

Lake Worth

Open to Endless Possibilities



**Comprehensive Annual Financial Report
For Fiscal Year Ended
September 30, 2015**

CITY OF LAKE WORTH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

Prepared by
City of Lake Worth Finance Department



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INTRODUCTORY SECTION



June 28, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lake Worth, Florida (the "City"), for the fiscal year ended September 30, 2015. 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 CAFR'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

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.

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.

Keefe McCullough, our independent auditors, has issued an unmodified opinion on the City of Lake Worth's financial statements for the fiscal year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

City of Lake Worth, Florida

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. 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 38,000. The median age has declined over the past two decades from 50 years to 40 years. Tourism, retail and construction are the main industries supporting the local economy. The quarter-mile, municipally-owned beach complex, which has an ocean fishing pier, an Olympic-sized swimming pool and ocean front shops and restaurants, make this area a popular attraction for residents and tourists alike.

The City also operates under a set of adopted Comprehensive Financial Policies. The comprehensive policies are annually reviewed. The policies set out the internal control framework that all financial transactions of the City are governed by goals and processes for sound financial management. The current policies can be found on the City's website: www.lakeworth.org.

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.

SINGLE AUDIT

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General, State of Florida, if the City meets the single audit thresholds.

The information related to the Single Audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditor's reports on the internal control and compliance with applicable laws and regulations are included in the compliance section. This report disclosed no material weaknesses in internal control over compliance, and compliance with the applicable requirements of major programs.

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, Capital Project Funds and Enterprise Funds are included in the annual appropriated budget. 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. 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 personal 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.

LOCAL ECONOMY

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

The City reached its highest taxable value of \$ 2,957,971,000 in 2007. Although slight gains in values have been made since the recession, the City has a long way to go to reach pre-recession levels. At its low point in 2012, taxable values were a mere \$ 1,097,153,000. Although valuations have increased to bring the City up to \$ 1,317,159,000 in 2015, the City is currently still at half its pre-recession taxable value. This could provide unique opportunities to the savvy investor.

Because of the demographics, attracting new business and jobs has been problematic. The City's poverty rate is over 30% and most properties do not have a taxable value high enough to yield tax revenue necessary for basic services. The City has adopted a strategy of attracting investment by removing disincentives to investment while building stability through best practices and innovative approaches to rules and regulations.

City of Lake Worth, Florida

The local economy will improve as people discover the true value of the City and as the City chisels away at disincentives. Refilling the City with functional taxpaying citizens will result in more businesses moving here as market forces work.

The City of Lake Worth's unemployment rate has historically been higher than the state and national rates. Today, Florida's unemployment rate is 5.6% - higher than the national rate of 5.4% and Palm Beach County has a rate of 4.7%. The City of Lake Worth's primary employing industries are service occupations, office workers, management, professional and government.

Property taxes have increased over the prior year due to a increase in the assessed value of residential property. Property tax revenues in 2015 comprised approximately 22% of annual General Fund annual resources providing approximately \$6.3 million of the total \$29.2 million annual budget.

The City's future financial challenges come primarily in the area of reduced property tax funding and the need to reduce utility rates coupled with continuing cost increases for operations. During the latter part of the last decade, prior management added new staff positions and expanded retirement benefits. These problems were compounded by increases in salary, specialty pays and longevity. The combination of more staff positions and higher salary / incentive / longevity costs significantly increased the cost of operations as well as annual pension funding. The City is at the point where financial commitments for pay and benefits are competing with community priorities; making crucial choices in the selection and content of public service levels, capital projects and retaining staff; a formidable challenge in maintaining the City's financial position

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-TERM FINANCIAL PLANNING

In an effort to maintain and strengthen the City's financial position, significant reductions in the number of staff positions have been made over the past five fiscal years. Additionally the City continues to work to reduce pension benefits as well as discontinuing special pays and a number of other wage related payments.

The City has also developed and continues to refine the five-year budgetary forecasting model that will provide a longer term planning horizon.

