FL had 3 active subscriptions. The subscriptions have payments that range from \$43,500 to \$186,055 and interest rates that range from 2.5830% to 3.1550%. As of September 30, 2025, the total combined value of the subscription liability is \$145,256, and the total combined value of the short-term subscription liability is \$85,262. The combined value of the right to use asset, as of September 30, 2025, is \$882,624 with accumulated amortization of \$691,526 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

The future principal and interest lease payments as of September 30, 2025, were as follows:

<i>For the years ending September 30,</i>	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 42,944	\$ 2,634	\$ 45,578	\$ 42,319	\$ 1,181	\$ 43,500
2027	45,588	1,356	46,944	14,405	95	14,500
Total	\$ 88,532	\$ 3,990	\$ 92,522	\$ 56,724	\$ 1,276	\$ 58,000

Note 11: NET INVESTMENT IN CAPITAL ASSETS

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities	Total
Capital assets (net)	\$ 91,787,737	\$ 233,296,070	\$ 325,083,807
Outstanding debt related to capital assets	(46,830,466)	(200,764,483)	(247,594,949)
Retainage payable	-	(1,419,153)	(1,419,153)
Unamortized premiums on debt	(1,538,709)	(14,311,272)	(15,849,981)
Unspent proceeds from long term debt	2,024,797	64,479,707	66,504,504
Net investment in capital assets	\$ 45,443,359	\$ 81,280,869	\$ 126,724,228

City of Lake Worth Beach, Florida Notes to Financial Statements

Note 12: RETIREMENT PLANS

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

General Employees' Retirement System (GERS)

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

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

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

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

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, 2025 was \$2,497,173.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

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 employees' contribution, to fund the defined benefits of the Plan.

Police Officers' Relief and Retirement System (PRS)

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

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

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

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

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

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, 2025, was \$491,036.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

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, 2025, the Plan received payments from the State for the PRS in the amount of \$657,513. 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.

Firefighters' Pension Trust (FPT)

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

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

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

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

Deferred Retirement Option Plan (the "DROP") – Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Eligibility is either 20 years of service or age 55 with 10 years of service. Each participant in the DROP has an account credited with benefits not received and investment earnings. The value of the DROP balance at September 30, 2025 was \$18,988,251.

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, 2025, the Plan received payments from the State for the FPT in the amount of \$14,319. 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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

At October 1, 2023, the following plan members were covered by the Plans:

Plan Membership	General Employees	Police Employees	Fire Employees
Inactive plan members or beneficiaries currently receiving benefits	301	90	69
Inactive plan members entitled to, but not yet receiving benefits	119	0	1
Active plan members	275	6	1
Total plan membership	695	96	71

Net Pension Liability of the City

The City's net pension liability was determined based on a measurement date of September 30, 2024. The components of the net pension liability of the City at September 30, 2025, were as follows:

General employees	
Total pension liability	\$ 109,979,732
Plan fiduciary net position	(80,671,683)
City's net pension liability	\$ 29,308,049
Plan fiduciary net position as a percentage of the total pension liability	73.35%
Police employees	
Total pension liability	\$ 52,972,837
Plan fiduciary net position	(46,461,106)
City's net pension liability	\$ 6,511,731
Plan fiduciary net position as a percentage of the total pension liability	87.71%
Fire employees	
Total pension liability	\$ 64,465,027
Plan fiduciary net position	(61,427,051)
City's net pension liability	\$ 3,037,976
Plan fiduciary net position as a percentage of the total pension liability	95.29%

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – The total pension liability based on the measurement date of September 30, 2024, was determined by using actuarial valuations as of October 1, 2023, with update procedures used to roll forward the total pension liability. The actuarial valuations used the following actuarial assumptions:

	General Employees	Police Employees	Fire Employees
Inflation	2.50%	2.50%	2.50%
Salary increases (including inflation)	5.00%-7.50%	6.50%	6.50%
Investment rate of return (net of investment expense, including inflation)	7.00%	6.50%	6.70%
Discount rate	7.00%	6.50%	6.70%

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

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

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

The Plan’s adopted asset allocations and 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:

Asset Class	General Employees		Police Employees		Fire Employees	
	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return	Target Allocation	Long-term Expected Rate of Return
Domestic equity	35-55%	7.50%	35-55%	7.50%	35-55%	7.50%
International equity	5-20%	8.50%	5-20%	8.50%	5-20%	8.50%
Fixed Income	15-50%	2.50%	20-55%	2.50%	25-40%	2.50%
Real estate	0-20%	4.50%	0-15%	4.50%	0-15%	4.50%

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

Rate of Return – For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.10% for GERS, 10.84% for PRS, and 12.40% for FPT. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate – This discount rate used to measure the total pension liability was 7.00% for GERS, 6.50% for PRS and 6.70% for FPT. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates (statutorily required) and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

General Employees' Retirement System

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	\$ 109,658,080	\$ 71,462,216	\$ 38,195,864
Changes for the year			
Service cost	1,573,338	-	1,573,338
Interest	7,479,615	-	7,479,615
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	4,112,865	(4,112,865)
Contributions - employee	-	1,244,508	(1,244,508)
Net investment income	-	12,748,443	(12,748,443)
Benefit payments, including refunds of employee contributions	(8,759,535)	(8,759,535)	-
Administrative expense	28,234	(136,814)	165,048
Net changes	321,652	9,209,467	(8,887,815)
Balances at September 30, 2025	\$ 109,979,732	\$ 80,671,683	\$ 29,308,049

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

Police Officers' Relief and Retirement System

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	\$ 53,896,794	\$ 39,364,857	\$ 14,531,937
Changes for the year			
Service cost	205,135	-	205,135
Interest	3,378,026	-	3,378,026
Differences between expected and actual experience	28,116	-	28,116
Changes of assumptions	208,689	-	208,689
Changes of benefit terms	-	-	-
Contributions - employer	-	3,663,288	(3,663,288)
Contributions - state	-	597,553	(597,553)
Contributions - employee	-	54,595	(54,595)
Net investment income	-	7,958,198	(7,958,198)
Benefit payments, including refunds of employee contributions	(5,058,071)	(5,058,071)	-
Administrative expense	314,148	(119,314)	433,462
Net changes	(923,957)	7,096,249	(8,020,206)
Balances at September 30, 2025	\$ 52,972,837	\$ 46,461,106	\$ 6,511,731

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

Firefighters' Pension Trust

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2024	\$65,872,684	\$52,509,010	\$13,363,674
Changes for a year			
Service cost	49,258	-	49,258
Interest	4,226,495	-	4,226,495
Differences between expected and actual experience	(3,552)	-	(3,552)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	3,622,350	(3,622,350)
Contributions - state	-	15,225	(15,225)
Contributions - employee	-	11,063,780	(11,063,780)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(5,679,858)	(5,679,858)	-
Administrative expense	-	-	-
Net changes	(1,407,657)	8,918,041	(10,325,698)
Balances at September 30, 2025	\$64,465,027	\$61,427,051	\$ 3,037,976

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 7.00% for GERS and 6.50% for PRS and 6.70% for FPTF, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate for each plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's net pension liability - General Employees	\$ 39,964,019	\$ 29,308,049	\$ 20,289,522
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's net pension liability - Police Employees	\$ 11,088,339	\$ 6,511,731	\$ 2,650,645

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
City's net pension liability - Fire Employees	\$ 7,008,312	\$ 3,037,976	\$ (331,202)

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

For the year ended September 30, 2025, the City recognized pension expense (benefit) as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust	Total
Pension Expense	\$ 2,815,181	\$ 1,282,129	\$ 53,369	\$ 4,150,679

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

	General Employees		Police Employees		Fire Employees	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 181,084	\$ -	\$ -	\$ -	\$ -
Net difference between projected and actual earnings	-	1,898,235	-	2,021,477	-	2,900,635
Contributions made subsequent to the measurement date	4,112,865	-	4,081,528	-	3,730,674	-
Total	\$ 4,112,865	\$ 2,079,319	\$ 4,081,528	\$ 2,021,477	\$ 3,730,674	\$ 2,900,635

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, 2025.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

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

<i>For the years ending September 30,</i>	General	Police	Fire
2026	\$ (186,603)	\$ (223,473)	\$ (412,266)
2027	1,537,885	499,817	827,603
2028	(1,856,609)	(1,212,321)	(1,792,461)
2029	(1,573,992)	(1,085,500)	(1,523,511)
2030	-	-	-
2031-2035	-	-	-
Total	\$ (2,079,319)	\$ (2,021,477)	\$ (2,900,635)

Combining Fund Information:

The following tables present the combined pension trust funds fiduciary net position activity as of September 30, 2025:

	Employee Benefit Fund				
	General	Police	Fire		
September 30, 2025	Employees	Employees	Employees		Total
Assets					
Cash and cash equivalents	\$ 964,735	\$ 1,200,469	\$ 550,438	\$	2,715,642
Contributions receivable	55,291	-	-		55,291
Accounts receivable	108,112	33,699	29,348		171,159
Accrued invesment income	165,726	112,059	60,075		337,860
Prepaid expenses	448	6,675	-		7,123
Investments, at fair value					
Equity securities	57,388,036	35,068,242	49,315,900		141,772,178
Government securities	10,232,533	6,964,640	11,924,015		29,121,188
Corporate bonds	6,480,243	4,358,759	773,230		11,612,232
Real estate funds	9,195,806	4,671,058	4,067,999		17,934,863
Money market funds	1,915,957	1,132,438	560,373		3,608,768
Total assets	86,506,887	53,548,039	67,281,378		207,336,304
Liabilities					
Accounts Payable	78,894	32,826	45,535		157,255
Deferred Inflows					
Advanced contributions from employer	784,211	2,528,221	-		3,312,432
Net Position					
Held in trust for pension benefits	\$ 85,643,782	\$ 50,986,992	\$ 67,235,843	\$	203,866,617

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 12: RETIREMENT PLANS (CONTINUED)

Combining Fund Information (continued)

The pension trust funds change in fiduciary net position activity for the year ended September 30, 2025 was as follows:

	Employee Benefit Fund			
	General	Police	Fire	
For the year ended September 30, 2025	Employees	Employees	Employees	Total
Additions				
Contributions				
State	\$ -	\$ 657,513	\$ 14,319	\$ 671,832
Employer	4,304,566	3,798,123	3,730,674	11,833,363
Employees	1,360,744	47,938	10,648	1,419,330
Rollover	-	-	359,710	359,710
Total contributions	5,665,310	4,503,574	4,115,351	14,284,235
Investment income				
Net appreciation in the fair value of investments	4,999,327	2,850,380	6,020,525	13,870,232
Interest and dividends	3,280,469	2,398,398	1,635,821	7,314,688
Subtotal	8,279,796	5,248,778	7,656,346	21,184,920
Less: investment related expense	(342,667)	(177,686)	(261,071)	(781,424)
Total investment income, net	7,937,129	5,071,092	7,395,275	20,403,496
Other income	10,610	14,455	-	25,065
Total additions	13,613,049	9,589,121	11,510,626	34,712,796
Deductions				
Benefits paid	7,771,442	3,602,539	3,981,009	15,354,990
Administrative expenses	171,840	109,024	104,391	385,255
Share plan distributions	-	1,351,672	-	1,351,672
Refund of contributions	133,313	-	-	133,313
DROP payments	564,355	-	1,616,434	2,180,789
Total deductions	8,640,950	5,063,235	5,701,834	19,406,019
Change in net position	4,972,099	4,525,886	5,808,792	15,306,777
Net position held in trust for pension benefits, beginning of year	80,671,683	46,461,106	61,427,051	188,559,840
Net position held in trust for pension benefits, end of year	\$ 85,643,782	\$ 50,986,992	\$ 67,235,843	\$ 203,866,617

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 13: DEFERRED COMPENSATION PLANS

The City offers its employees two deferred compensation plans in accordance with Internal Revenue Code Sections 401a and 457. The funds are administered by ICMA Retirement Corporation. All assets of the Plans are held in trust, custodial accounts or annuity contracts, for the exclusive benefit of the participants and their beneficiaries. Consequently, those Plan assets and liabilities are not recorded by the City. During fiscal year 2025, the City contributed approximately \$260,000 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contributions.

Note 14: OTHER POST EMPLOYMENT BENEFITS (OPEB)

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	306
Inactive plan members entitled but not yet receiving benefits	445
	<u>751</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 Financial Statements

Note 14: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability at September 30, 2025, was based on an actuarial valuation dated September 30, 2024, with a measurement date of September 30, 2024, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate	3.81%
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, 2023 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018
Healthcare cost trend rates	Based on the Getzen Model, with a trend rate starting at 3.50% for 2025 (to reflect actual premium increases), followed by 6.25% for 2026 and then gradually decreasing to an ultimate trend rate of 4.00%.
Aging factors	Based on the 2013 study “Health Care Costs – From Birth to Death.”

Changes in assumptions and other inputs include the change in the discount rate from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024. This change is reflected in the Schedule of Changes in Total OPEB Liability. The per capita cost and premiums and the healthcare cost trend assumption were updated based on information provided to the actuary. These changes are reflected in the Schedule of Changes in Total OPEB Liability. The Normal Retirement eligibility criteria was revised to add attainment of the Rule of 80 for active IBEW employees hired prior to October 1, 2010. This change has been reflected in the Schedule of Changes in Total OPEB Liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.81%. 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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 14: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (Asset) (a) - (b)
Balances at September 30, 2024	\$ 1,169,293	\$ -	\$ 1,169,293
Changes for the year			
Service cost	20,235	-	20,235
Interest	52,504	-	52,504
Difference between expected and actual experience	39,200	-	39,200
Changes in benefit terms	77,567	-	77,567
Benefit payments	(111,064)	-	(111,064)
Net changes	78,442	-	78,442
Balance as of September 30, 2025	\$ 1,247,735	\$ -	\$ 1,247,735

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 3.81%, 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 the current discount rate:

	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
Net OPEB Liability	\$ 1,383,558	\$ 1,247,735	\$ 1,133,448

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 14: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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:

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Net OPEB Liability	\$ 1,195,101	\$ 1,247,735	\$ 1,308,322

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of (\$100,287) 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	\$	26,133	\$	21,028
Change of assumptions		51,711		71,752
Contributions subsequent to the measurement date		82,020		-
Total	\$	159,864	\$	92,780

The balance of \$82,020 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, 2025.

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

For the years ending September 30,

2026	\$	(51,538)
2027		36,602
Total	\$	(14,936)

Note 15: 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 11 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 purchase electricity from the to-be-built FMPA Municipal Solar Projects which began delivering energy to the City in 2025 and 2026. 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 \$1,326,025 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 reduced its participation in the FMPA All Requirements Project to zero Capacity Reduction on Demand (CROD). Since January 1, 2014, the City’s electric utility has received supplemental power under competitively sourced agreements with Orlando Utilities Commission (OUC). The agreements call for OUC to provide capacity and energy to the City’s electric utility system as needed to supplement the City’s existing generation entitlement contracts. Costs associated with power purchases under the agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned.

The current agreement with OUC is for a four-year term beginning January 1, 2019, with the option to extend for up to three additional years, which City and OUC have exercised. City’s Agreement with OUC expires December 31, 2025, after which a new contract effective January 1, 2026 to be sourced via competitive solicitation will be in effect.

During the duration of the contract the City shall maintain a rating on senior unsecured debt securities of City, if any such securities are rated, by Standard and Poor’s Corporation, Moody’s Investors Service, Inc., Fitch IBCA or another nationally recognized rating service reasonably acceptable to OUC of BBB+ or its equivalent, or a rating equivalent to OUC senior unsecured debt securities, whichever is lower. In the event that City issues any senior unsecured debt securities and the rating on such securities falls below such specified minimum rating and City fails to restore its credit rating to such specified minimum rating standing within 12 months after its rating has fallen below the rating described above, City shall within thirty (30) days of a written request by OUC therefor provide a Letter of Credit, cash, bond, or other mutually agreed security sufficient to assure City’s due performance of its purchase and payment obligations under the Agreement.

Litigation, Claims, and Assessments – The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. Included in the legal actions is a breach of contract claim from a former employee related to a prior settlement agreement that the City lost and is currently appealing with a potential exposure of between \$0 and \$10 million. However, in the opinion of the City’s management, the ultimate outcome will not have a material adverse effect on the City’s financial condition.

City of Lake Worth Beach, Florida

Notes to Financial Statements

Note 15: COMMITMENTS AND CONTINGENCIES (CONTINUED)

During the ordinary course of its operation, the City is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the City Attorney, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the City or results of activities.

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

FEMA Grants – The City worked with FEMA to finalize all of the claims filed by the City related to Hurricanes Jeanne, Frances and Wilma in 2004 and 2005. Amounts received or receivable from FEMA are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The City received initial determination letters for all large projects (those with a cost of more than \$57,500) in late December of 2011. The net questioned costs for the three storms were approximately \$2.8 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec 206.206 Federal Regulations, which allows for two appeals.

The U.S. Department of Homeland Security, Office of Inspector General (DHSOIG) conducted an audit of FEMA Disaster Declarations Nos. 1545 (Hurricane Frances), 1561 (Hurricane Jeanne) and 1609 (Hurricane Wilma) between January and May 2012. The purpose of this was to review the findings of the FEMA/State of Florida closeout audits. DHSOIG issued reports to the FEMA Regional Director in November 2012 and December 2012. In July of 2013, the City was notified by the State that there were additional net questioned costs for the three storms which were approximately \$1.1 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec. 206.206 Federal Regulations which allows for two appeals.

At fiscal year-end September 30, 2021, the City recorded an estimated liability of \$3.6 million for amounts that may be due to FEMA (required to be repaid), in the event that the City's aforementioned appeals are unsuccessful. In December 2021, FEMA issued a first-level appeal decision reversing its denial as to \$16,105. After the City filed a second-level appeal, FEMA issued a decision in September 2022, reinstating \$901,138. FEMA denied the remaining costs in dispute, approximately \$3.3 million.

By letter dated February 14, 2024, FEMA advised that it had completed a financial reconciliation of the City's accounts for Hurricanes Frances and Wilma and, after adjusting for offsets associated with the City's Public Assistance Grant award for Hurricane Irma, the amount due by the City is \$1,136,197. In May 2025, FEMA approved the City's request for the 24-month repayment plan option.

Note 16: 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.

City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 16: Self-Insurance Program (Continued)

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, PGIT, with two separate policies issued by property type: non-utility and utility. The non-utility property policy carries a total insured value of approximately \$49 million, while the utility property policy insures approximately \$124 million in value. There is a \$5,000 all other peril deductible and a 5% Named Storm deductible on the non-utility property policy, with the latter being subject to a \$35,000 minimum per occurrence. The utility property policy carries a \$75,000 all other peril deductible, as well as a 5% Named Storm deductible, which is subject to a \$50,000 minimum per occurrence. Due to risk limitations, the City's beach, pier, and lifeguard stands are considered uninsurable by the City's risk pool. Therefore, the cost of repair or replacement to these assets must be absorbed directly by the City unless reimbursement is provided by federal emergency funding.

The City is self-insured for workers' compensation and has a self-insured retention level of \$500,000 per claim, with statutory excess, and \$1,000,000 excess for employer's liability through PGIT. In the past 3 years all workers' compensation claims were within the limit of the policy. There were no significant reductions in coverage during the fiscal year compared to prior year. The City purchased a \$1,000,000 excess third-party liability limit for its general, auto, and public official liability (including employment practices) exposures, with self-insured retentions of \$200,000/\$300,000 for the general and auto liability lines, and \$100,000 for the public official line. 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 \$2,648,000 is reported in the fund at year end.

Changes in the balances of claims payable for 2025 and 2024, are as follows:

<i>For the years ended September 30,</i>	2025	2024
Balance, beginning of year	\$ 3,410,460	\$ 3,757,388
Current year claims and changes in estimate	350,467	124,612
Claims payments	(1,113,017)	(471,540)
Balance, end of year	\$ 2,647,910	\$ 3,410,460

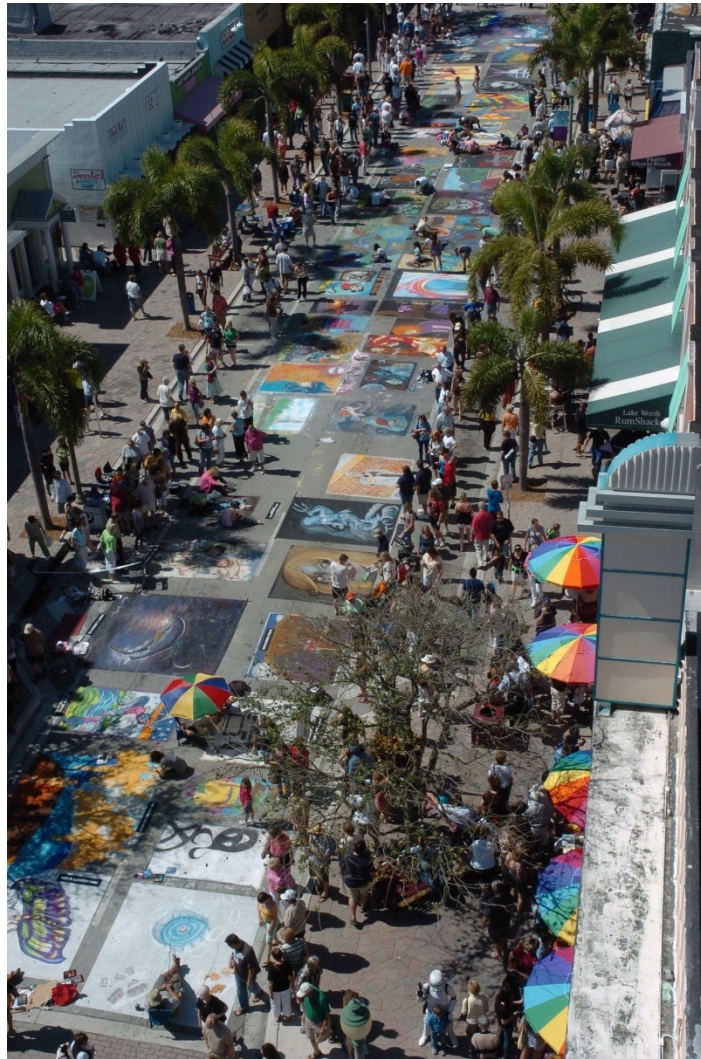
City of Lake Worth Beach, Florida
Notes to Financial Statements

Note 17: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2025 through March 30, 2026, the date the current year's financial statements were available to be issued. The following events occurred:

The Community Redevelopment Agency Board of Commissioners resolved to issue Capital Improvement Revenue Note, Series 2025 for \$3,500,000, to partially fund the development of the South "K" Street Parking Garage.

On January 1, 2026, the OUC agreement was replaced by the FMPA agreement through December 31, 2032.



**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**



City of Lake Worth Beach, Florida Budgetary Comparison Schedule – General Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 17,833,914	\$ 17,833,914	\$ 18,056,342	\$ 222,428
Utility service taxes	4,225,000	4,225,000	5,005,705	780,705
Gas tax	980,000	980,000	954,490	(25,510)
Franchise fees	170,000	170,000	223,118	53,118
Total taxes	23,208,914	23,208,914	24,239,655	1,030,741
Licenses and permits:				
Business	1,065,000	1,065,000	1,082,512	17,512
Non-business	139,000	139,000	158,229	19,229
Total licenses and permits	1,204,000	1,204,000	1,240,741	36,741
Fines and forfeitures:				
Public safety	30,000	30,000	107,032	77,032
Library fines	-	-	214	214
Violations of local ordinances	1,015,000	1,015,000	1,075,167	60,167
Total fines and forfeitures	1,045,000	1,045,000	1,182,413	137,413
Charges for services:				
General government	17,064,476	16,999,476	17,149,759	150,283
Public safety	1,088,325	1,088,325	1,367,580	279,255
Physical environment	45,940	45,940	159,442	113,502
Transportation	68,100	68,100	136,217	68,117
Culture and recreation	68,150	68,150	129,570	61,420
Total charges for services	18,334,991	18,269,991	18,942,568	672,577
Intergovernmental:				
State and other shared revenues	5,456,325	5,456,325	6,990,333	1,534,008
Total intergovernmental	5,456,325	5,456,325	6,990,333	1,534,008
Other revenues:				
Investment income	150,000	150,000	815,448	665,448
Rents and royalties	44,550	44,550	44,202	(348)
Miscellaneous	73,000	328,288	1,197,842	869,554
Total other revenues	267,550	522,838	2,057,492	1,534,654
Total revenues	49,516,780	49,707,068	54,653,202	4,946,134
Expenditures:				
General Government:				
City commission	689,691	688,391	588,429	99,962
City manager	1,084,282	1,219,282	756,404	462,878
City clerk	749,310	749,310	654,430	94,880
Finance	2,919,478	2,940,297	2,680,340	259,957
Internal auditing	214,237	214,237	207,647	6,590
Personnel	584,304	592,222	424,490	167,732
City attorney	644,842	704,842	589,417	115,425
Community development	301,311	303,628	225,060	78,568
Business license	143,968	143,968	110,116	33,852
Building maintenance	6,407,415	6,484,821	5,815,205	669,616
Cost of services	340,100	655,985	365,533	290,452
Total general government	14,078,938	14,696,983	12,417,071	2,279,912

(Continued)

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Lake Worth Beach, Florida

Budgetary Comparison Schedule – General Fund (Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police	19,038,325	10,515,537	10,580,771	(65,234)
Fire	3,854,581	3,818,011	3,815,609	2,402
Building and zoning	1,300,241	1,525,729	1,123,556	402,173
Code and administration	1,807,222	1,801,357	1,376,525	424,832
Total public safety	26,000,369	17,660,634	16,896,461	764,173
Physical environment:				
Cemetery	206,989	210,489	236,774	(26,285)
Grounds maintenance	2,441,299	2,477,587	2,439,211	38,376
Total physical environment	2,648,288	2,688,076	2,675,985	12,091
Transportation:				
Administration	610,121	595,300	509,568	85,732
Streets, drains and sidewalks	1,824,856	1,827,656	1,621,147	206,509
Total transportation	2,434,977	2,422,956	2,130,715	292,241
Culture and recreation:				
Library	946,343	956,930	910,260	46,670
Recreation	3,435,134	3,451,386	2,964,250	487,136
Total culture and recreation	4,381,477	4,408,316	3,874,510	533,806
Capital Outlay:				
Equipment	211,600	260,191	234,690	25,501
Improvements	83,679	83,679	77,850	5,829
Intangible asset from subscription (GASB96)	-	-	132,782	(132,782)
Total capital outlay	295,279	343,870	445,322	(101,452)
Debt service:				
Principal	-	649,498	704,698	(55,200)
Interest	856,577	207,079	268,129	(61,050)
Total debt service	856,577	856,577	972,827	(116,250)
Total expenditures	50,695,905	43,077,412	39,412,891	3,664,521
Excess (deficiency) of revenues over (under) expenditures	(1,179,125)	6,629,656	15,240,311	8,610,655
Other financing sources (uses):				
Subscription	-	-	132,782	132,782
Transfers in	342,150	342,150	-	342,150
Transfers out	(845,000)	(9,450,580)	(10,252,219)	(801,639)
Total other financing sources (uses)	(502,850)	(9,108,430)	(10,119,437)	(326,707)
Net change in fund balance	\$ (1,681,975)	\$ (2,478,774)	5,120,874	\$ 8,283,948
Fund balance – beginning of year, as restated			22,731,790	
Fund balance – end of year			\$ 27,852,664	

Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Lake Worth Beach, Florida
Budgetary Comparison Schedule – Beach Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 4,015,508	\$ 4,015,508	\$ 3,736,934	\$(278,574)
Fines and forfeitures	800,000	800,000	785,216	(14,784)
Investment income	130,000	130,000	282,216	152,216
Miscellaneous	-	-	48,937	48,937
Total revenues	4,945,508	4,945,508	4,853,303	(92,205)
Expenditures:				
Current:				
General government	-	-	-	-
Transportation	1,601,605	1,603,970	1,450,471	153,499
Culture and recreation	2,749,662	2,811,951	2,678,991	132,960
Capital outlay	13,000	10,990	10,966	24
Debt service:				
Principal	673,373	523,651	522,758	893
Interest	-	149,722	150,615	(893)
Total expenditures	5,037,640	5,100,284	4,813,801	286,483
Excess (deficiency) of revenues over (under) expenditures	(92,132)	(154,776)	39,502	194,278
Other financing sources:				
Transfers out	(120,150)	(804,150)	(737,500)	66,650
Total other financing sources	92,132	154,776	(737,500)	(892,276)
Net change in fund balance	\$ -	\$ -	(697,998)	\$(697,998)
Fund balance, beginning of year, as restated			<u>5,336,749</u>	
Fund balance, end of year			<u><u>\$ 4,638,751</u></u>	

Note that this schedule is prepared on a budgetary basis, but it is not different from Generally Accepted Accounting Principles (GAAP) in presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Lake Worth Beach, Florida
Budgetary Comparison Schedule – ARPA Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 10,556,374	\$ 10,556,374
Investment income	-	-	430,085	430,085
Total revenues	-	-	10,986,459	10,986,459
Expenditures:				
Current:				
General government	-	23,000	-	23,000
Public safety	-	8,605,580	8,605,580	-
Total expenditures	-	8,628,580	8,605,580	23,000
Excess (deficiency) of revenues over (under) expenditures	-	(8,628,580)	2,380,879	11,009,459
Other financing sources (uses):				
Transfers out	-	-	(1,942,814)	(1,942,814)
Total other financing sources (uses)	-	8,628,580	(1,942,814)	9,066,645
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	438,065	<u>\$ 438,065</u>
Fund balance (deficit), beginning of year			<u>1,049,874</u>	
Fund balance, end of year			<u><u>\$ 1,487,939</u></u>	

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Lake Worth Beach, Florida
Budgetary Notes to Required Supplementary Information

Note 1: BUDGETARY INFORMATION

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

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

City of Lake Worth Beach, Florida
Schedules of Defined Benefit Pension Plans

Schedule of Changes in Net Pension Liability and Related Ratios
General Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$1,573,338	\$1,566,134	\$1,468,610	\$1,646,777
Interest	7,479,615	7,495,271	7,367,563	7,670,545
Benefit changes	-	-	1,972,829	-
Difference between expected and actual experience	-	(633,794)	-	(2,154,003)
Changes of assumptions	-	-	986,888	(979,354)
Benefit payments, including refunds of member contributions	(8,759,535)	(8,557,401)	(8,615,800)	(8,929,498)
Other	28,234	-	-	-
Net change in total pension liability	321,652	(129,790)	3,180,090	(2,745,533)
Total pension liability - beginning	109,658,080	109,787,870	106,607,780	109,353,313
Total pension liability - ending (a)	109,979,732	109,658,080	109,787,870	106,607,780
Plan Fiduciary Net Position				
Contribution - employer	4,112,865	4,112,865	4,422,607	4,601,944
Contribution - member	1,244,508	1,222,731	1,231,525	1,179,217
Net investment income	12,748,443	6,106,049	(11,264,335)	12,822,725
Benefit payments, including refunds of member contributions	(8,759,535)	(8,557,401)	(8,615,800)	(8,929,498)
Other	(165,048)	(150,032)	(143,727)	(124,254)
Administrative expense	28,234	-	-	-
Net change in plan fiduciary net position	9,209,467	2,734,212	(14,369,730)	9,550,134
Plan fiduciary net position - beginning	71,462,216	68,728,004	83,097,734	73,547,600
Plan fiduciary net position - ending (b)	80,671,683	71,462,216	68,728,004	83,097,734
Net pension liability - ending (a) - (b)	\$ 29,308,049	\$ 38,195,864	\$ 41,059,866	\$ 23,510,046
Plan fiduciary net position as a percentage of the total pension liability	73.35%	65.17%	62.60%	77.95%
Covered payroll	\$19,612,512	\$18,729,934	\$18,321,112	\$17,230,100
Net pension liability as a percentage of covered payroll	149.44%	203.93%	224.11%	136.45%

Note: The dates noted are the fiscal year, the measurement date is one year prior.

City of Lake Worth Beach, Florida
Schedules of Defined Benefit Pension Plans

2021	2020	2019	2018	2017	2016
\$1,490,960	\$1,344,924	\$1,276,370	\$1,264,754	\$1,026,628	\$1,289,330
7,681,848	7,757,646	7,622,289	7,623,881	7,765,990	7,865,429
-	512,928	2,327,011	-	-	-
398,714	(807,331)	217,106	186,801	(2,300,009)	(967,020)
1,016,341	993,106	957,440	2,876,644	-	-
(9,948,781)	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)
-	-	-	-	-	-
639,082	650,937	3,018,064	3,922,581	(2,606,699)	(1,129,203)
108,714,231	108,063,294	105,045,230	101,122,649	103,729,348	104,858,551
109,353,313	108,714,231	108,063,294	105,045,230	101,122,649	103,729,348
4,236,368	4,205,995	3,987,293	4,086,164	4,440,602	4,614,165
1,065,640	1,124,756	1,124,419	1,102,815	848,814	844,870
6,858,745	3,351,987	6,162,213	7,822,485	4,307,428	508,074
(9,948,781)	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)
(147,456)	(140,447)	(141,352)	(124,525)	(142,750)	(128,684)
-	-	-	-	-	-
2,064,516	(608,045)	1,750,421	4,857,440	354,786	(3,478,517)
71,483,084	72,091,129	70,340,708	65,483,268	65,128,482	68,606,999
73,547,600	71,483,084	72,091,129	70,340,708	65,483,268	65,128,482
\$ 35,805,713	\$ 37,231,147	\$ 35,972,165	\$ 34,704,522	\$ 35,639,381	\$ 38,600,866
67.26%	65.75%	66.71%	66.96%	64.76%	62.79%
\$15,834,827	\$15,972,516	\$14,415,632	\$14,138,657	\$10,882,231	\$10,831,667
226.12%	233.10%	249.54%	245.46%	327.50%	356.37%

City of Lake Worth Beach, Florida
Schedules of Defined Benefit Pension Plans

Schedule of Contributions
General Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Actuarially determined contribution	\$ 4,304,566	\$ 4,112,865	\$ 4,112,865	\$ 4,422,607
Contributions in relation to the actuarially determined contributions	4,304,566	4,112,865	4,112,865	4,422,607
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,001,377	\$ 19,612,512	\$ 18,729,934	\$ 18,321,112
Contributions as a percentage of covered payroll	21.5%	21.0%	22.0%	24.1%

2021	2020	2019	2018	2017	2016
\$ 4,601,944	\$ 4,236,368	\$ 4,205,995	\$ 3,987,293	\$ 4,086,164	\$ 4,440,602
4,601,944	4,236,368	4,205,995	3,987,293	4,086,164	4,440,602
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 17,230,100	\$ 15,834,827	\$ 15,972,516	\$ 14,415,632	\$ 14,138,657	\$ 10,882,231
26.7%	26.8%	26.3%	27.7%	28.9%	40.8%

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
Police Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 205,135	\$ 216,966	\$ 219,654	\$ 231,542
Interest	3,378,026	3,544,799	3,529,421	3,648,567
Difference between expected and actual experience	28,116	(1,787,942)	616,756	666,011
Changes of assumptions	208,689	632,947	638,628	(806,211)
Benefit payments, including refunds of member contributions	(5,058,071)	(3,536,523)	(4,293,080)	(5,038,595)
Other	314,148	367,817	296,075	339,815
Net change in total pension liability	(923,957)	(561,936)	1,007,454	(958,871)
Total pension liability - beginning	53,896,794	54,458,730	53,451,276	54,410,147
Total pension liability - ending (a)	52,972,837	53,896,794	54,458,730	53,451,276
Plan Fiduciary Net Position				
Contribution - employer and state	4,260,841	4,319,385	4,206,344	4,215,360
Contribution employee	54,595	63,550	62,459	128,159
Net investment income	7,958,198	2,992,273	(5,781,568)	6,073,410
Benefit payments, including refunds of member contributions	(5,058,071)	(3,536,523)	(4,293,080)	(5,038,595)
Administrative expense	(119,314)	(106,233)	(106,763)	(97,520)
Net change in plan fiduciary net position	7,096,249	3,732,452	(5,912,608)	5,280,814
Plan fiduciary net position - beginning	39,364,857	35,632,405	41,545,013	36,264,199
Plan fiduciary net position - ending (b)	46,461,106	39,364,857	35,632,405	41,545,013
Net pension liability - ending (a) - (b)	\$ 6,511,731	\$ 14,531,937	\$ 18,826,325	\$ 11,906,263
Plan fiduciary net position as a percentage of the total pension liability	87.71%	73.04%	65.43%	77.73%
Covered payroll	\$ 773,298	\$ 900,136	\$ 884,686	\$ 966,547
Net pension liability as a percentage of covered payroll	842.07%	1614.42%	2128.02%	1231.83%

Note: The dates noted are the fiscal year, the measurement date is one year prior.