The City ended its agreement with Florida Municipal Power Agency (FMPA) as a power provider which will reduce the cost of electric power generation. The City is currently seeking proposals from qualified engineering firms to prepare specifications for a new power plant in order to reduce power generation costs over time. The City's enterprise utility operations continue analyzing additional infrastructure improvements including groundwater infiltration and treatment in the wastewater system, upgrade of electrical transmission and distribution systems and replacement of inefficient and aging electrical generation units.

City of Lake Worth, Florida

The City is also continuing an analysis of user fees and rates during the coming year that will help ensure that the financial stability of the City's utility 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 has adopted a strategy of attracting investment to the City by removing disincentives to investment while building stability through best practices and innovative approaches to rules and regulations. The much touted Land Development Regulations were approved in August 2013 and they provide consistent and creative guidelines to development in Lake Worth. Again, consistency reduces uncertainty in the market and which helps spur investment.

Electric rates have long been blamed for being a disincentive to new businesses and individual investment. Part of the rate issues relates to the amount charged against the Electric Fund above what would be received in the form of a Franchise Tax. This equates to almost \$ 4 million which subsidizes the General Fund's \$5.7 million property taxes. It could be argued that this charge results in higher rates and while these charges are not inappropriate or uncommon, it is problematic when resulting electric rates dissuades investment.

To address the perception of overly high electric rates, the City Commission adopted an ordinance to bring electric charges to rate parity with competitors. In fiscal year 2015 the electric rates were reduced by .05% for a total reduction of 11.5% over the last 4 years for residential customers. Additionally, the City offers an Economic Development Electric Incentive Rate Program to businesses that create 10 full-time jobs within municipal boundaries.

With limited funding, the City is embarking on creative solutions and proceeding with bite-size infrastructure projects. This is not ideal or normal, but it is a step in an organization that must remain nimble, embrace change and create opportunities for itself with active and prudent policy decisions. To this end, the City has sought ways to leverage existing dollars within the CIP program with outside grants/dollars. The City has been awarded an U.S. Economic Development Administration Grant in the amount of \$1.4 million to proceed with infrastructure upgrades in the Lake Worth Park of Commerce. The award is tied to the creation of 300 new jobs within the Park.

Our ultimate goal is to implement the necessary platforms that will attract businesses, drive sustainable jobs, and improve property values, quality of life, and comparable services and programs for our community.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Worth for its comprehensive annual financial report for the fiscal year ended September 30, 2014. A Certificate of Achievement in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

City of Lake Worth, Florida

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. I would also like to thank the members of the City Commission for their efforts in recognizing and expanding the support to Finance in improving the City's financial operations.

Respectfully submitted,



Michael Bornstein
City Manager





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lake Worth
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

City of Lake Worth, Florida

List of Principal Officers For the Fiscal Year Ended September 30, 2015

City Commission:

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

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
Mayor	Pam Triolo
Vice Mayor/Commissioner – District 1	Scott Maxwell
Commissioner - District 2	Christopher McVoy
Commissioner - District 3	Andy Amoroso
Commissioner - District 4	Ryan Maier

Management Team:

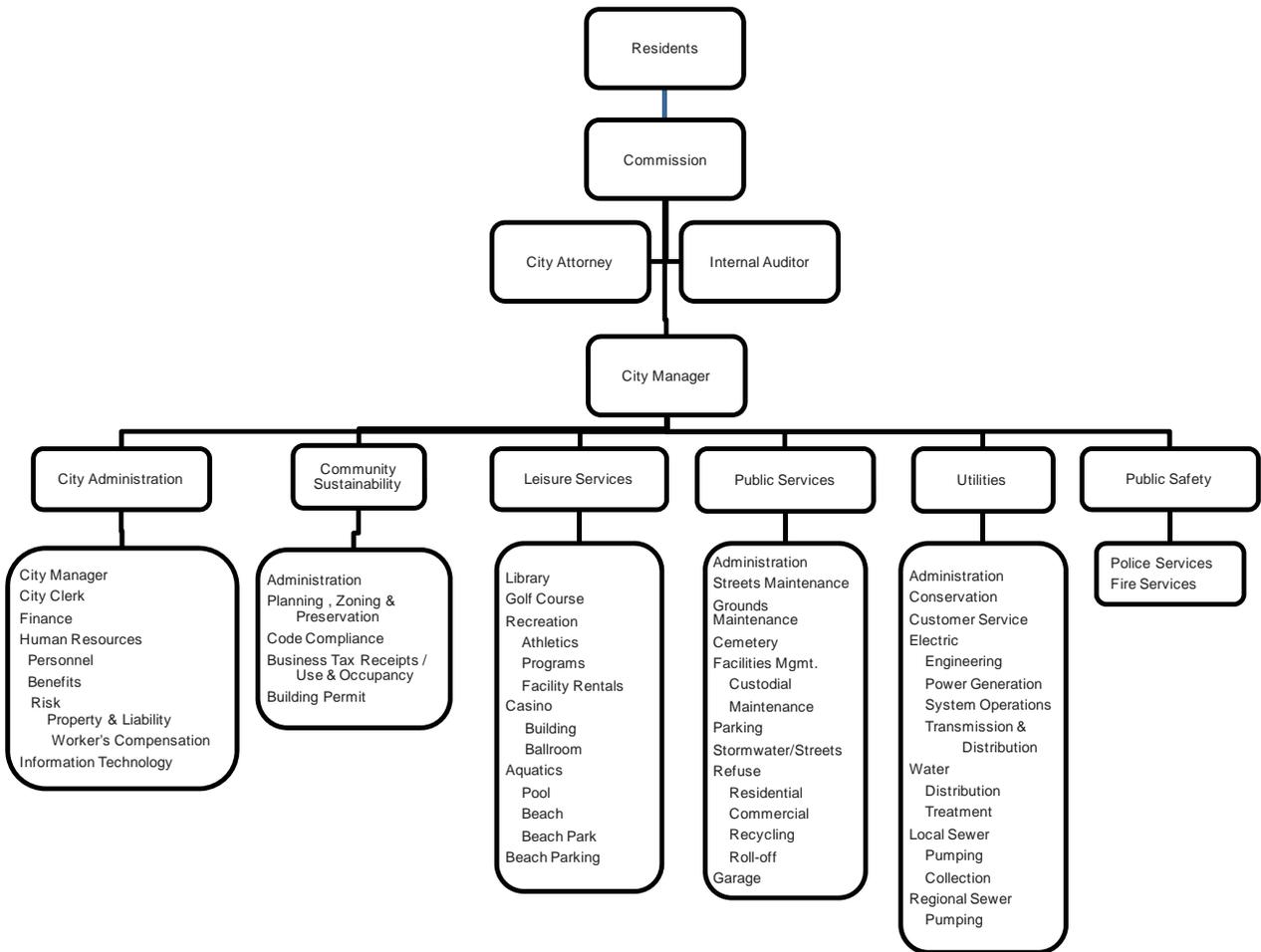
City Manager	Michael Bornstein
City Attorney	Glen J. Torcivia
City Clerk	Pamela J. Lopez
Community Sustainability Director	William Waters
Finance/Information Technology Director	Neraho Hemraj
Human Resources Director	Mark Farrington
Leisure Services Director	Juan Ruiz
Public Services Director	Jamie Brown
Water & Sewer Utility Director	Larry Johnson
Electric Utility Director	John Borsch

Community Redevelopment Agency:

Executive Director	Joan Oliva
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City of Lake Worth, Florida

Organizational Chart
For the Fiscal Year Ended September 30, 2015



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, Florida (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System, and Firefighters' Pension Trust Fund, which together represent 100% of the assets, net position, and additions of the fiduciary funds. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System, and Firefighters' Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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, Florida, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Notes 10 and 15 to the financial statements, the City changed its method of accounting and financial reporting for pensions as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, both effective October 1, 2014, which resulted in the City restating net position for recognition of the City’s pension related activity prior to October 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the schedules related to pensions and other post-employment benefits on pages 4 through 12 and 67 through 74, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, based on our audit, the procedures performed described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