2021	2020	2019	2018	2017	2016
\$ 233,461 3,711,037	\$ 210,912 3,702,052	\$ 193,882 3,661,397	\$ 229,634 3,713,027	\$ 255,209 3,837,201	\$ 238,693 3,902,610
(144,036) 672,851	24,508 666,720	434,141 656,642	(97,978) 266,889	(655,445) 635,049	287,033 -
(3,804,703) 340,049	(3,680,593) 270,932	(3,678,987) 295,992	(4,422,363) 235,027	(5,427,902) 209,050	(5,567,874) 209,050
1,008,659 53,401,488	1,194,531 52,206,957	1,563,067 50,643,890	(75,764) 50,719,654	(1,146,838) 51,866,492	(930,488) 52,796,980
54,410,147	53,401,488	52,206,957	50,643,890	50,719,654	51,866,492
3,647,981 75,013 3,137,775	3,233,586 73,571 1,451,429	3,119,402 68,521 2,189,339	3,013,393 73,533 3,021,517	2,882,783 169,346 1,744,263	2,773,209 102,916 449,322
(3,804,703) (97,657)	(3,680,593) (100,691)	(3,678,987) (91,942)	(4,422,363) (91,961)	(5,427,902) (94,732)	(5,567,874) (89,064)
2,958,409 33,305,790	977,302 32,328,488	1,606,333 30,722,155	1,594,119 29,128,036	(726,242) 29,854,278	(2,331,491) 32,185,769
36,264,199	33,305,790	32,328,488	30,722,155	29,128,036	29,854,278
\$ 18,145,948	\$ 20,095,698	\$ 19,878,469	\$ 19,921,735	\$ 21,591,618	\$ 22,012,214
66.65%	62.37%	61.92%	60.66%	57.43%	57.56%
\$ 1,071,183	\$ 1,042,087	\$ 970,555	\$ 1,041,543	\$ 1,275,960	\$ 1,250,989
1694.01%	1928.41%	2048.15%	1912.71%	1692.19%	1759.58%

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

Schedule of Contributions
Police Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Actuarially determined contribution	\$ 4,081,528	\$ 3,946,693	\$ 3,951,568	\$ 3,910,269
Contributions in relation to the actuarially determined contributions	4,081,528	3,946,693	3,951,568	3,910,269
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 708,932	\$ 773,298	\$ 900,136	\$ 884,686
Contributions as a percentage of covered payroll	575.7%	510.4%	439.0%	442.0%

2021	2020	2019	2018	2017	2016
\$ 3,935,466	\$ 3,307,932	\$ 3,233,586	\$ 2,742,005	\$ 2,696,961	\$ 2,615,683
3,935,466	3,307,932	3,233,586	2,823,410	2,778,366	2,673,733
\$ -	\$ -	\$ -	\$ (81,405)	\$ (81,405)	\$ (58,050)
\$ 966,547	\$ 1,071,183	\$ 1,042,087	\$ 970,555	\$ 1,041,543	\$ 1,275,960
407.2%	308.8%	310.3%	290.9%	266.8%	209.5%

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
Firefighter Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 49,258	\$ 47,496	\$ 88,985	\$ 116,494
Interest	4,226,495	4,350,292	4,419,682	4,538,137
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(3,552)	(927,612)	140,211	297,992
Changes of assumptions	-	-	769,244	(1,194,501)
Benefit payments, including refunds of member contributions	(5,679,858)	(4,970,809)	(4,357,970)	(5,356,076)
Other	-	11,343	316,920	381,560
Net change in total pension liability	(1,407,657)	(1,489,290)	1,377,072	(1,216,394)
Total pension liability - beginning	65,872,684	67,361,974	65,984,902	67,201,296
Total pension liability - ending (a)	64,465,027	65,872,684	67,361,974	65,984,902
Plan Fiduciary Net Position				
Contribution - employer and state	3,622,350	3,632,101	3,649,567	3,457,426
Contribution employee	15,225	14,591	17,436	31,675
Net investment income	11,063,780	4,601,886	(9,166,175)	9,655,107
Benefit payments, including refunds of member contributions	(5,679,858)	(4,970,809)	(4,357,970)	(5,356,076)
Administrative expense	(103,456)	(101,298)	(88,312)	(92,173)
Rollover	-	11,343	316,920	381,560
Net change in plan fiduciary net position	8,918,041	3,187,814	(9,628,534)	8,077,519
Plan fiduciary net position - beginning	52,509,010	49,321,196	58,949,730	50,872,211
Plan fiduciary net position - ending (b)	61,427,051	52,509,010	49,321,196	58,949,730
Net pension liability - ending (a) - (b)	\$ 3,037,976	\$ 13,363,674	\$ 18,040,778	\$ 7,035,172
Plan fiduciary net position as a percentage of the total pension liability	95.29%	79.71%	73.22%	89.34%
Covered payroll	\$ 135,338	\$ 129,698	\$ 151,045	\$ 284,938
Net pension liability as a percentage of covered payroll	2244.73%	10303.69%	11943.98%	2469.02%

Note: The dates noted are the fiscal year, the measurement date is one year prior.

2021	2020	2019	2018	2017	2016
\$ 135,109 4,637,539 (856)	\$ 241,178 4,680,993 -	\$ 260,076 4,749,735 -	\$ 285,547 4,762,802 -	\$ 302,838 4,650,666 -	\$ 332,003 4,483,334 -
(515,400) 624,869	(61,252) 621,002	(544,886) 613,640	(322,397) 185,206	120,719 608,377	198,870 978,453
(4,811,072) -	(4,563,512) 97,844	(5,341,813) 424,869	(4,213,072) 1,531,430	(3,877,251) 547,964	(3,184,398) 1,101,767
70,189 67,131,107	1,016,253 66,114,854	161,621 65,953,233	2,229,516 63,723,717	2,353,313 61,370,404	3,910,029 57,460,375
67,201,296	67,131,107	66,114,854	65,953,233	63,723,717	61,370,404
3,243,971 50,167 5,476,803	2,872,622 169,763 1,487,404	2,794,091 84,971 4,981,565	2,811,277 105,985 4,306,470	2,709,016 108,980 2,748,904	2,550,030 118,270 (828,763)
(4,811,072) (90,029) -	(4,563,512) (86,312) -	(5,341,813) (84,970) 424,869	(4,213,072) (70,801) 1,531,430	(3,877,251) (80,852) 547,964	(3,184,398) (92,510) 1,101,767
3,869,840 47,002,371	(120,035) 47,122,406	2,858,713 44,263,693	4,471,289 39,792,404	2,156,761 37,635,643	(335,604) 37,971,247
50,872,211	47,002,371	47,122,406	44,263,693	39,792,404	37,635,643
\$ 16,329,085	\$ 20,128,736	\$ 18,992,448	\$ 21,689,540	\$ 23,931,313	\$ 23,734,761
75.70%	70.02%	71.27%	67.11%	62.45%	61.33%
\$ 445,929	\$ 639,283	\$ 755,301	\$ 942,090	\$ 968,706	\$ 1,050,059
3661.81%	3148.64%	2514.55%	2302.28%	2470.44%	2260.33%

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

Schedule of Contributions
Firefighter Employees
Last Ten Fiscal Years

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Actuarially determined contribution	\$ 3,744,993	\$ 3,622,350	\$ 3,632,101	\$ 3,649,567
Contributions in relation to the actuarially determined contributions	3,744,993	3,622,350	3,632,101	3,649,567
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 139,736	\$ 135,338	\$ 129,698	\$ 151,045
Contributions as a percentage of covered payroll	2680.0%	2676.5%	2800.4%	2416.2%

2021	2020	2019	2018	2017	2016
\$ 3,457,426	\$ 3,243,971	\$ 2,872,622	\$ 2,794,091	\$ 2,811,277	\$ 2,709,016
3,457,426	3,243,971	2,872,622	2,794,091	2,811,277	2,709,016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 284,938	\$ 445,929	\$ 639,283	\$ 755,301	\$ 942,090	\$ 968,706
1213.4%	727.5%	449.4%	369.9%	298.4%	279.7%

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

NOTES TO REQUIRED PENSION SUPPLEMENTARY INFORMATION:

Note 1: PLAN CHANGES IN BENEFIT TERMS

There have been no changes in benefits since the prior valuation of all three pension plans.

Note 2: CHANGES OF ASSUMPTIONS

There have been no changes in assumptions since the prior valuation of all three pension plans.

Note 3: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Notes to Schedule - General Employees

Valuation Date: 10/1/23

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization method	14 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%
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Regular Class members in their July 1, 2022 actuarial valuation (with mortality improvements projected for nondisabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

City of Lake Worth Beach, Florida Required Pension Supplementary Information

Notes to Schedule - Police

Valuation Date: 10/1/23

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization method	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.5%, including inflation
Investment rate of return	6.50%
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk employees in their July 1, 2022 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Notes to Schedule - Firefighters

Valuation Date: 10/1/23

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization method	10 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.5%, including inflation
Investment rate of return	6.70%
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk class members in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

City of Lake Worth Beach, Florida
Required Pension Supplementary Information

Note 4: MONEY-WEIGHTED RATE OF RETURN

This schedule is intended to provide information about the actual performance of the pension plan's investment portfolio because it takes into account the effects of transactions that increase the amount of pension plan investments (such as contributions from employers, non-employer contributing entities, and plan members) and those that decrease the amount of pension plan investments (such as benefit payments).

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
2025	10.10 %	10.84 %	12.40 %
2024	18.02	19.14	21.35
2023	9.27	8.41	9.83
2022	(13.87)	(14.16)	(15.67)
2021	19.03	18.60	20.28
2020	10.54	10.38	11.54
2019	4.91	4.98	3.46
2018	9.63	8.15	11.92
2017	12.84	11.44	11.14
2016	7.30	6.76	7.51



City of Lake Worth Beach, Florida
Required Other Postemployment Benefits Supplementary Information

<i>As of and for the year ended September 30,</i>	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 20,235	\$ 23,330	\$ 39,496	\$ 34,219
Interest	52,504	53,169	41,045	46,166
Changes of benefit term	-	-	131,492	-
Difference between expected and actual experience	39,200	-	(178,744)	-
Changes of assumptions or other inputs	77,567	(25,541)	(524,378)	41,493
Benefit payments	(111,064)	(133,447)	(183,678)	(153,445)
Net change in total OPEB liability	78,442	(82,489)	(674,767)	(31,567)
Total OPEB liability - beginning	1,169,293	1,251,782	1,926,549	1,958,116
Total OPEB liability - ending	\$ 1,247,735	\$ 1,169,293	\$ 1,251,782	\$ 1,926,549
Covered payroll	\$ 18,190,187	\$ 24,713,810	\$ 19,533,451	\$ 18,038,343
Total OPEB liability as a percentage of covered payroll	6.86%	4.73%	6.41%	10.68%

* GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

City of Lake Worth Beach, Florida

Required Other Postemployment Benefits Supplementary Information

2021	2020	2019	2018
\$ 30,431	\$ 28,506	\$ 21,674	\$ 21,929
56,531	76,947	63,806	62,760
-	-	184,337	-
(182,151)	-	141,142	-
154,785	189,844	7,230	(63,321)
(253,448)	(247,744)	(230,272)	(214,928)
(193,852)	47,553	187,917	(193,560)
2,151,968	2,104,415	1,916,498	2,110,058
<u>\$ 1,958,116</u>	<u>\$ 2,151,968</u>	<u>\$ 2,104,415</u>	<u>\$ 1,916,498</u>
\$ 19,192,059	\$ 19,767,821	\$ 19,192,059	\$ 19,430,154
10.20%	10.89%	10.97%	9.86%



OTHER SUPPLEMENTARY INFORMATION

City of Lake Worth Beach, Florida Nonmajor Governmental Funds

Special Revenue Funds

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

Public Education - To account for revenues and expenditures associated with educational initiatives.

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

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

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

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

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

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

Library Tust - To account for the receipt and disbursement of monies for the library.

Law Enforcement and Firefighters Education - To account for state contributions for police and firefighter education and the expenditures incurred.

Law Enforcement Confiscated Property - 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 (Continued)

Special Revenue Funds (Continued)

Electric Utility Storm - To account for reserve set aside for responding to storm-related damages and emergencies for the electric fund. The primary purpose of this fund includes, but is not limited to, financing infrastructure repairs, equipment replacement, and covering emergency response costs, with the ultimate goal of maintaining the continuity and reliability of electric utility services during and after storm events.

Capital Projects Funds

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

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

Neighborhood Road Program - 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.

Recovery Capital Project - The Recovery Capital Project Fund is a capital projects fund that was established to account for and manage projects previously funded with unrestricted ARPA funds without restriction or financial deadlines.

Debt Service Funds

General Obligation Bond (GOB) - To account for principal and interest costs on the GOB series 2017 and 2018 which is funded by property taxes.

City of Lake Worth Beach, Florida
Combining Balance Sheet – Nonmajor Governmental Funds

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<i>September 30, 2025</i>				
Assets				
Cash and cash equivalents	\$ 6,070,972	\$ 2,363,440	\$ 19,340,571	\$ 27,774,983
Investments	4,338,981	-	5,958,072	10,297,053
Accounts receivable, net	254,153	-	98,694	352,847
Lease receivable	49,522	-	2,464,760	2,514,282
Accrued interest and other	27,661	-	29,624	57,285
Due from other governments	718,376	-	-	718,376
Inventories	11,832	-	-	11,832
Land held for resale	111,589	-	-	111,589
Restricted cash and cash equivalents	23,019	-	-	23,019
Restricted investments	-	-	1,272,980	1,272,980
Total assets	\$ 11,606,105	\$ 2,363,440	\$ 29,164,701	\$ 43,134,246
Liabilities				
Accounts and contracts payable	\$ 20,224	\$ -	\$ 615,082	\$ 635,306
Accrued liabilities	36,711	-	-	36,711
Due to other funds	583,946	-	-	583,946
Unearned revenue	106,261	-	-	106,261
Total liabilities	747,142	-	615,082	1,362,224
Deferred inflows of resources:				
Deferred inflows from leases	48,853	-	2,304,332	2,353,185
Deferred inflows from grants	718,375	-	-	718,375
Total deferred inflows of resources	767,228	-	2,304,332	3,071,560
Fund balances				
Non Spendable				
Inventories	11,832	-	-	11,832
Land held for resale	111,589	-	-	111,589
Restricted				
Capital Projects	23,019	-	-	23,019
Public Safety	3,489,878	-	-	3,489,878
Rate Stabilization	501,390	-	-	501,390
Electric Utility Storm	2,091,938	-	-	2,091,938
Parking Improvement	79,548	-	-	79,548
Grants	1,530,886	-	-	1,530,886
Tree Preservation	73,684	-	-	73,684
Energy conservation	207,803	-	-	207,803
Culture and Recreation	1,970,168	-	-	1,970,168
Debt service	-	2,363,440	-	2,363,440
Assigned				
Capital Projects	-	-	26,245,287	26,245,287
Total fund balances	10,091,735	2,363,440	26,245,287	38,700,462
Total liabilities, fund balances, and other credits	\$ 11,606,105	\$ 2,363,440	\$ 29,164,701	\$ 43,134,246

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Governmental Funds

<i>For the year ended September 30, 2025</i>	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental	\$ 186,996	\$ -	\$ -	\$ 186,996
Property taxes	-	3,017,743	-	3,017,743
Other local taxes	-	-	708,262	708,262
Charges for services	3,589,296	-	239,201	3,828,497
Licenses and permits	1,561,149	-	-	1,561,149
Interest and other	395,171	56,466	775,974	1,227,611
Miscellaneous revenue	71,253	-	19,948	91,201
Total revenues	5,803,865	3,074,209	1,743,385	10,621,459
Expenditures				
Current				
General government	280,148	-	173,364	453,512
Public safety	2,011,072	-	-	2,011,072
Transportation	85	-	-	85
Culture and recreation	1,504,059	-	-	1,504,059
Debt service				
Principal	69,967	935,000	-	1,004,967
Interest and fiscal agent fees	3,869	1,222,338	-	1,226,207
Capital outlay	3,514	-	5,179,403	5,182,917
Total expenditures	3,872,714	2,157,338	5,352,767	11,382,819
Excess (deficiency) of revenues over (under) expenditures	1,931,151	916,871	(3,609,382)	(761,360)
Other Financing Sources (Uses)				
Transfers in	-	-	15,061,078	15,061,078
Transfers out	(1,745,762)	-	-	(1,745,762)
Proceeds from capital asset disposal	-	-	340,150	340,150
Total other financing sources (uses)	(1,745,762)	-	15,401,228	13,655,466
Net change in fund balances	185,389	916,871	11,791,846	12,894,106
Fund balances, beginning of year	9,907,332	1,446,569	14,349,208	25,703,109
Prior period adjustment	(986)	-	104,233	103,247
Fund balances, beginning of year, as restated	9,906,346	1,446,569	14,453,441	25,806,356
Fund balances, end of year	\$ 10,091,735	\$ 2,363,440	\$ 26,245,287	\$ 38,700,462

City of Lake Worth Beach, Florida
Combining Balance Sheet –
Nonmajor Special Revenue Funds

<i>September 30, 2025</i>	Special Revenue Funds			
	Building Permit	Public Education Fund	Electric Utility Rate Stabilization Fund	Golf
Assets				
Cash and cash equivalents	\$ -	\$ 82,326	\$ 501,390	\$ 1,786,352
Investments	3,439,973	-	-	-
Restricted cash and cash equivalents	-	-	-	23,019
Accounts receivable, net	-	-	-	-
Lease receivable	-	-	-	49,522
Accrued interest and other	23,259	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	11,832
Land held for resale	-	-	-	-
Total assets	\$ 3,463,232	\$ 82,326	\$ 501,390	\$ 1,870,725
Liabilities				
Accounts and contracts payable	\$ 13,268	\$ -	\$ -	\$ 4,836
Accrued liabilities	25,636	-	-	10,619
Due to other funds	500,629	-	-	-
Unearned revenue	43,698	-	-	62,563
Total liabilities	583,231	-	-	78,018
Deferred inflows of resources:				
Deferred inflows from leases	-	-	-	48,853
Deferred inflows from grants	-	-	-	-
Total deferred inflows of resources	-	-	-	48,853
Fund balances				
Non Spendable				
Inventories	-	-	-	11,832
Land held for resale	-	-	-	-
Restricted				
Capital Projects	-	-	-	23,019
Public Safety	2,880,001	-	-	-
Rate Stabilization	-	-	501,390	-
Electric Utility Storm	-	-	-	-
Parking Improvement	-	-	-	-
Grants	-	-	-	-
Tree Perservation	-	-	-	-
Energy conservation	-	-	-	-
Culture and Recreation	-	82,326	-	1,709,003
Total fund balances	2,880,001	82,326	501,390	1,743,854
Total liabilities and fund balances	\$ 3,463,232	\$ 82,326	\$ 501,390	\$ 1,870,725

City of Lake Worth Beach, Florida
Combining Balance Sheet –
Nonmajor Special Revenue Funds (Continued)

Parking Improvement		Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust
\$	27,191	\$ -	\$ 1,530,885	\$ 73,684	\$ 169	\$ 19,501
	52,119	520,171	-	-	206,692	109,750
	-	-	-	-	-	-
	-	2,200	-	-	-	-
	-	-	-	-	-	-
	254	2,559	-	-	1,007	531
	-	-	718,376	-	-	-
	-	-	-	-	-	-
	-	111,589	-	-	-	-
\$	79,564	\$ 636,519	\$ 2,249,261	\$ 73,684	\$ 207,868	\$ 129,782
\$	16	\$ 2,104	\$ -	\$ -	\$ -	\$ -
	-	163	-	-	65	34
	-	83,317	-	-	-	-
	-	-	-	-	-	-
	16	85,584	-	-	65	34
	-	-	-	-	-	-
	-	-	718,375	-	-	-
	-	-	718,375	-	-	-
	-	-	-	-	-	-
	-	111,589	-	-	-	-
	-	-	-	-	-	-
	-	439,346	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	79,548	-	-	-	-	-
	-	-	1,530,886	-	-	-
	-	-	-	73,684	-	-
	-	-	-	-	207,803	-
	-	-	-	-	-	129,748
79,548	550,935	1,530,886	73,684	207,803	129,748	
\$	79,564	\$ 636,519	\$ 2,249,261	\$ 73,684	\$ 207,868	\$ 129,782

City of Lake Worth Beach, Florida
Combining Balance Sheet –
Nonmajor Special Revenue Funds (Continued)

Library Trust		Law Enforcement and Firefighters Education		Law Enforcement Confiscated Property		Electric Utility Storm Fund		Total Nonmajor Special Revenue Funds
\$	49,282	\$	131,041	\$	29,166	\$	1,839,985	\$ 6,070,972
	-		-		10,276		-	4,338,981
	-		-		-		-	23,019
	-		-		-		251,953	254,153
	-		-		-		-	49,522
	-		-		51		-	27,661
	-		-		-		-	718,376
	-		-		-		-	11,832
	-		-		-		-	111,589
\$	49,282	\$	131,041	\$	39,493	\$	2,091,938	\$ 11,606,105
\$	-	\$	-	\$	-	\$	-	\$ 20,224
	191		-		3		-	36,711
	-		-		-		-	583,946
	-		-		-		-	106,261
	191		-		3		-	747,142
	-		-		-		-	48,853
	-		-		-		-	718,375
	-		-		-		-	767,228
	-		-		-		-	11,832
	-		-		-		-	111,589
	-		-		-		-	23,019
	-	131,041		39,490			-	3,489,878
	-		-		-		-	501,390
	-		-		-	2,091,938		2,091,938
	-		-		-		-	79,548
	-		-		-		-	1,530,886
	-		-		-		-	73,684
	-		-		-		-	207,803
	49,091		-		-		-	1,970,168
	49,091		131,041		39,490		2,091,938	10,091,735
\$	49,282	\$	131,041	\$	39,493	\$	2,091,938	\$ 11,606,105



City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Special Revenue Funds

<i>For the year ended</i> <i>September 30, 2025</i>	Special Revenue Funds			
	Building Permit	Public Education Fund	Electric Utility Rate Stabilization Fund	Golf
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	2,041,157
Licenses and permits	1,561,149	-	-	-
Interest and other	157,242	2,692	68,779	55,033
Miscellaneous revenue	160	-	-	2,432
Total revenues	1,718,551	2,692	68,779	2,098,622
Expenditures				
Current				
General government	130,707	-	-	129,855
Public safety	1,935,216	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	1,488,927
Capital outlay	3,514	-	-	-
Debt service				
Principal	-	-	-	69,967
Interest	-	-	-	3,869
Total expenditures	2,069,437	-	-	1,692,618
Excess of revenues over expenditures	(350,886)	2,692	68,779	406,004
Other Financing Sources				
Transfers out	-	-	(1,745,762)	-
Total other financing sources	-	-	(1,745,762)	-
Net change in fund balances	(350,886)	2,692	(1,676,983)	406,004
Fund balances, beginning of year	3,230,887	79,634	2,178,373	1,338,836
Prior Period adjustment (See Note 2)	-	-	-	(986)
Fund balances, end of year	\$ 2,880,001	\$ 82,326	\$ 501,390	\$ 1,743,854

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Special Revenue Funds (Continued)

Parking Improvement			Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust
\$	-	\$	-	\$ 179,157	\$ -	\$ -	\$ -
	-		-	-	-	-	-
	-		-	-	-	-	-
	2,904		20,103	41,955	1,578	4,856	4,878
	-		34,458	-	28,840	363	-
	2,904		54,561	221,112	30,418	5,219	4,878
	-		-	-	-	445	179
	-		75,839	-	-	-	-
	85		-	-	-	-	-
	-		-	15,132	-	-	-
	-		-	-	-	-	-
	-		-	-	-	-	-
	85		75,839	15,132	-	445	179
	2,819		(21,278)	205,980	30,418	4,774	4,699
	-		-	-	-	-	-
	-		-	-	-	-	-
	2,819		(21,278)	205,980	30,418	4,774	4,699
	76,729		572,213	1,324,906	43,266	203,029	125,049
	-		-	-	-	-	-
\$	79,548	\$	550,935	\$ 1,530,886	\$ 73,684	\$ 207,803	\$ 129,748

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Special Revenue Funds (Continued)

	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Electric Utility Storm Fund	Total Nonmajor Special Revenue Funds
\$	-	\$ 7,839	\$ -	\$ -	\$ 186,996
	-	-	-	1,548,139	3,589,296
	-	-	-	-	1,561,149
	1,950	4,089	1,355	27,757	395,171
	5,000	-	-	-	71,253
	6,950	11,928	1,355	1,575,896	5,803,865
	15,533	-	-	3,429	280,148
	-	-	17	-	2,011,072
	-	-	-	-	85
	-	-	-	-	1,504,059
	-	-	-	-	3,514
	-	-	-	-	69,967
	-	-	-	-	3,869
	15,533	-	17	3,429	3,872,714
	(8,583)	11,928	1,338	1,572,467	1,931,151
	-	-	-	-	(1,745,762)
	-	-	-	-	(1,745,762)
	(8,583)	11,928	1,338	1,572,467	185,389
	57,674	119,113	38,152	519,471	9,907,332
	-	-	-	-	(986)
\$	49,091	\$ 131,041	\$ 39,490	\$ 2,091,938	\$ 10,091,735

City of Lake Worth Beach, Florida
Combining Balance Sheet –
Nonmajor Capital Projects Funds

	Capital Project Funds				Total Nonmajor Capital Projects Funds
<i>September 30, 2025</i>	Park of Commerce	Capital Projects	Neighbourhood Road Program	Recovery Capital Project	
Assets					
Cash and cash equivalents	\$ 879,117	\$ 10,136,201	\$ 654,981	\$ 7,670,272	\$ 19,340,571
Investments	4,860,776	1,097,296	-	-	5,958,072
Restricted investments	-	-	1,272,980	-	1,272,980
Accounts receivable, net	-	98,694	-	-	98,694
Accrued interest and other	24,167	5,457	-	-	29,624
Lease receivable	-	2,464,760	-	-	2,464,760
Total assets	\$ 5,764,060	\$ 13,802,408	\$ 1,927,961	\$ 7,670,272	\$ 29,164,701
Liabilities and Fund Balances					
Liabilities					
Accounts and Contracts payable	\$ 1,520	\$ 560,988	\$ -	\$ 52,574	\$ 615,082
Total liabilities	1,520	560,988	-	52,574	615,082
Deferred Inflows of Resources					
Deferred inflows from leases	-	2,304,332	-	-	2,304,332
Total deferred inflows	-	2,304,332	-	-	2,304,332
Fund balances					
Assigned to Capital Projects	5,762,540	10,937,088	1,927,961	7,617,698	26,245,287
Total fund balances	5,762,540	10,937,088	1,927,961	7,617,698	26,245,287
Total liabilities and fund balances	\$ 5,764,060	\$ 13,802,408	\$ 1,927,961	\$ 7,670,272	\$ 29,164,701

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Nonmajor Capital Projects Funds

<i>For the year ended September 30, 2025</i>	Capital Project Funds				Total Nonmajor Capital Projects Funds
	Park of Commerce	Capital Projects	Neighbourhood Road Program Fund	Recovery Capital Project	
Revenues					
Other local taxes	\$ -	\$ 708,262	\$ -	\$ -	\$ 708,262
Charges for services	-	239,201	-	-	239,201
Interest and other	216,599	247,266	77,499	234,610	775,974
Miscellaneous revenue	-	57	-	19,891	19,948
Total revenues	216,599	1,194,786	77,499	254,501	1,743,385
Expenditures					
Current					
General government	7,916	2,571	-	162,877	173,364
Capital outlay	-	4,099,897	-	1,079,506	5,179,403
Total expenditures	7,916	4,102,468	-	1,242,383	5,352,767
Excess (deficiency) of revenues over (under) expenditures	208,683	(2,907,682)	77,499	(987,882)	(3,609,382)
Other Financing Sources					
Proceeds from capital asset disposal	-	340,150	-	-	340,150
Transfers in	-	6,455,498	-	8,605,580	15,061,078
Total other financing sources	-	6,795,648	-	8,605,580	15,401,228
Net change in fund balances	208,683	3,887,966	77,499	7,617,698	11,791,846
Fund balances, beginning of year	5,553,857	6,944,889	1,850,462	-	14,349,208
Prior period adjustment (See Note 2)	-	104,233	-	-	104,233
Fund balances, end of year	\$ 5,762,540	\$ 10,937,088	\$ 1,927,961	\$ 7,617,698	\$ 26,245,287

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Building Permit Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 1,502,000	\$ 1,502,000	\$ 1,561,149	\$ 59,149
Investment income	100,000	100,000	157,242	57,242
Miscellaneous	-	-	160	160
Total revenues	1,602,000	1,602,000	1,718,551	116,551
Expenditures:				
Current:				
General government	108,213	108,213	130,707	(22,494)
Public safety	2,733,360	2,853,730	1,935,216	918,514
Capital outlay	129,000	133,099	3,514	129,585
Total expenditures	2,970,573	3,095,042	2,069,437	1,025,605
Excess (deficiency) of revenues over (under) expenditures	(1,368,573)	(1,493,042)	(350,886)	1,142,156
Other financing sources (uses):				
Transfers out	(20,000)	(20,000)	-	20,000
Total other financing sources (uses)	(20,000)	(20,000)	-	20,000
Net change in fund balance	\$ (1,388,573)	\$ (1,513,042)	(350,886)	\$ 1,162,156
Fund balance, beginning of year			3,230,887	
Fund balance, end of year			\$ 2,880,001	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Golf Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,864,620	\$ 1,864,620	\$ 2,041,157	\$ 176,537
Investment income	25,000	25,000	55,033	30,033
Miscellaneous	10,000	10,000	2,432	(7,568)
Total revenues	1,899,620	1,899,620	2,098,622	199,002
Expenditures:				
Current:				
General government	129,855	129,855	129,855	-
Culture and recreation	1,783,134	1,783,134	1,488,927	294,207
Debt service:				
Principal	7,477	5,944	69,967	(64,023)
Interest	-	1,533	3,869	(2,336)
Total expenditures	1,920,466	1,920,466	1,692,618	227,848
Excess (deficiency) of revenues over (under) expenditures	(20,846)	(20,846)	406,004	426,850
Other financing sources (uses):				
Transfers out	(65,000)	(65,000)	-	65,000
Total other financing sources (uses)	(65,000)	(65,000)	-	65,000
Net change in fund balance	\$ (85,846)	\$ (85,846)	406,004	\$ 491,850
Fund balance, beginning of year			1,337,850	
Fund balance, end of year			<u>\$ 1,743,854</u>	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Code Remediation Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 15,000	\$ 15,000	\$ 20,103	\$ 5,103
Miscellaneous	190,000	190,000	34,458	(155,542)
Total revenues	205,000	205,000	54,561	(150,439)
Expenditures:				
Current:				
Public safety	203,150	203,150	75,839	127,311
Total expenditures	203,150	203,150	75,839	127,311
Excess (deficiency) of revenues over (under) expenditures	1,850	1,850	(21,278)	(23,128)
Net change in fund balance	\$ -	\$ -	(21,278)	\$ (21,278)
Fund balance, beginning of year			572,213	
Fund balance, end of year			<u>\$ 550,935</u>	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Governmental Obligation (GOB) Debt Service Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Property taxes	\$ 2,979,121	\$ 2,979,121	\$ 3,017,743	\$ 38,622
Investment income	-	-	56,466	56,466
Total revenues	<u>2,979,121</u>	<u>2,979,121</u>	<u>3,074,209</u>	<u>95,088</u>
Expenditures:				
Debt service:				
Principal	935,000	935,000	935,000	-
Interest	1,222,338	1,222,338	1,222,338	-
Total expenditures	<u>2,157,338</u>	<u>2,157,338</u>	<u>2,157,338</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,663,283</u>	<u>1,663,283</u>	<u>916,871</u>	<u>95,088</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>916,871</u>	<u>\$ 95,088</u>
Fund balance, beginning of year			1,446,569	
Fund balance, end of year			<u>\$ 2,363,440</u>	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Discretionary Sales Tax Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Sales tax	\$ -	\$ -	\$ 4,453,072	\$ 4,453,072
Investment income	-	-	563,333	563,333
Total revenues	-	-	5,016,405	5,016,405
Expenditures:				
Current:				
General government	-	-	7,107	(7,107)
Total expenditures	-	-	7,107	(7,107)
Excess (deficiency) of revenues over (under) expenditures	-	-	5,009,298	5,009,298
Other financing sources (uses):				
Transfers out	(2,981,745)	(3,676,954)	(3,676,954)	-
Total other financing sources (uses)	-	-	(3,676,954)	(3,676,954)
Net change in fund balance	\$ -	\$ -	1,332,344	\$ 1,332,344
Fund balance, beginning of year			16,184,349	
Fund balance, end of year			<u>\$ 17,516,693</u>	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Capital Projects Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Utility and other taxes	\$ -	\$ -	\$ 708,262	\$ 708,262
Charges for services	-	-	239,201	239,201
Investment income	-	-	247,266	247,266
Miscellaneous	-	-	57	57
Total revenues	-	-	1,194,786	1,194,786
Expenditures:				
Current:				
General government	-	-	2,571	(2,571)
Capital outlay	16,602,990	17,298,199	4,099,897	13,198,302
Total expenditures	16,602,990	17,298,199	4,102,468	13,195,731
Excess (deficiency) of revenues over (under) expenditures	(16,602,990)	(17,298,199)	(2,907,682)	14,390,517
Other financing sources (uses):				
Transfers in	4,830,831	5,526,040	6,455,498	929,458
Sale of capital assets	-	-	340,150	340,150
Total other financing source	4,830,831	5,526,040	6,795,648	1,269,608
Net change in fund balance	\$ (11,772,159)	\$ (11,772,159)	3,887,966	\$ 15,660,125
Fund balance, beginning of year			7,049,122	
Fund balance, end of year			<u>\$ 10,937,088</u>	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Neighborhood Road Program Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 77,499	\$ 77,499
Total revenues	-	-	77,499	77,499
Expenditures:				
Capital outlay	1,579,925	1,579,925	-	1,579,925
Total expenditures	1,579,925	1,579,925	-	1,579,925
Excess (deficiency) of revenues over (under) expenditures	(1,579,925)	(1,579,925)	77,499	1,657,424
Net change in fund balance	\$ (1,579,925)	\$ (1,579,925)	77,499	\$ 1,657,424
Fund balance, beginning of year			1,850,462	
Fund balance, end of year			\$ 1,927,961	