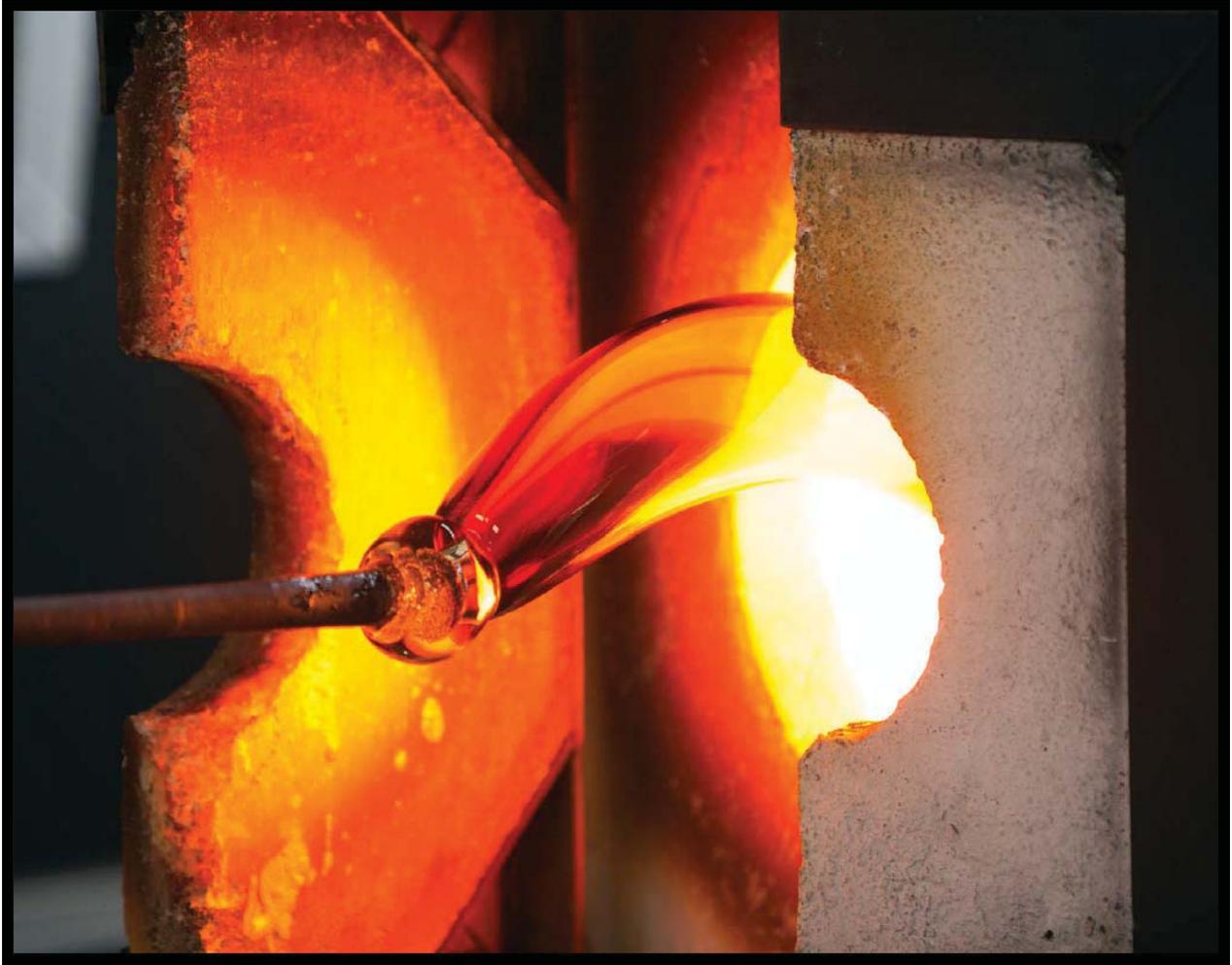
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 28, 2016



This section of the City's financial statements presents management's analysis of the City's financial performance during the fiscal year that ended on September 30, 2015. Please read it in conjunction with the financial statements, which follow this section.