City of Lake Worth Beach, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Recovery Capital Project Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final Budget		
Revenues:				
Investment income	\$ -	\$ -	\$ 234,610	\$ 234,610
Miscellaneous	-	-	19,891	19,891
Total revenues	-	-	254,501	254,501
Expenditures:				
Current:				
General government	-	-	162,877	(162,877)
Capital outlay	-	8,605,580	1,079,506	7,526,074
Total expenditures	-	8,605,580	1,242,383	7,363,197
Excess (deficiency) of revenues over (under) expenditures	-	(8,605,580)	(987,882)	7,617,698
Other financing sources (uses):				
Transfers in	-	8,605,580	8,605,580	-
Total other financing sources (uses)	-	8,605,580	8,605,580	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	7,617,698	<u>\$ 7,617,698</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ 7,617,698</u>	

City of Lake Worth Beach, Florida Nonmajor Enterprise Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

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 - 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

<i>September 30, 2025</i>	Business-type Activities - Enterprise Funds		Total
	Stormwater Utility	Refuse Collection and Disposal	Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 1,500,993	\$ 1,176,159	\$ 2,677,152
Investments	4,294,464	8,218,461	12,512,925
Accounts receivable	-	592,323	592,323
Interest receivable	20,213	39,842	60,055
Due from other governments	449,635	-	449,635
Total unrestricted current assets	6,265,305	10,026,785	16,292,090
Noncurrent assets			
Restricted noncurrent assets			
Cash and cash equivalents	36,225	49,396	85,621
Investments	2,820,715	-	2,820,715
Capital assets			
Non-depreciable	2,940,597	593,700	3,534,297
Depreciable, net	6,218,910	1,342,133	7,561,043
Total noncurrent assets	12,016,447	1,985,229	14,001,676
Total assets	\$ 18,281,752	\$ 12,012,014	\$ 30,293,766
Deferred Outflows of Resources			
Deferred outflows related			
to OPEB	\$ 4,001	\$ 14,420	\$ 18,421
Deferred outflows related			
to pensions	37,498	281,979	319,477
Total deferred outflow of resources	\$ 41,499	\$ 296,399	\$ 337,898

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

	Business-type Activities - Enterprise Funds		Total
	Stormwater Utility	Refuse Collection and Disposal	Nonmajor Enterprise Funds
<i>September 30, 2025</i>			
Liabilities			
Current liabilities			
Accounts and contracts payable	\$ 94,836	\$ 108,621	\$ 203,457
Accrued liabilities	32,887	61,246	94,133
Compensated absences	57	4,122	4,179
Bonds payable	302,380	37,454	339,834
Total current liabilities	430,160	211,443	641,603
Noncurrent liabilities			
Compensated absences	29,937	153,740	183,677
OPEB liability	27,037	107,168	134,205
Bond payable	5,378,966	341,709	5,720,675
Net pension liability	635,112	2,316,764	2,951,876
Total noncurrent liabilities	6,071,052	2,919,381	8,990,433
Total liabilities	\$ 6,501,212	\$ 3,130,824	\$ 9,632,036
Deferred Inflows of Resources			
Deferred inflows related to pensions	\$ 53,602	\$ 169,653	\$ 223,255
Deferred inflows related to OPEB	-	12,940	12,940
Total deferred inflows of resources	\$ 53,602	\$ 182,593	\$ 236,195
Net Position			
Net investment in capital assets	\$ 6,335,101	\$ 2,220,476	\$ 8,555,577
Restricted for			
Debt service	302,380	37,454	339,834
Unrestricted	5,130,956	6,737,066	11,868,022
Total net position	\$ 11,768,437	\$ 8,994,996	\$ 20,763,433

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

<i>For the year ended September 30, 2025</i>	<u>Business-type Activities - Enterprise Funds</u>		Total
	Stormwater Utility	Refuse Collection and Disposal	Nonmajor Enterprise Funds
Operating Revenues			
Charges for services	\$ 2,916,793	\$ 7,750,409	\$ 10,667,202
Total operating revenues	2,916,793	7,750,409	10,667,202
Operating Expenses			
Cost of services	1,144,357	6,250,280	7,394,637
General and administrative	554,631	1,212,227	1,766,858
Depreciation	341,342	519,295	860,637
Total operating expenses	2,040,330	7,981,802	10,022,132
Operating income (loss)	876,463	(231,393)	645,070
Nonoperating Revenues (Expenses)			
Investment Income	289,999	389,507	679,506
Interest and fiscal charges	(110,956)	(19,435)	(130,391)
Other	35,338	8,472	43,810
Total nonoperating revenues (expenses)	214,381	378,544	592,925
Income (Loss) Before Contributions and Transfers	1,090,844	147,151	1,237,995
Capital contributions	449,635	-	449,635
Transfers in	788,073	-	788,073
Change in net position	2,328,552	147,151	2,475,703
Net position, beginning of year as previously reported	9,439,885	8,849,649	18,289,534
Accounting changes and error corrections (see Note 2)	-	(1,804)	(1,804)
Net position, beginning of year as restated	9,439,885	8,847,845	18,287,730
Net position, end of year	\$ 11,768,437	\$ 8,994,996	\$ 20,763,433

City of Lake Worth Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

<i>For the year ended September 30, 2025</i>	Stormwater Utility	Refuse Collection	Total
Operating Activities			
Cash received from customers for sales and services	\$ 3,050,248	\$ 7,659,051	\$ 10,709,299
Cash payments to employees	(39,054)	(98,815)	(137,869)
Cash payments to suppliers for goods and services	(1,697,995)	(7,474,023)	(9,172,018)
Net cash provided by operating activities	1,313,199	86,213	1,399,412
Noncapital Financing Activities			
Other receipts	35,338	8,472	43,810
Cash transfers in from other funds	788,073	-	788,073
Net cash used in noncapital financing activities	823,411	8,472	831,883
Capital and Related Financing Activities			
(Acquisition) Disposal of capital assets	(1,540,299)	(310,919)	(1,851,218)
Proceeds from debt	2,850,000	-	2,850,000
Principal paid on debt	(311,217)	(40,446)	(351,663)
Interest paid on long-term debt, lease, and subscription liabilities	(110,956)	(19,435)	(130,391)
Net cash provided by (used in) capital and related financing activities	887,528	(370,800)	516,728
Investing Activities			
Investment income	285,780	381,431	667,211
Purchase of investments	(2,976,813)	(298,731)	(3,275,544)
Net cash provided by (used in) investing activities	(2,691,033)	82,700	(2,608,333)
Net increase (decrease) in cash and cash equivalents	333,105	(193,415)	139,690
Cash and cash equivalents, beginning of year	1,204,113	1,418,970	2,623,083
Cash and cash equivalents, end of year	\$ 1,537,218	\$ 1,225,555	\$ 2,762,773

City of Lake Worth Beach, Florida
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

<i>For the year ended September 30, 2025</i>	Stormwater Utility	Refuse Collection	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ 876,463	\$ (231,393)	\$ 645,070
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	341,342	519,295	860,637
Change in assets, deferred outflows, liabilities and deferred inflows (Increase) decrease in assets and deferred outflows			
Accounts receivable	129,356	(59,268)	70,088
Deferred outflows related to pensions	163,315	489,422	652,737
Deferred outflows related to OPEB	(1,105)	(3,759)	(4,864)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable	993	(11,516)	(10,523)
Accrued liabilities	4,099	(32,090)	(27,991)
Compensated absences	7,876	48,926	56,802
Total OPEB liability	(684)	(2,327)	(3,011)
Net pension liability	(248,022)	(743,274)	(991,296)
Deferred inflows related to pensions	45,748	137,099	182,847
Deferred inflows related to OPEB	(6,182)	(24,902)	(31,084)
Total adjustments	436,736	317,606	754,342
Net cash provided by operating activities	\$ 1,313,199	\$ 86,213	\$ 1,399,412

City of Lake Worth Beach, Florida
Internal Service Funds

Internal Service Funds

Internal service funds are used to account for activity that provides goods and 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 - This fund was established to enable centralized oversight, management and funding of the City's insurance coverage, deductibles and uninsured risks.

City Garage - 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

<i>September 30, 2025</i>	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Services Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 2,659,693	\$ 5,611,277	\$ 6,239,554	\$ 1,454,830	\$ 15,965,354
Investments	-	7,755,451	1,237,087	717,483	9,710,021
Accrued interest receivables	-	38,145	5,957	4,016	48,118
Inventories	-	-	69,758	-	69,758
Total unrestricted current assets	2,659,693	13,404,873	7,552,356	2,176,329	25,793,251
Noncurrent assets					
Restricted noncurrent assets					
Cash and cash equivalents	65,388	-	1,023,145	-	1,088,533
Capital assets					
Non-depreciable	-	-	1,008,201	-	1,008,201
Depreciable, net	208,863	11,907	625,854	-	846,624
Total noncurrent assets	274,251	11,907	2,657,200	-	2,943,358
Total assets	\$ 2,933,944	\$ 13,416,780	\$ 10,209,556	\$ 2,176,329	\$ 28,736,609

City of Lake Worth Beach, Florida
Combining Statement of Net Position
Internal Service Funds

<i>September 30, 2025</i>	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Services Funds
Liabilities					
Current liabilities					
Accounts and contracts payable	\$ 68,833	\$ 44,104	\$ 27,577	\$ 25,855	\$ 166,369
Accrued liabilities	37,617	986,206	79,122	398,947	1,501,892
Accrued interest payable	11,154	-	-	-	11,154
Bonds payable	29,930	-	128,272	-	158,202
Compensated absences	841	-	1,739	-	2,580
Total current liabilities	148,375	1,030,310	236,710	424,802	1,840,197
Noncurrent liabilities					
Insurance claims payable	-	2,647,910	-	-	2,647,910
Compensated absences	68,582	-	36,340	-	104,922
Bond payable	220,913	-	946,771	-	1,167,684
Total noncurrent liabilities	289,495	2,647,910	983,111	-	3,920,516
Total liabilities	\$ 437,870	\$ 3,678,220	\$ 1,219,821	\$ 424,802	\$ 5,760,713
Net Position					
Net investment in capital assets	\$ 23,408	\$ 11,907	\$ 1,582,157	\$ -	\$ 1,617,472
Restricted for					
Debt service	29,930	-	128,272	-	158,202
Renewal and replacement	-	-	-	-	-
Unrestricted	2,442,736	9,726,653	7,279,306	1,751,527	21,200,222
Total net position	\$ 2,496,074	\$ 9,738,560	\$ 8,989,735	\$ 1,751,527	\$ 22,975,896

City of Lake Worth Beach, Florida
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds

<i>For the year ended September 30, 2025</i>	Information Technology	Insurance	City Garage	Employee Benefits	Total Internal Services Funds
Operating Revenues					
Charges for services	\$ 3,433,831	\$ 6,010,374	\$ 1,165,432	\$ 4,356,418	\$ 14,966,055
Total operating revenues	3,433,831	6,010,374	1,165,432	4,356,418	14,966,055
Operating Expenses					
Cost of services	2,216,210	2,923,542	1,130,400	4,455,838	10,725,990
Depreciation	268,474	5,780	186,758	-	461,012
Total operating expenses	2,484,684	2,929,322	1,317,158	4,455,838	11,187,002
Operating income (loss)	949,147	3,081,052	(151,726)	(99,420)	3,779,053
Nonoperating Revenues (Expenses)					
Investment Income	62,861	432,471	270,700	31,085	797,117
Interest and fiscal charges	(13,508)	(12,721)	(37,632)	(2,675)	(66,536)
Other	274	38,294	45,254	492	84,314
Total nonoperating revenues (expenses)	49,627	458,044	278,322	28,902	814,895
Change in net position	998,774	3,539,096	126,596	(70,518)	4,593,948
Net position, beginning of year as previously reported	1,513,325	6,199,464	8,863,139	1,822,045	18,397,973
Accounting changes and error corrections (see Note 2)	(16,025)	-	-	-	(16,025)
Net position, beginning of year as restated	1,497,300	6,199,464	8,863,139	1,822,045	18,381,948
Net position, end of year	\$ 2,496,074	\$ 9,738,560	\$ 8,989,735	\$ 1,751,527	\$ 22,975,896

City of Lake Worth Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds

<i>For the year ended September 30, 2025</i>	Internal Service Funds					Total
	Information Technology	Insurance	City Garage	Employee Benefits		
Operating Activities						
Cash received from customers for sales and services	\$ 3,427,018	\$ 5,792,810	\$ 1,175,077	\$ 4,746,195	\$	15,141,100
Cash payments to employees	21,150	-	20,779	-		41,929
Cash payments to suppliers for goods and services	(2,368,705)	(2,909,578)	(1,157,874)	(4,461,600)		(10,897,757)
Cash payments for insurance and claims expenses	-	(762,550)	-	-		(762,550)
Net cash provided by operating activities	1,079,463	2,120,682	37,982	284,595		3,522,722
Noncapital Financing Activities						
Contributions from other funds	274	38,294	45,254	492		84,314
Net cash used in noncapital financing activities	274	38,294	45,254	492		84,314
Capital and Related Financing Activities						
Acquisition of capital assets	(39,383)	-	(147,593)	-		(186,976)
Principal paid on lease liabilities	(200,649)	-	-	-		(200,649)
Principal paid on note payable	(28,844)	-	(123,625)	-		(152,469)
Interest paid on long-term debt, lease, and subscription liabilities	(2,354)	(12,721)	(37,632)	(2,675)		(55,382)
Net cash provided by (used in) capital and related financing activities	(271,230)	(12,721)	(308,850)	(2,675)		(595,476)
Investing Activities						
Investment income	62,861	424,851	269,485	34,266		791,463
Proceeds from sale/maturity of investments	-	-	-	-		-
Purchase of investments	-	(281,900)	(44,966)	15,132		(311,734)
Net cash provided by (used in) investing activities	62,861	142,951	224,519	49,398		479,729
Net increase (decrease) in cash and cash equivalents	871,368	2,289,206	(1,095)	331,810		3,491,289
Cash and cash equivalents, beginning of year	1,853,713	3,322,071	7,263,794	1,123,020		13,562,598
Cash and cash equivalents, end of year	\$ 2,725,081	\$ 5,611,277	\$ 7,262,699	\$ 1,454,830	\$	17,053,887

City of Lake Worth Beach, Florida
Combining Statement of Cash Flows
Internal Service Funds

<i>For the year ended September 30, 2025</i>	Internal Service Funds				
	Information Technology	Insurance	City Garage	Employee Benefits	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 949,147	\$ 3,081,052	\$ (151,726)	\$ (99,420)	\$ 3,779,053
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	268,474	5,780	186,758	-	461,012
Change in assets, deferred outflows, liabilities and deferred inflows					
(Increase) decrease in assets and deferred outflows					
Inventory	-	-	(21,102)	-	(21,102)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable	(152,495)	13,964	(6,372)	(5,762)	(150,665)
Accrued liabilities	(6,813)	(217,564)	9,645	389,777	175,045
Accrued claims payable	-	(762,550)	-	-	(762,550)
Compensated absences	21,150	-	20,779	-	41,929
Total adjustments	130,316	(960,370)	189,708	384,015	(256,331)
Net cash provided by operating activities	\$ 1,079,463	\$ 2,120,682	\$ 37,982	\$ 284,595	\$ 3,522,722

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends	173 - 177
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	178 - 182
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	183 - 189
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.	
Economic and Demographic Information	190 - 191
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	192 - 195
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.	

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net investment in capital assets	\$ 56,328,679	\$ 55,276,904	\$ 57,137,390	\$ 55,217,776	\$ 38,366,100	\$ 38,748,868	\$ 40,565,842	\$ 41,096,277	\$ 42,743,224	\$ 45,443,359
Restricted	2,882,658	23,188,479	3,620,665	4,501,754	12,750,283	20,955,066	23,431,383	32,216,327	35,395,367	37,608,656
Unrestricted (deficit)	(42,528,582)	(63,480,001)	(42,749,218)	(38,108,305)	(28,126,765)	(28,343,982)	(15,835,518)	(8,101,683)	6,788,338	34,472,405
Total governmental activities net position	16,682,755	14,985,382	18,008,837	21,611,225	22,989,618	31,359,952	48,161,707	65,210,921	84,926,929	117,524,420
Business-Type Activities:										
Net investment in capital assets	74,381,420	83,094,062	90,093,724	95,692,038	95,049,432	100,838,508	93,198,222	92,610,275	96,167,590	81,280,869
Restricted	4,023,055	5,084,192	8,797,790	8,877,209	8,670,291	7,932,254	8,466,405	9,068,621	12,014,192	13,087,426
Unrestricted	71,056,620	64,199,523	48,072,470	46,249,865	50,052,179	50,971,119	60,076,175	73,207,984	75,028,255	110,397,488
Total business-type activities net position	149,461,095	152,377,777	146,963,984	150,819,112	153,771,902	159,741,881	161,740,802	174,886,880	183,210,037	204,765,783
Total Government:										
Net investment in capital assets	130,710,099	138,370,966	147,231,114	150,909,814	133,415,532	139,587,376	133,764,064	133,706,552	138,910,814	126,724,228
Restricted	6,905,713	28,272,671	12,418,455	13,378,963	21,420,574	28,887,320	31,897,788	41,284,948	47,409,559	50,696,082
Unrestricted	28,528,038	719,522	5,323,252	8,141,560	21,925,414	22,627,137	44,240,657	65,106,301	81,816,593	144,869,893
Total government net position	\$ 166,143,850	\$ 167,363,159	\$ 164,972,821	\$ 172,430,337	\$ 176,761,520	\$ 191,101,833	\$ 209,902,509	\$ 240,097,801	\$ 268,136,966	\$ 322,290,203

City of Lake Worth Beach, Florida

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
General Government	\$ 3,059,477	\$ 4,090,775	\$ 3,962,157	\$ 6,230,789	\$ 4,402,551	\$ 4,227,216	\$ 3,211,278	\$ 3,081,370	\$ 6,667,215	\$ 5,407,609
Public Safety	21,521,291	21,020,172	20,375,323	21,711,159	22,422,289	21,210,213	16,032,830	23,613,179	21,631,692	20,215,247
Physical Environment	1,791,681	2,118,859	2,432,633	3,618,684	3,282,429	2,391,933	2,075,464	2,257,275	1,932,558	2,559,152
Transportation	4,224,006	4,462,603	4,343,667	5,652,177	5,372,627	5,489,348	5,083,534	5,278,472	5,221,110	5,816,013
Culture and Recreation	5,672,028	6,605,043	6,892,253	6,652,731	6,491,360	7,836,192	7,749,604	8,051,627	7,818,074	8,189,449
Interest on Long-Term Debt	-	328,454	1,298,123	1,412,098	1,450,715	1,803,968	1,889,125	1,803,398	1,720,737	1,633,264
Total Governmental Activities Expenses	36,268,483	38,625,906	39,304,156	45,277,638	43,421,971	42,958,870	36,041,835	44,085,321	44,991,386	43,820,734
Business-Type Activities:										
Electric	47,510,501	54,793,486	56,923,415	52,460,343	52,993,465	54,964,184	69,368,859	60,403,096	61,215,267	64,094,491
Water	10,173,782	11,754,509	11,663,352	12,713,290	15,805,291	15,987,210	16,537,525	16,672,079	18,072,785	19,264,257
Local Sewer	6,819,673	7,356,239	8,892,409	8,885,400	10,047,624	9,902,290	9,961,691	11,867,881	12,461,550	11,831,623
Regional Sewer	5,084,878	4,868,053	6,535,365	4,804,777	7,963,192	8,651,434	8,578,505	9,307,473	16,666,157	8,519,255
Stormwater Utility	1,109,596	1,183,318	1,382,758	1,452,752	1,838,722	1,722,339	1,661,991	1,814,278	2,085,626	2,151,286
Refuse Collection and Disposal	4,308,118	4,884,890	4,615,148	5,150,043	6,579,918	5,967,285	7,329,740	6,635,840	7,198,043	8,001,237
Total Business-Type Activities Expenses	75,006,548	84,840,495	90,012,447	85,466,605	95,228,212	97,194,742	113,438,311	106,700,647	117,699,428	113,862,149
Total Primary Government Expenses	\$ 111,275,031	\$ 123,466,401	\$ 129,316,603	\$ 130,744,243	\$ 138,650,183	\$ 140,153,612	\$ 149,480,146	\$ 150,785,968	\$ 162,690,814	\$ 157,682,883
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,888,193	\$ 2,483,748	\$ 2,972,515	\$ 3,286,187	\$ 10,709,621	\$ 11,317,341	\$ 11,536,299	\$ 12,031,354	\$ 12,845,727	\$ 15,794,333
Public Safety	1,562,712	1,374,166	1,290,577	1,564,369	1,545,925	1,806,106	1,965,754	1,699,215	1,758,050	1,568,988
Physical Environment	16,250	19,125	19,700	20,175	25,150	26,725	30,420	53,578	83,370	159,442
Transportation	1,675,853	1,881,827	1,907,733	2,347,327	1,837,134	2,721,033	2,752,773	3,300,461	3,572,220	3,706,596
Culture and Recreation	2,069,347	2,160,482	2,185,279	2,616,295	2,274,234	2,405,908	2,878,728	3,427,563	3,309,661	3,443,748
Operating Grants and Contributions	1,267,255	878,208	543,186	45,135	48,206	68,415	1,000,041	931,919	1,254,569	8,613,575
Capital Grants and Contributions	51,440	18,850	657,045	1,029,905	982,181	2,823,576	706,224	264,440	434,852	2,121,956
Total Governmental Activities Program Revenues	9,531,050	8,816,406	9,576,035	10,909,393	17,422,451	21,169,104	20,870,239	21,708,530	23,258,449	35,408,638
Business-Type Activities:										
Charges for Services:										
Electric	57,011,403	55,850,044	54,280,835	55,128,532	53,508,982	57,265,178	66,125,824	69,986,266	64,434,299	69,180,964
Water	13,960,788	14,652,277	13,990,442	15,121,045	14,691,895	15,612,994	17,729,670	16,355,681	17,578,009	19,166,368
Local Sewer	7,694,525	7,183,903	7,083,494	7,770,255	8,827,767	9,991,750	10,046,432	11,082,429	12,345,916	13,384,194
Regional Sewer	6,543,368	6,981,203	8,037,738	9,056,597	10,607,742	9,532,063	8,597,871	11,657,412	12,808,883	11,782,343
Stormwater Utility	1,853,597	1,839,490	1,877,395	1,892,168	1,930,639	1,936,696	1,943,647	1,984,920	2,298,775	2,981,938
Refuse Collection and Disposal	5,859,424	5,937,437	6,029,714	6,443,982	6,586,508	6,954,673	8,049,541	7,029,075	7,532,042	8,084,747
Capital Grants and Contributions	668,015	937,910	620,434	907,493	1,196,278	832,469	1,535,043	1,943,889	764,823	1,537,736
Total Business-Type Activities Program Revenues	93,591,120	93,382,264	91,920,052	96,320,072	97,349,811	102,125,823	114,028,028	120,039,672	117,762,747	126,118,290
Total Primary Program Revenues	\$ 103,122,170	\$ 102,198,670	\$ 101,496,087	\$ 107,229,465	\$ 114,772,262	\$ 123,294,927	\$ 134,898,267	\$ 141,748,202	\$ 141,021,196	\$ 161,526,928

(Continued)

City of Lake Worth Beach, Florida

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) / Revenue:										
Governmental Activities	\$ (26,737,433)	\$ (29,809,500)	\$ (29,728,121)	\$ (34,368,245)	\$ (25,999,520)	\$ (21,789,766)	\$ (15,171,596)	\$ (22,376,791)	\$ (21,732,937)	\$ (8,412,096)
Business-Type Activities	18,584,572	8,541,769	1,907,605	10,853,467	2,121,599	4,931,081	589,717	13,339,025	63,319	12,256,141
Total Primary Government Net Expenses	(8,152,861)	(21,267,731)	(27,820,516)	(23,514,778)	(23,877,921)	(16,858,685)	(14,581,879)	(9,037,766)	(21,669,618)	3,844,045
General Revenues:										
Governmental Activities:										
Taxes:										
Property Taxes	7,933,054	8,501,004	10,446,929	12,236,801	13,044,494	14,234,595	14,999,085	16,757,743	19,409,973	21,074,085
Franchise Taxes	40,559	57,146	149,379	130,486	138,871	156,700	179,866	186,920	239,668	223,118
Utility Taxes	5,249,541	5,323,406	5,157,559	5,378,990	5,473,291	5,802,645	5,793,174	5,067,445	5,284,825	5,713,967
Gas Taxes and Shared Revenues	3,913,702	5,866,094	6,780,214	6,914,217	6,444,705	7,471,341	8,827,147	9,643,038	9,521,817	9,723,567
Intergovernmental – Unrestricted	1,528,273	1,669,080	1,647,276	1,689,341	1,534,497	1,764,666	2,229,566	2,696,507	2,656,878	2,618,069
Investment Income – Unrestricted	73,088	96,906	399,621	1,076,109	485,389	28,179	135,659	2,009,977	3,639,263	3,318,693
Miscellaneous	79,538	176,950	294,959	209,266	218,393	701,974	204,652	944,031	716,686	1,337,980
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	159,110
Transfers	6,760,532	6,991,921	7,875,639	10,335,423	352,000	-	(395,798)	2,120,344	(20,165)	(3,294,171)
Total Governmental Activities Revenues	25,578,287	28,682,507	32,751,576	37,970,633	27,691,640	30,160,100	31,973,351	39,426,005	41,448,945	40,874,418
Business-Type Activities:										
Investment Income – Unrestricted	584,317	371,686	580,489	1,379,774	505,611	11,746	152,327	1,824,493	5,905,536	4,727,681
Miscellaneous	826,238	959,846	1,343,752	1,057,737	410,438	1,027,152	861,079	102,904	2,334,137	1,365,952
Transfers	(6,760,532)	(6,991,921)	(9,245,639)	(10,335,423)	(352,000)	-	395,798	(2,120,344)	20,165	3,294,171
Total Business-Type Activities Revenues	(5,349,977)	(5,660,389)	(7,321,398)	(7,897,912)	564,049	1,038,898	1,409,204	(192,947)	8,259,838	9,387,804
Total Primary Government General Revenues	\$ 20,228,310	\$ 23,022,118	\$ 25,430,178	\$ 30,072,721	\$ 28,255,689	\$ 31,198,998	\$ 33,382,555	\$ 39,233,058	\$ 49,708,783	\$ 50,262,222
Change in Net Position:										
Governmental Activities	\$ (1,159,146)	\$ (1,126,993)	\$ 3,023,455	\$ 3,602,388	\$ 1,692,120	\$ 8,370,334	\$ 16,801,755	\$ 17,049,214	\$ 19,716,008	\$ 32,462,322
Business-type Activities	13,234,595	2,881,380	(5,413,793)	2,955,555	2,685,648	5,969,979	1,998,921	13,146,078	8,323,157	21,643,945
Total Primary Government	\$ 12,075,449	\$ 1,754,387	\$ (2,390,338)	\$ 6,557,943	\$ 4,377,768	\$ 14,340,313	\$ 18,800,676	\$ 30,195,292	\$ 28,039,165	\$ 54,106,267

City of Lake Worth Beach, Florida

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 11,352	\$ 13,245	\$ 27,397	\$ 20,856	\$ 27,558	\$ 1,116	\$ 7,597	\$ 9,968	\$ 7,444	\$ 6,315
Restricted	-	-	-	-	-	1,626,000	1,475,433	1,854,470	1,678,904	1,633,519
Assigned	374,534	435,487	739,511	9,267	9,267	9,267	9,267	9,462	9,666	9,864
Unassigned	5,596,137	4,406,420	3,883,141	4,852,376	11,879,169	10,056,328	10,252,587	15,169,813	21,089,709	26,202,966
Total General Fund	\$ 5,982,023	\$ 4,855,152	\$ 4,650,049	\$ 4,882,499	\$ 11,915,994	\$ 11,692,711	\$ 11,744,884	\$ 17,043,713	\$ 22,785,723	\$ 27,852,664
All Other Governmental Funds:										
Nonspendable	8,534	8,321	13,052	12,347	259,524	147,176	124,891	125,762	122,555	123,421
Restricted	2,882,658	22,764,757	26,574,399	18,717,321	18,991,532	24,003,876	23,968,357	30,361,857	33,716,463	35,975,137
Committed	1,463,513	1,459,827	1,468,669	1,417,849	-	-	-	-	-	-
Assigned	2,476,999	4,284,028	6,585,253	10,232,006	9,937,392	7,629,245	11,720,770	12,671,832	14,349,208	26,245,287
Unassigned (deficit)	(4,291,069)	(3,909,745)	(3,777,022)	(3,352,766)	(16,433)	-	(3,395)	-	-	-
Total All Other Governmental Funds	2,540,635	24,607,188	30,864,351	27,026,757	29,172,015	31,780,297	35,810,623	43,159,451	48,188,226	62,343,845
Total Governmental Funds	\$ 8,522,658	\$ 29,462,340	\$ 35,514,400	\$ 31,909,256	\$ 41,088,009	\$ 43,473,008	\$ 47,555,507	\$ 60,203,164	\$ 70,973,949	\$ 90,196,509

City of Lake Worth Beach, Florida

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property Taxes	\$ 7,217,524	\$ 7,902,965	\$ 9,903,427	\$ 11,698,612	\$ 12,763,120	\$ 13,932,886	\$ 14,926,191	\$ 16,757,744	\$ 19,409,973	\$ 21,074,085
Utility and Other Taxes	5,454,398	5,556,899	5,477,082	5,648,150	5,645,711	5,941,831	5,984,366	6,231,256	6,473,004	6,891,575
Licenses and Permits	2,298,863	1,913,624	2,372,876	2,766,369	2,398,276	2,627,871	3,005,204	2,805,743	2,898,305	2,801,890
Fines and Forfeitures	1,196,984	1,136,209	941,176	1,200,141	1,331,593	1,498,632	1,612,772	1,639,256	2,403,215	1,967,629
Charges for Services	8,319,650	8,411,704	9,298,864	10,355,013	17,306,080	19,478,042	20,971,418	22,615,826	22,216,246	26,507,999
Intergovernmental	6,521,260	8,072,671	9,008,012	9,456,191	8,395,719	11,580,243	11,756,665	12,622,697	13,010,617	22,186,775
Investment Income	73,088	98,989	400,146	1,076,208	485,649	23,544	136,591	2,009,889	3,639,916	3,318,693
Rents and Royalties	20,974	20,703	20,642	19,841	19,445	19,598	20,079	18,999	20,798	44,202
Miscellaneous	224,878	413,554	513,776	481,431	329,152	1,154,898	340,538	1,172,563	760,755	1,337,980
Total Revenues	31,327,619	33,527,318	37,936,001	42,701,956	48,674,745	56,257,545	58,753,824	65,873,973	70,832,829	86,130,828
Expenditures:										
Current:										
General Government	6,199,180	6,917,043	7,575,275	9,535,056	8,412,275	8,546,750	9,506,679	9,830,583	11,088,834	21,483,270
Public Safety	20,746,172	21,418,839	21,329,407	22,028,842	23,123,385	24,415,181	24,594,678	25,823,699	26,414,746	18,907,533
Physical Environment	1,773,092	2,070,505	2,310,527	2,519,813	2,285,176	2,211,880	2,341,203	2,294,698	2,250,382	2,675,985
Transportation	1,652,394	1,845,235	2,026,304	2,839,274	2,770,493	2,179,469	2,552,097	2,981,013	3,131,877	3,514,385
Culture and Recreation	4,606,962	5,291,682	5,812,796	5,986,881	5,926,539	6,423,235	7,359,039	7,330,553	7,537,520	8,124,446
Capital Outlay	2,431,377	4,128,562	17,016,282	11,642,411	9,696,551	7,529,092	2,136,573	3,247,927	3,216,210	5,639,205
Debt Service:										
Principal	-	-	423,722	702,238	780,664	1,628,864	3,886,071	2,024,173	2,095,943	2,232,423
Interest and Other Fiscal Charges	-	303,736	817,195	1,388,008	1,450,715	1,823,773	1,899,187	1,814,024	1,731,801	1,644,951
Cost of Issuance	-	-	172,597	-	-	-	-	-	-	-
Total Expenditures	37,409,177	41,975,602	57,484,105	56,642,523	54,445,798	54,758,244	54,275,527	55,346,670	57,467,313	64,222,198
Excess (Deficiency) of Revenues Over Expenditures	(6,081,558)	(8,448,284)	(19,548,104)	(13,940,567)	(5,771,053)	1,499,301	4,478,297	10,527,303	13,365,516	21,908,630
Other Financing Sources (Uses):										
Transfers In	6,820,532	7,122,980	10,248,836	10,663,633	435,593	2,120,000	2,529,459	5,244,175	4,907,592	15,061,078
Transfers Out	(60,000)	(131,059)	(2,373,197)	(328,210)	(83,593)	(2,120,000)	(2,925,257)	(3,123,831)	(7,502,323)	(18,355,249)
Proceeds from subscriptions	-	-	-	-	-	-	-	-	-	132,782
Proceeds from debt issuance	849,446	22,396,045	17,724,525	-	13,991,367	760,000	-	132,782	-	340,150
Proceeds from bond premiums	-	-	-	-	907,884	125,699	340,150	340,150	-	-
Total Other Financing Sources (Uses)	7,609,978	29,387,966	25,600,164	10,335,423	15,251,251	885,699	(55,648)	2,593,276	(2,594,731)	(2,821,239)
Net Change in Fund Balances	\$ 1,528,420	\$ 20,939,682	\$ 6,052,060	\$ (3,605,144)	\$ 9,480,198	\$ 2,385,000	\$ 4,422,649	\$ 13,120,579	\$ 10,770,785	\$ 19,087,391
Debt Service as a Percentage of Non-Capital Expenditures	0.00%	0.80%	3.49%	4.64%	4.99%	7.31%	11.10%	7.37%	7.06%	6.62%

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			
2016	2015	\$ 1,415,323	\$ 51,077	\$ 5,596	\$ 1,471,996	8.95
2017	2016	1,584,396	43,122	5,781	1,633,299	9.70
2018	2017	1,758,006	49,116	5,924	1,813,046	9.70
2019	2018	1,933,683	57,977	7,795	1,999,455	10.06
2020	2019	2,119,926	48,866	7,413	2,176,205	10.06
2021	2020	2,279,223	50,961	7,512	2,337,696	10.06
2022	2021	2,704,149	58,266	7,963	2,770,378	10.06
2023	2022	3,127,783	80,749	8,706	3,217,238	9.87
2024	2023	3,392,067	80,299	11,099	3,483,465	9.87
2025	2024	3,608,297	75,001	11,222	3,694,520	9.87

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

City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	Tax Roll Year	City of Lake Worth					Overlapping Rates (1)					Total Direct and Overlapping Rates
		General Operations	MSTU	Debt Service	Total City	Palm Beach County	Palm Beach County School Board	South Florida Water Management District	Florida Inland Navigation District	Palm Beach County Health Care District	Children's Services Council	
2016	2015	5.49	3.46	-	8.95	4.91	7.08	0.33	0.03	0.90	0.68	22.88
2017	2016	5.49	3.46	0.75	9.70	4.90	6.77	0.31	0.03	0.78	0.66	23.15
2018	2017	5.49	3.46	0.75	9.70	4.90	6.77	0.32	0.03	0.85	0.66	23.23
2019	2018	5.49	3.46	1.11	10.06	4.86	7.16	0.28	0.03	0.73	0.65	23.77
2020	2019	5.49	3.46	1.11	10.06	4.81	7.01	0.27	0.03	0.73	0.65	23.56
2021	2020	5.49	3.46	1.11	10.06	4.78	6.88	0.37	0.03	0.73	0.65	23.50
2022	2021	5.49	3.46	1.11	10.06	4.78	6.52	0.33	0.03	0.73	0.62	23.07
2023	2022	5.49	3.46	0.92	9.87	4.78	6.46	0.33	0.03	0.73	0.55	22.75
2024	2023	5.49	3.46	0.92	9.87	4.50	6.31	0.33	0.03	0.68	0.49	22.21
2025	2024	5.49	3.46	0.92	9.87	4.50	6.31	0.33	0.03	0.66	0.49	22.19