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

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by \$ 153,625,426. Of this amount, \$ 21,566,448 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position at September 30, 2015 increased by \$ 8,145,998 as a result of this year's operations.
- At the end of the current fiscal year, the governmental funds reported combined fund balances of \$ 6,994,238, an increase of \$ 764,433 in comparison to the prior year. Of the total fund balances reported in governmental funds, \$ 4,936,622 was unassigned in the General Fund. This was an increase of \$ 573,450 from 2014.
- At September 30, 2015, the Utilities Department had total loans outstanding of \$ 55,818,140 including a revenue bond in the amount of \$ 49,595,000 and a state revolving loan in the amount of \$ 6,223,140 which was obtained to help fund the construction of the Reverse Osmosis Water Treatment Plant. The purpose of the \$ 49,595,000 loan was to refund previously issued outstanding revenue bonds, refund prior debt with the Florida Municipal Power Agency (FMPA) and to fund improvements to the electrical distribution system and to provide funding for the City's potable water system in the form of a Reverse Osmosis Water Treatment Plant.

Overview of the Financial Statements

Government-Wide Financial Statements

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

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, refuse collection and disposal systems.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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, 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 and the Beach 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 non-major funds is provided in the form of combining statements on pages 75 to 80 in this report.

The basic governmental fund financial statements can be found on pages 15 to 18 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operation of providing water service, electric utility service, local and regional sewer service, stormwater, 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 on pages 99 to 102. Because these services primarily support business-type rather than governmental, they have been included within enterprise 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 non-major enterprise funds in combining schedules on pages 95 to 98. The basic proprietary fund financial statements can be found on pages 19 to 24 of this report.

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

The basic fiduciary fund statements can be found on pages 25 and 26 of this report. In addition, the combining schedules are presented on pages 103 to 105 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 27 of this report.

Other information - In addition to the basic financial statements and notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The required supplementary information also contains a budgetary comparison schedule for the General Fund and Beach Fund to demonstrate budgetary compliance. Required supplementary information can be found beginning on page 63 of this report.

The combining statements referred to earlier in connection with non-major governmental and enterprise funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 75 of this 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 liabilities - as one way to measure the financial health or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

City of Lake Worth, Florida

*Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015*

Unaudited

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

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 11,378	\$ 11,088	\$ 121,939	\$ 118,259	\$ 133,317	\$ 129,347
Capital assets	58,548	59,907	107,604	108,626	166,152	168,533
Total assets	69,926	70,995	229,543	226,885	299,469	297,880
Total deferred outflows of resources	6,308	6,092	4,133	4,187	10,441	10,279
Total assets and deferred outflows	\$ 76,234	\$ 77,087	\$ 233,676	\$ 231,072	\$ 309,910	\$ 308,159
Liabilities:						
Current liabilities	\$ 2,750	\$ 2,779	\$ 12,390	\$ 11,446	\$ 15,140	\$ 14,225
Noncurrent liabilities	54,096	57,699	84,026	90,755	138,122	148,454
Total liabilities	56,846	60,478	96,416	102,201	153,262	162,679
Deferred inflows of resources:	1,546	-	1,477	-	3,023	-
Total liabilities and deferred inflows	58,392	60,478	97,893	102,201	156,285	162,679
Net Position:						
Net investment in capital assets	58,548	59,907	67,397	65,053	125,945	124,960
Restricted	2,160	1,804	3,954	4,330	6,114	6,134
Unrestricted (deficit)	(42,866)	(45,102)	64,432	59,488	21,566	14,386
Total net position	17,842	16,609	135,783	128,871	153,625	145,480
Total liabilities and net position	\$ 76,234	\$ 77,087	\$ 233,676	\$ 231,072	\$ 309,910	\$ 308,159

As shown in Table A-1, net position amounted to approximately \$ 153.6 million in fiscal 2015. The major component of this category is "net investment in capital assets," which represents the City's investment in its capital assets, net of the amounts borrowed to purchase these assets. This category of net position increased from approximately \$ 124.9 million in fiscal 2014 to approximately \$ 125.9 million in fiscal 2015, primarily due to the current year's repayment of debt. The increase in current and other assets from approximately \$ 129.3 million in 2014 to approximately \$133.3 million in 2015 is due to an increase in cash and investments of approximately \$ 4.7 million, which was a result of the increase in the current year revenues net of expenses. These net revenues were primarily due to an increase in charges for services to residents.