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	
2016	\$ 7,225,095	\$ 6,951,573	96.21%	\$ 5,404	\$ 6,956,977	96.29%
2017	8,101,969	7,796,543	96.23%	-	7,796,543	96.23%
2018	9,006,434	8,660,077	96.15%	-	8,660,077	96.15%
2019	12,033,164	11,616,102	96.53%	-	11,616,102	96.53%
2020	13,179,530	12,737,088	96.64%	-	12,737,088	96.64%
2021	14,359,890	13,888,771	96.72%	-	13,888,771	96.72%
2022	15,440,103	14,910,711	96.57%	-	14,910,711	96.57%
2023	17,185,722	16,718,289	97.28%	-	16,718,289	97.28%
2024	18,637,708	19,391,725	104.05%	-	19,391,725	104.05%
2025	20,299,542	21,036,841	103.63%	-	21,036,841	103.63%

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

	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
GULFSTREAM OWNER LLC	\$ 5,891,980	1	0.16%	\$ -	-	-
SL BOUTWELL BUSINESS CENTER II LLC	36,637,347	2	0.97%	-	-	-
CUBESMART LP	30,474,125	3	0.81%	8,786,874	4	0.57%
OAKWOOD TOWNHOMES LP	28,797,052	4	0.76%	-	-	-
1017 LAKE AVE LLC	22,640,632	5	0.60%	-	-	-
STAG INDUSTRIAL HOLDINGS LLC	19,877,419	6	0.53%	-	-	-
1601 DIXIE LLC	19,089,106	7	0.50%	-	-	-
PALM BEACH MOBILE HOME PARK, LLC	14,965,498	8	0.40%	8,562,075	5	0.36%
LAKE WORTH AFL RE LLC	16,475,229	9	0.44%	-	-	-
BREF 7 AVE LLC	14,624,109	10	0.39%	-	-	-
Lake Worth Village LLC	-	-	-	20,543,245	1	0.74%
Palm Beach Investments, LLC	-	-	-	12,181,608	2	0.52%
1920 10th Ave LLC	-	-	-	9,338,153	3	0.50%
Tackett, Patricia A.	-	-	-	8,247,474	6	0.53%
GSG Investments	-	-	-	6,965,610	7	0.42%
Lake Worth Town Plaza, LLC	-	-	-	5,942,420	8	0.36%
Publix Super Markets, Inc.	-	-	-	5,645,838	9	0.34%
Value Place West Palm Beach	-	-	-	3,644,026	10	0.22%
	\$ 209,472,497		5.56%	\$ 89,857,323		4.56%

SOURCE: 2024 Tax roll provided by the Palm Beach County Tax Collector's Office
Based on Lake Worth Top Ten Taxpayer Report.
2015 statisitcs from COLWB 2015 ACFR

City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	Amount of Special Assessments Recorded Due During Fiscal Year	Special Assessments Collected	Total Outstanding Assessments (1)
2016	\$ -	\$ 9,064	\$ 7,604
2017	-	7,604	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-

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.

City of Lake Worth Beach, Florida

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

Fiscal Year End September 30,	Primary Government										Percent of Personal Income (1)	Debt Per Capita (1)
	Governmental Activities					Business-Type Activities						
	General Obligation Bonds	Notes Payable	Leases	Subscriptions	Revenue Bonds	Notes Payable	Leases	Subscriptions	Total			
2016	\$ -	\$ 849,446	\$ -	\$ -	\$ 43,000,000	\$ 21,869,067	\$ -	\$ -	\$ 65,718,513	N/A	\$ 1,738	
2017	22,267,392	973,205	-	-	39,565,000	27,904,081	-	-	90,709,678	N/A	2,390	
2018	39,589,955	929,483	-	-	39,565,000	29,278,407	-	-	109,362,845	N/A	2,859	
2019	38,901,061	882,245	-	-	36,035,000	30,470,991	-	-	106,289,297	N/A	2,762	
2020	53,036,418	843,864	-	-	44,945,423	31,306,589	-	-	130,132,294	N/A	3,347	
2021	53,053,988	-	-	-	113,248,607	14,926,319	-	-	181,228,914	N/A	4,257	
2022	51,524,214	-	3,315,152	-	157,909,718	16,650,195	225,470	-	229,624,749	N/A	5,386	
2023	49,488,642	-	3,243,073	-	154,257,288	15,901,748	122,199	-	223,012,950	N/A	5,135	
2024	47,382,800	-	3,169,493	-	150,475,134	29,954,582	186,133	298,380	231,466,522	N/A	5,324	
2025	45,186,262	-	3,094,381	88,532	200,873,715	29,063,334	81,982	56,724	278,444,930	N/A	6,387	

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

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

N/A Not Available.

City of Lake Worth Beach, Florida

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

Fiscal Year Ended September 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	\$ -	\$ -	\$ -	-	-
2017	22,267,392	-	22,267,392	1.36%	586.82
2018	39,589,955	(14,271) (3)	39,575,684	2.18%	1034.47
2019	38,901,061	(1,914) (3)	38,899,147	1.95%	1010.79
2020	53,036,418	- (3)	53,036,418	2.44%	1364.28
2021	53,053,988	(165,278) (3)	52,888,710	2.44%	1242.34
2022	51,524,214	(517,592) (3)	51,006,622	1.84%	1196.3
2023	49,488,642	(784,935) (3)	48,703,707	1.51%	1121.38
2024	47,382,800	(1,446,569) (3)	45,936,231	1.32%	1056.69
2025	45,186,262	(2,363,440) (3)	42,822,822	1.16%	982.26

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

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

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

(3) These amounts in Fund 203 cash account.

City of Lake Worth Beach, Florida

COMPUTATON OF LEGAL DEBT LIMIT (UNAUDITED) **FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Taxable Assessed Valuation	\$ 3,694,520,000
Debt Limit (25% of Valuation)	923,630,000
Outstanding Debt:	45,186,262
Debt-Contracting Margin	\$ 878,443,738
Percentage Debt-Contracting Limit Remaining	95.11%

Note: The City Charter permits the City to pledge the funds of 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.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

<u>Government Unit:</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City of Lake Worth (1)</u>	<u>Amount Applicable to the City of Lake Worth</u>
Overlapping:			
Debt Repaid with Property Taxes:			
Palm Beach County	\$ 95,565,000	1.08%	\$ 1,030,013
Subtotal	95,565,000		1,030,013
Direct Debt:			
City of Lake Worth	\$ 45,186,262	100.00%	\$ 45,186,262
Total Direct and Overlapping Debt	\$ 140,751,262		\$ 46,216,275

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 1.08%, as determined by the ratio of the City's assessed valuation of property for 2024 of \$ 3,694,520,432 to the total assessed value of taxable property in the areas (Palm Beach County) of \$ 342,779,050,325.

PLEDGED REVENUE COVERAGE (UNAUDITED)
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Sewer Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	\$ 7,784,279	\$ 6,093,835	\$ 1,690,444	\$ -	\$ -	N/A
2017	7,214,779	6,504,503	710,276	-	-	N/A
2018	7,122,243	7,958,644	(836,401)	-	-	N/A
2019	7,842,696	7,929,551	(86,855)	-	-	N/A
2020	8,828,323	9,017,939	(189,616)	-	-	N/A
2021	9,992,082	9,104,458	887,624	-	54,234	16.37
2022	9,945,459	9,079,158	866,301	67,939	104,400	5.03
2023	11,071,095	11,018,734	52,361	172,780	167,591	0.15
2024	12,329,094	11,639,286	689,808	172,780	167,591	2.03
2025	13,502,631	10,974,344	2,528,287	191,087	190,001	6.63

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.

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

Fiscal Year Ended September 30,		Electric Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	\$	57,161,737	\$ 44,823,917	\$ 12,337,820	\$ -	\$ 576,200	21.41
2017		55,991,458	50,603,851	5,387,607	1,717,500	1,450,893	1.70
2018		54,539,122	53,757,573	781,549	969,166	980,044	0.40
2019		55,541,906	48,617,931	6,923,975	2,457,410	878,056	2.08
2020		53,720,691	45,720,809	7,999,882	2,556,211	849,427	2.35
2021		57,269,174	49,971,904	7,297,270	425,000	2,016,842	2.99
2022		64,562,550	63,348,353	1,214,197	493,571	2,727,150	0.38
2023		69,549,529	54,572,699	14,976,830	1,905,535	3,894,601	2.58
2024		65,796,418	55,096,392	10,700,026	1,905,535	3,894,601	1.84
2025		69,833,382	57,505,183	12,328,199	2,085,863	4,281,564	1.94

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.

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
2016	\$	14,161,798	\$ 6,748,708	\$ 7,413,090	\$ 313,895	\$ 153,207	15.87
2017		14,768,650	7,468,404	7,300,246	2,031,395	1,171,760	2.28
2018		14,132,486	7,800,797	6,331,689	397,780	906,983	4.85
2019		15,373,494	8,352,033	7,021,461	2,575,749	842,734	2.05
2020		14,794,765	9,355,546	5,439,219	2,732,209	826,979	1.53
2021		15,613,916	10,742,381	4,871,535	880,732	1,080,103	2.48
2022		16,366,341	10,241,120	6,125,221	1,080,549	1,256,516	2.62
2023		16,418,200	11,850,831	4,567,369	1,524,390	1,212,614	1.67
2024		18,025,068	13,226,806	4,798,262	1,524,390	1,212,614	1.75
2025		19,362,106	14,402,744	4,959,362	1,647,748	1,301,612	1.68

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.

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)
2016	37,803	N/A	\$ 68,743	\$ 1,471,996	\$ 38,939	5.8%
2017	37,946	N/A	N/A	1,633,299	43,043	4.5%
2018	38,257	N/A	N/A	1,813,046	47,391	4.4%
2019	38,484	N/A	N/A	1,999,455	51,955	3.0%
2020	38,875	N/A	N/A	2,176,205	55,980	7.2%
2021	42,572	N/A	N/A	2,337,696	54,912	4.1%
2022	42,637	N/A	N/A	2,770,378	64,976	2.8%
2023	43,432	N/A	N/A	3,127,783	72,016	2.8%
2024	43,472	N/A	N/A	3,483,465	80,131	3.4%
2025	43,596	N/A	N/A	3,694,520	84,744	4.0%

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.behr.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	2025	
	Number of Employees	Rank
Palm Beach State College	2,722	1
Eastern Metal Supply	800	2
Musa Holdings Inc	700	3
City of Lake Worth Beach	381	4
Bomar Trimming	350	5
Sunrise Detox	206	6
Care Health Services Inc	200	7
Alivi	200	8
Fountains Country Club	180	9
Finnish American Rest Home	172	10
	<u>5,911</u>	

City of Lake Worth, Florida Employer	2016	
	Number of Employees	Rank
City of Lake Worth	276	1
Lake Worth High School	232	2
Highland Elementary	142	3
Publix (214 N. Dixie Hwy.)	127	4
Wayne Akers Ford	122	5
Medicana Nursing & Rehabilitation	117	6
North Grade Elementary	113	7
Lake Worth Middle School	107	8
Barton Elementary	100	9
Publix (1910 Lake Worth Rd.)	99	10
	<u>1,435</u>	

City of Lake Worth Beach, Florida

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees:										
General Government	73	78	76	76	74	80	86	62	49	46
Public Safety	12	14	13	14	14	26	32	35	37	47
Physical Environment	13	20	24	24	26	16	17	18	33	44
Transportation	11	16	16	13	13	10	13	10	-	-
Culture and Recreation	22	25	25	25	27	58	26	48	48	51
Community Redevelopment	2	4	4	4	4	-	-	-	11	11
Electric	67	71	68	69	71	72	99	90	92	94
Water and Sewer	48	55	50	50	48	47	56	57	57	51
Refuse	28	33	32	32	29	31	36	38	38	37
Total Full Time Employees	276	316	308	307	306	340	365	358	365	381

Source: COLWB FY25 Position Count

City of Lake Worth Beach, Florida

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building Department:										
Building Permits Issued-Res.	2,503	2,224	2,954	2,758	2,515	3,093	2,865	2,543	2,474	2,253
Building Permits Issued-Com.	657	751	539	677	750	605	702	684	580	748
Culture and Recreation:										
Golf Course-Attendance	34,554	39,218	38,869	48,680	41,038	47,116	43,648	53,612	48,940	49,572
Swimming Pool-Attendance	13,304	*	*	*	*	*	*	*	*	*
Fishing Pier-Attendance	88,264	89,240	91,246	92,158	*	*	99,562	109,206	116,761	107,855
Public Library:										
Circulation-All Media	48,112	43,321	36,336	29,728	8,956	8,897	12,777	24,643	14,501	19,503
Patrons Registered	15,490	15,696	16,330	19,179	19,679	20,226	21,733	21,977	22,941	16,141
Patrons Registered-Inside City	11,325	11,421	11,932	15,387	19,376	19,775	20,388	20,536	21,418	12,671
Utility System:										
Water:										
Total Number of Bills	160,395	161,410	167,222	168,259	169,418	170,513	171,230	171,527	172,172	172,306
Number of Units Billed	15,881,991	15,995,970	15,332,625	15,721,546	15,270,195	15,514,671	17,003,777	16,512,886	16,621,655	16,665,283
Total Amount Billed	13,345,940	13,709,754	12,992,941	13,572,778	13,603,381	13,890,971	15,271,106	14,520,408	15,407,327	16,360,360
Average Selling Price	0.84	0.86	0.85	0.86	0.89	0.90	0.90	0.88	0.93	0.98
Average Bill	83.21	84.94	77.70	80.67	80.29	81.47	89.19	84.66	89.49	94.95
Number of Connections	*	*	*	*	*	*	*	*	*	*
Water Main Breaks	*	*	*	*	*	*	*	*	*	*
Sewer:										
Total Number of Bills	146,821	147,742	148,476	149,150	150,298	151,291	152,040	152,286	152,858	153,001
Number of Units Billed	12,216,102	12,408,208	12,013,792	12,100,257	12,098,238	12,234,753	12,649,298	12,631,417	12,990,075	12,932,125
Total Amount Billed	7,018,882	7,283,007	7,117,298	7,755,324	8,957,673	9,655,138	10,133,063	10,702,241	12,028,051	13,108,268
Average Selling Price	0.57	0.59	0.60	0.64	0.74	0.79	0.81	0.85	0.93	0.99
Average Bill	48.00	49.30	47.94	52.00	59.60	63.82	66.65	70.12	78.69	85.67
Number of Connections	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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electric:										
Residential Customers:										
Total Number of Bills	283,149	285,434	287,853	288,716	290,701	294,390	298,610	298,230	298,847	302,293
Number of Units Billed	329,044,873	329,388,680	324,223,300	336,004,339	342,054,167	343,634,471	305,246,073	293,440,837	300,882,521	302,070,256
Total Amount Billed	32,802,475	32,786,766	30,907,817	31,993,460	32,849,669	32,703,568	40,719,780	39,652,598	35,299,126	39,237,132
Average Selling Price	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.08
Average Bill	\$ 116	\$ 115	\$ 107	\$ 111	\$ 113	\$ 111	\$ 136	\$ 133	\$ 118	\$ 130
Commercial Customers:										
Total Number of Bills	37,674	37,677	37,808	37,843	37,840	38,694	37,482	34,788	36,509	36,591
Number of Units Billed	125,097,776	127,896,107	126,102,700	126,436,901	131,523,506	118,861,125	95,380,158	72,456,371	54,767,510	52,671,521
Total Amount Billed	15,573,116	15,893,259	15,342,976	15,330,753	14,284,317	14,490,311	13,121,821	10,484,340	7,602,289	8,098,737
Average Selling Price	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.09	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.14	\$ 0.15
Average Bill	\$ 413	\$ 422	\$ 406	\$ 405	\$ 377	\$ 374	\$ 350	\$ 301	\$ 208	\$ 221
Private Area Lighting:										
Total Number of Bills	6,536	6,556	6,507	6,433	6,538	6,696	6,960	6,919	6,871	6,784
Number of Units Billed	1,193,692	1,200,994	2,431,880	2,428,976	2,507,128	2,469,312	2,570,435	2,532,374	2,520,468	2,476,776
Total Amount Billed	216,292	217,297	262,582	262,342	270,912	267,223	351,396	353,940	339,364	358,558
Average Selling Price	\$ 0.18	\$ 0.18	\$ 0.11	\$ 0.11	\$ 0.09	\$ 0.11	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14
Average Bill	\$ 33	\$ 33	\$ 40	\$ 41	\$ 41	\$ 40	\$ 50	\$ 51	\$ 49	\$ 53
Commercial Demand:										
Total Number of Bills	1,034	1,031	1,046	1,076	1,032	1,034	2,132	3,615	4,142	4,342
Number of Units Billed	52,771,310	52,555,086	50,615,850	49,801,395	49,284,132	60,827,021	76,469,506	106,999,359	131,460,756	126,135,458
Total Amount Billed	5,855,878	5,641,515	5,451,325	5,367,370	5,328,049	6,174,503	10,422,062	15,125,336	15,864,115	16,320,087
Average Selling Price	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.09	\$ 0.10	\$ 0.08	\$ 0.15	\$ 0.12	\$ 0.13
Average Bill	\$ 5,663	\$ 5,418	\$ 5,212	\$ 4,988	\$ 5,163	\$ 5,971	\$ 4,888	\$ 4,184	\$ 3,830	\$ 3,759
Street Lights:										
Total Number of Bills	112	109	108	108	108	105	108	108	108	108
Number of Units Billed	2,568,936	2,592,168	4,964,044	4,964,880	4,966,112	4,931,792	4,995,358	5,095,120	5,098,992	4,713,232
Total Amount Billed	392,298	395,382	476,141	476,280	476,384	473,490	627,506	645,712	616,035	647,778
Average Selling Price	\$ 0.15	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.08	\$ 0.13	\$ 0.12	\$ 0.14
Average Bill	\$ 3,503	\$ 3,627	\$ 4,409	\$ 4,410	\$ 4,411	\$ 4,509	\$ 5,810	\$ 5,979	\$ 5,704	\$ 5,998
Solid Waste:										
Residential accounts	34	37	38	20	20	18	20	19	20	-
Commercial accounts	1127	1129	1119	1112	1110	1097	1,122	1,088	1,072	1,096

Sources: Various City Departments.