An additional portion of the City's net position, \$ 6.1 million represents resources that are subject to restrictions on how they may be used. The remaining balance of approximately \$ 21.6 million is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

City of Lake Worth, Florida

*Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015*

Unaudited

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Revenues:						
Taxes	\$ 15,828	\$ 15,173	\$ -	\$ -	\$ 15,828	\$ 15,173
Intergovernmental - unrestricted	1,469	662	-	-	1,469	662
Investment earnings - unrestricted	85	72	638	293	723	365
Miscellaneous	203	105	732	1,794	935	1,899
Charges for services	7,799	6,104	88,401	85,174	96,200	91,278
Operating grants and contributions	1,033	809	-	-	1,033	809
Capital grants and contributions	292	560	824	399	1,116	959
Total revenues	26,709	23,485	90,595	87,660	117,304	111,145
Expenses:						
General government	2,422	2,297	-	-	2,422	2,297
Public safety	18,613	19,972	-	-	18,613	19,972
Physical environment	2,685	1,709	-	-	2,685	1,709
Transportation	3,799	3,775	-	-	3,799	3,775
Culture and recreation	4,103	4,220	-	-	4,103	4,220
Electric utility	-	-	48,719	50,529	48,719	50,529
Water utility	-	-	9,541	10,219	9,541	10,219
Local sewer	-	-	6,524	6,522	6,524	6,522
Regional sewer	-	-	7,361	5,827	7,361	5,827
Stormwater	-	-	1,160	1,365	1,160	1,365
Refuse collection and disposal	-	-	4,232	4,880	4,232	4,880
Total expenses	31,622	31,973	77,537	79,342	109,159	111,315
Increase (decrease) in net position before transfer	(4,913)	(8,488)	13,058	8,318	8,145	(170)
Transfers	6,146	5,949	(6,146)	(5,949)	-	-
Change in net position	1,233	(2,539)	6,912	2,369	8,145	(170)
Net position, beginning, as previously reported	16,609	69,173	128,871	149,360	145,480	218,533
Restatement, Note 15	-	(50,025)	-	(22,858)	-	(72,883)
Net position, beginning, as restated	16,609	19,148	128,871	126,502	145,480	145,650
Ending net position	\$ 17,842	\$ 16,609	\$ 135,783	\$ 128,871	\$ 153,625	\$ 145,480

Governmental Activities:

Total revenues increased by approximately \$ 3.2 million primarily due to an increase in charges for services while total expenses decreased by approximately \$.4 million during the same period.

Business-Type Activities:

For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased by approximately \$ 6.9 million to reach approximately \$ 135.8 million. Revenues increased by approximately \$ 2.9 million primarily due to an increase in utility rates and consumption charges for services to residents and expenses decreased by \$ 1.8 million during the same period.

Financial Analysis of the Government's Major Funds

Governmental Funds

At September 30, 2015, the City's governmental funds reported combined fund balances of approximately \$ 7.0 million, an increase of approximately \$.8 million in comparison to the prior year. Approximately 31% or \$ 2.2 million is restricted. The remainder of the fund balance is either 1) non-spendable, committed, assigned or unassigned.

General Fund - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$ 4.9 million compared to approximately \$ 4.4 million in 2014. The unassigned fund balance represents approximately 99% of the overall fund balance at September 30, 2015. The General Fund recognized approximately \$ 23.1 million of revenue during the year, offset by approximately \$ 29.2 million of expenditures. Property taxes increased to approximately \$ 6.3 million from approximately \$ 5.8 million in the prior year, which along with utility taxes, charges for services and intergovernmental revenues, are the largest sources of revenue. Public safety expenditures increased by approximately \$ 0.3 million to approximately \$ 19.4 million, still representing the largest portion (66.3%) of expenditures. Both the Police and Fire Rescue services are contracted out to the Palm Beach County Sheriff's Office and the Palm Beach Fire Rescue District, respectively. These expenditures are driven by the interlocal agreements with each governmental entity and associated pension costs for former police and fire employees.