City of Lake Worth Beach, Florida

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	-	-	-	-	-	-	-	-	-	-
Fire:										
Fire Stations	2	2	2	3	3	3	3	3	2	2
Transportation:										
Miles of Streets:										
Streets-Paved	102	116	116	116	116	116	116	116	116	117
Streets-Unpaved	17	23	23	23	23	23	23	23	23	22
Number of Street Lights	4,305	4,526	4,526	4,526	4,526	4,526	4,526	4,526	4,580	4,624
Culture and Recreation:										
Parks	11	11	11	11	11	12	12	12	12	12
Parks Acreage	267	267	267	267	267	268	268	269	268	268
Tennis Courts	7	7	7	5	5	5	5	5	3	3
Baseball/Softball Fields	6	8	8	6	6	6	6	6	6	6
In/Outdoor Basketball Courts	4	4	4	4	4	4	4	4	4	4
Public Boat Ramps	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Municipal Gym	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	-	-	-
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Futsal Court	*	*	*	*	*	*	*	2	2	2
Pickleball Court	*	*	*	*	*	*	*	-	6	6
Shuffleboard	1	1	1	1	1	1	1	-	-	-
Public Library	1	1	1	1	1	1	1	1	1	1
Utility System:										
Fire Hydrants	1,034	1,081	1,105	1,105	1,139	1,174	1,178	1,178	1,178	1,178
Solid Waste:										
Collection Trucks	23	26	27	27	27	28	27	28	30	32
Water System:										
Total Wells	15	15	15	15	15	54	54	54	54	54
Usable Wells	15	15	15	15	15	17	17	17	17	17
Miles of Water Lines	156	165	168	169	169	180	180	180	180	180
Sewer System:										
Miles of Sewer Lines	114	117	125	126	126	124	124	125	125	125
Electric System:										
Generating Plants	1	1	1	1	1	2	2	2	2	2
Miles of Distribution Lines	147	290	296	296	296	590	590	592	593	580

Sources: Various City Departments.

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



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Lake Worth Beach, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Lake Worth Beach, Florida's basic financial statements, and have issued our report thereon dated March 30, 2026. Our report includes a reference to other auditors who audited the financial statements of the Police, Fire, and General Employee Pension Trust Funds, as described in our report on the City of Lake Worth Beach, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lake Worth Beach, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of the City of Lake Worth Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Worth Beach, Florida's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lake Worth Beach, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Lake Worth Beach, Florida's Response to Findings

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Programs
Opinion on Each Major Federal Program

We have audited the City of Lake Worth Beach, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and that could have a direct and material effect on each of the City of Lake Worth Beach, Florida's major federal programs for the year ended September 30, 2025. The City of Lake Worth Beach, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Lake Worth Beach, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lake Worth Beach, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City of Lake Worth Beach, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control or grant agreements applicable to the City of Lake Worth Beach, Florida's federal programs.

Auditor's Responsibility for the Audit Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lake Worth Beach, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Lake Worth Beach, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Worth Beach, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 and 2025-005 to be significant deficiencies.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026

City of Lake Worth Beach, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
c. Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	Yes

Identification of major programs

Federal Assistance Listing Numbers	Federal Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between type A and type B programs	\$1,000,000
Auditee qualified as low-risk under 2CFR 200.520	No

City of Lake Worth Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

Section II – Financial Statements Findings

IC 2025-001 Revenue Recognition

Condition: Amounts for lease revenue and deferred inflows of resources for leases for \$265,303 applicable to the Beach fund were not recorded.

Criteria: Lease revenues and deferred inflows should be recorded as the revenue is earned.

Cause: Year-end adjustments for lease revenues did not include the recognition of revenue for one lease or the amortization of the related deferred inflows.

Effect: Material understatement of revenue and overstatement of deferred inflows.

Recommendation: Management should review year-end balances related to leases to ensure they match amortization schedules.

Management Response: Management agrees with the finding. The omission resulted from an oversight in the year-end review of lease-related balances. Management will implement procedures to reconcile lease agreements to amortization schedules, ensure all lease revenue and deferred inflows are properly recorded, and establish a formal review process to verify completeness and accuracy.

IC 2025-002 Census Data

Condition: Census data used for by the actuary for pension and OPEB calculations did not match employee personnel files.

Criteria: Census data used to calculate payroll-related liabilities should be accurate and match employee records.

Cause: CRI noted several differences between personnel files and actuary data relating to pay, hire and termination dates, and dates of birth. Per client, information used by actuary is obtained by a third-party benefit administrator (The Resource Center), who will update employee information based on updates from the City. We noted the City does not check that the data obtained from the third-party administrator was accurate prior to sending to the actuary.

Effect: Incorrect data may affect the measurement of the liability related to pension and OPEB, related expenses, and applicable disclosures.

Recommendation: We recommend management check personnel files against what the third party administrator has on record and reconcile any differences.

Management Response: Management agrees with the finding. The discrepancies resulted from the lack of a formal reconciliation process between the City's personnel records and the third-party benefits administrator. Management will implement procedures to reconcile census data with personnel records, review and resolve discrepancies prior to submission to the actuary.

City of Lake Worth Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

IC 2025-003 Building Permit Rates

Condition: Calculations settings for building permits based on value were incorrectly set for certain percentage tiers approved in the City's fee schedule.

Criteria: The City's permitting software should be calculating permit base values based on the approved schedule.

Cause: Per fee schedule, the correct tier for the 1.5% calculation on permit valuations was the tier falling between values of \$500 thousand and \$1 million and the correct tier for 1% was projects falling between \$1 million and \$2.5 million. For projects valued at over \$1 million, a 1.5% rate was being charged on amounts between \$1 million and \$1.5 million when amounts in this range should have been calculated using the 1% rate. Rates beyond these ranges were properly set.

Effect: Overstatement of permit revenue on any project over \$1 million.

Recommendation: We recommend the finance department check rates updated by the various departments to ensure that they are properly updated in the software according to the Commission-approved schedule.

Management Response: Management agrees with the finding. The error resulted from permit rate tiers in the permitting software not being updated from the prior year to reflect the current Commission-approved fee schedule. Management will update the rate settings to align with the approved schedule and implement procedures to ensure all future rate changes are timely and accurately updated and reviewed in the system.

City of Lake Worth Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

Section III – Federal Award Findings and Questioned Costs

IC 2025-004 Reviews of Grant Reports

U.S. Department of Treasury
ALN 21.027 - COVID 19 Coronavirus State and Local Fiscal Recovery Funds
Contract No. Y5177
2021 Funding

Criteria: 2 CFR 200.303 requires non-federal entities to establish and maintain effective internal controls. Reports should be subject to independent review to verify completeness, validity and timeliness of submission.

Condition: There was no documented review by an independent individual for the reports submitted to the US Treasury department prior to submittal.

Cause: The City did not have a process in place to document the review of reports to the US Treasury was prior to submittal.

Effect: Reports submitted to the Florida Department of State may be incomplete, include errors, or be submitted late.

Perspective: There was no evidence of review provided for the reports submitted during Fiscal Year 2025.

Questioned Costs: None, reported finding is a deficiency in internal control.

Recommendation: The City should have controls in place to ensure all reports are reviewed prior to submittal and the review is documented.

Management Response: Management agrees with the finding. Management will implement procedures to document independent review of all reports submitted to the U.S. Treasury to ensure completeness, accuracy, and timeliness.

City of Lake Worth Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

IC 2025-005 Compliance over Negotiation Process

U.S. Department of Treasury
ALN 21.027 - COVID 19 Coronavirus State and Local Fiscal Recovery Funds
Contract No. Y5177
2021 Funding

Criteria: 2 CFR 200.11 and 49 CFR 24 govern real property acquisition with Federal funds. 49 CFR 24.9 requires agencies to maintain adequate records of its acquisition and displacement activities in sufficient detail to demonstrate compliance with the Federal code. Records shall be retained for at least three years after each owner of the property receives final payment or in accordance with grantor regulations, whichever is later.

Condition: During our audit procedures it was noted by City staff that there was insufficient communication to the seller regarding eminent domain and that this power would not be used to acquire the property if negotiations fail.

Cause: During the course of our audit procedures, City staff noted that federal funded real property acquisitions were not conducted in accordance with 2 CFR 200 and 49 CFR 24 as the City's control for procurement of real property did not identify the City's procedures were not completed in accordance with 2 CFR 200 and 49 CFR 24.

Effect: Without adequate controls over the documentation of communications with sellers, the City may not be in compliance with Federal code or able to demonstrate compliance with Federal code.

Perspective: The City did not have proper controls in place to ensure the City was acquiring property in compliance with 2 CFR 200 and 49 CFR 24.

Questioned Costs: None, reported finding is a deficiency in internal control.

Recommendation: The City should review the documentation sent to the seller during the procurement process to ensure the City is providing all necessary documentation to the seller according to 2 CFR 200 and 49 CFR 24.

Management Response: Management agrees with the finding. The issue resulted from procedures not fully aligning with federal requirements for real property acquisition documentation and communication. Management will implement procedures to ensure all required communications and documentation are provided and retained in accordance with 2 CFR 200 and 49 CFR 24, including clear communication to sellers and proper recordkeeping to demonstrate compliance.

SECTION IV: PRIOR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

City of Lake Worth Beach, Florida
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Agency Pass-through Grantor Program Title	CFDA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
US Department of Housing and Urban Development				
Direct Programs				
Economic Development Initiative				
Community Project Funding and Miscellaneous Grants	14.251	B-23-CP-FL-0404	\$ 167,889	\$ -
Economic Development Initiative				
Community Project Funding and Miscellaneous Grants	14.251	B-24-CP-FL-0604	450,000	-
Indirect Programs				
Passed through Palm Beach County Housing and Economic Sustainability				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	C-1618-K	9,839	-
Passed through State of Florida Department of Economic Opportunity				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	I0129	50,691	-
Total US Department of Housing and Urban Development			678,419	-
US Department of Justice				
Direct Programs				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-24-GG04925-JAGX	15,376	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03271-JAGX	36,560	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02527-JAGX	8,060	-
Total US Department of Justice			59,996	-
US Department of the Treasury				
Direct Programs				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5177	11,287,191	-
Passed through Florida Department of Environmental Protection				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
Eden Place Sea Level Rise Mitigation	21.027	22FRP70	64,276	-
Total US Department of the Treasury			11,351,467	-
US Environmental Protection Agency				
Indirect Programs				
Passed through Florida Department of Environmental Protection				
Capitalization Grants for Drinking Water State Revolving Fund	66.468	140129	257,800	-
Total US Environmental Protection Agency			257,800	-
US Department of Homeland Security				
Indirect Programs				
Passed through State of Florida Department of Transportation				
Highway Planning and Construction - ADA Sidewalk Improvements	20.205	G2J41	636,480	-
Total Department of Homeland Security			636,480	-
Total Expenditures of Federal Awards			\$ 12,984,162	\$ -

City of Lake Worth Beach, Florida
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal spending of the City of Lake Worth Beach, Florida (the "City") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not represent the financial position of the City.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a de minimis indirect cost rate. For the year ended September 30, 2025, the City of Lake Worth Beach, Florida did not elect to use this rate.

Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

The City of Lake Worth Beach, Florida did not have any federal loans or loan guarantees outstanding during the year ended September 30, 2025.

Note 4: SUB-RECIPIENTS

During the year ended September 30, 2025 the City of Lake Worth Beach, Florida had no sub-recipients.

Note 5: NONCASH ASSISTANCE AND OTHER

The City of Lake Worth Beach, Florida did not receive any noncash assistance or federally funded insurance during the year ended September 30, 2025.

Note 6: CONTINGENCIES

Grant monies received and disbursed by the City of Lake Worth Beach, Florida are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the City of Lake Worth Beach, Florida does not believe that such disallowance, if any, would have a material effect on the financial position of the City of Lake Worth Beach, Florida.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and City Council
City of Lake Worth Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Lake Worth Beach, Florida (the "City") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 30, 2026 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were made in the preceding annual financial report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Lake Worth Beach, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Lake Worth Beach, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Lake Worth Beach, Florida. It is management's responsibility to monitor the City of Lake Worth Beach, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following recommendations:

2025-006 Controls over Inventory

Criteria: City should have controls over the measurement of year-end valuation of inventory.

Condition: Inventory located in the City's electric warehouse did not match its location in the year-end report. Additionally, while the warehouse conducts inventory counts throughout the year, it does not necessarily conduct one at year-end.

Cause of condition: CRI observed the client count inventory at year-end and noted several items that were not in the location per the year-end report as they were spread out across the warehouse. Per client, inventory counts occur for parts of the warehouse throughout the year rather than at year-end. While ending amounts of items tested were correct, there was no supporting documentation to show where or why they moved. For year-end inventory valuation, client relies on inventory tracking system to be accurate based on counts and adjustments that already occurred throughout the year.

Potential effect of condition: Inventory items spread across the warehouse may lead to inaccurate inventory counts, which may lead to inaccurate downward adjustments and understate inventory value at year-end. Additionally, lack of year-end counts may lead to misstatement of inventory valuation as obsolete items may not be caught and adjusted properly.

Recommendation: We recommend the warehouse document the internal movement of inventory and reconcile any movement to monthly cycle counts. Additionally, the City should develop cycle count procedures to ensure all parts at all locations are counted at least once during the year.

Management's Response: Management agrees with the finding. Management will implement procedures to document inventory movements, reconcile them to cycle counts, and ensure all inventory is counted and reviewed at least annually to support accurate year-end valuation.

Special District Component Unit

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the members of the City Commission and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026





Carr, Riggs & Ingram, L.L.C.
7506 Lynx Way
Suite 201
Melbourne, FL 32940

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386.336.4189 (fax)
CRLadv.com

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Commissioners
City of Lake Worth Beach, Florida

We have examined the City of Lake Worth Beach, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for the City of Lake Worth Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Lake Worth Beach, Florida's compliance with the specified requirements based on our examination.

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

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

Our examination does not provide a legal determination on the City of Lake Worth Beach, Florida's compliance with the specified requirements.

In our opinion, the City of Lake Worth Beach, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
March 30, 2026





Corrective Action Plan March 30, 2026

The City of Lake Worth Beach, Florida respectfully submits the following corrective action plan for the year ended September 30, 2025.

Name and address of independent public accounting firm:
Carr, Riggs & Ingram, L.L.C.
7506 Lynx Wy Ste 201
Melbourne, Florida 32940

Audit Period: Fiscal Year October 1, 2024 – September 30, 2025

The findings from the Schedule of Findings and Questioned Costs are discussed below. The finding number corresponds to the number assigned in the schedule.

2025-001 Revenue Recognition

Recommendation: Management should review year-end balances related to leases to ensure they match amortization schedules.

Management Response: Management agrees with the finding. The omission resulted from an oversight in the year-end review of lease-related balances. Management will implement procedures to reconcile lease agreements to amortization schedules, ensure all lease revenue and deferred inflows are properly recorded, and establish a formal review process to verify completeness and accuracy.

Anticipated Completion Date: Immediately

Responsible Contact Person: Yannick Ngendahayo, Finance Director

2025-002 Census Data

Recommendation: We recommend management check personnel files against what the third party administrator knows and reconcile any differences.

Management Response: Management agrees with the finding. The discrepancies resulted from the lack of a formal reconciliation process between the City's personnel records and the third-party benefits administrator. Management will implement procedures to reconcile census data with personnel records, review and resolve discrepancies prior to submission to the actuary.

Anticipated Completion Date: May 31, 2026



Responsible Contact Person: Yannick Ngendahayo, Finance Director and Loren Slaydon, Human Resources Director

2025-003 Building Permit Rates

Recommendation: We recommend the finance department check rates updated by the various departments to ensure that they are properly updated in the software according to the Commission-approved schedule.

Management Response: Management agrees with the finding. The error resulted from permit rate tiers in the permitting software not being updated from the prior year to reflect the current Commission-approved fee schedule. Management will update the rate settings to align with the approved schedule and implement procedures to ensure all future rate changes are timely and accurately updated and reviewed in the system.

Anticipated Completion Date: Immediately

Responsible Contact Person: Yannick Ngendahayo, Finance Director

2025-004 Reviews of Grant Reports

Recommendation: The City should have controls in place to ensure all reports are reviewed prior to submittal and the review is documented.

Management Response: Management agrees with the finding. Management will implement procedures to document independent review of all reports submitted to the U.S. Treasury to ensure completeness, accuracy, and timeliness.

Anticipated Completion Date: Immediately

Responsible Contact Person: Yannick Ngendahayo, Finance Director

2025-005 Compliance over Negotiation Process

Recommendation: The City should review the documentation sent to the seller during the procurement process to ensure the City is providing all necessary documentation to the seller according to 2 CFR 200 and 49 CFR 24.

Management Response: Management agrees with the finding. The issue resulted from procedures not fully aligning with federal requirements for real property acquisition documentation and communication. Management will implement procedures to ensure all required communications and documentation are provided and retained in accordance with 2 CFR 200 and 49 CFR 24, including clear communication to sellers and proper recordkeeping to demonstrate compliance.



Anticipated Completion Date: Immediately

Responsible Contact Person: Yannick Ngendahayo, Finance Director and Mona Feigenbaum, Lake Worth Beach CRA Accounting Manager