Beach Fund - The Beach Fund is being used to account for all of the costs involved in operating the City's casino building and all the activities of the beach. In 2011 the fund took an advance in the amount of \$ 6 million, with \$ 4 million coming from the Water Fund and \$ 2 million coming from the Self Insurance Fund. The City determined it was more beneficial to utilize internal financing due to the interest rate earned on the City's investments compared to external financing. Repayment began in fiscal year ending September 30, 2014. Overall revenue and expenditures in the Beach Fund were fairly consistent with prior year and resulted in a decrease in the deficit fund balance of approximately \$.8 million.

Proprietary Funds

The City implemented rate adjustments in fiscal year 2015 resulting in an overall increase in the charges for services to residents. Operating revenues in the enterprise funds increased by approximately \$ 3.2 million as a result of the increase in rates charged to customers. Operating revenue from water operations increased approximately \$ 1.0 million. Local sewer and regional sewer experienced an increase of approximately \$ 0.9 million and approximately \$ 1.5 million due to the rate increases. Operating expenses in the enterprise funds decreased by approximately \$ 1.8 million.

City of Lake Worth, Florida

*Management's Discussion and Analysis
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General Fund Budgetary Highlights

The General Fund's budgeted revenues remained the same from the original to the final budget. The City's final budgeted expenditures increased by approximately \$ 62,000 from the original budget, but by applying cost saving measures, the actual expenditures were approximately \$ 1.2 million less than budget.

The most significant difference between budgeted revenues and actual revenues was noted in fines and forfeitures. The City received surplus revenue from fines and forfeitures due to an increase in violations.

A review of the current year's expenditures compared to the final budget noted significant positive differences in the general government and public safety. The difference in the general government was mainly due to the shortage of staff in the finance department and the difference in public safety was due to cost saving measures.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2015, the City's investment in capital assets for its governmental and business-type activities amounts to approximately \$ 166.2 million invested in a variety of capital assets which represents a net decrease (additions, deductions and depreciation) of approximately \$ 2.3 million or 1%. Construction-in-progress decreased approximately \$ 1.6 million to a total of approximately \$ 5.8 million. The decrease is mainly attributable to the completion of various water main and well projects. Additional information on the City's capital assets can be found in Note 7 beginning on page 40.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 8.2	\$ 7.4	\$ 2.6	\$ 2.6	\$ 10.8	\$ 10.0
Construction in progress	1.5	1.5	4.3	5.9	5.8	7.4
Land improvements	2.8	2.8	0.5	0.5	3.3	3.3
Buildings and structures	31.4	31.4	98.3	98.3	129.7	129.7
Infrastructure	70.6	69.1	111.3	106.1	181.9	175.2
Machinery and equipment	3.7	3.7	30.6	30.0	34.3	33.7
Vehicles	1.5	1.5	8.8	8.2	10.3	9.7
Total capital assets	119.7	117.4	256.4	251.6	376.1	369.0
Accumulated depreciation	(61.1)	(57.5)	(148.8)	(143.0)	(209.9)	(200.5)
Net capital assets	\$ 58.6	\$ 59.9	\$ 107.6	\$ 108.6	\$ 166.2	\$ 168.5

Debt Administration

As of September 30, 2015, the City had debt outstanding of approximately \$ 55.8 million. Of this amount, approximately \$ 49.6 million is secured by specific enterprise fund revenue sources.

City of Lake Worth, Florida

*Management's Discussion and Analysis
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**Table A-4
Long-Term Debt (In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue bonds	\$ -	\$ -	\$ 49.6	\$ 52.8	\$ 49.6	\$ 52.8
Notes payable	-	-	6.2	6.5	6.2	6.5
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55.8</u>	<u>\$ 59.3</u>	<u>\$ 55.8</u>	<u>\$ 59.3</u>

The City's long term debt decreased by approximately \$ 3.5 million or 6% due to the net effect of the scheduled principal payments. Other obligations include compensated absences such as unused vacation and sick leave, deposits payable, pension liability and outstanding/estimated insurance claims. Additional information on the City's current long term debt and liabilities can be found in Note 9 of this report.

Economic Factors and Next Year's Budget and Rates

The City considered the following economic factors in developing its 2015-2016 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 2016, they are estimated to continue this trend.
- The City's total assessed value for the tax year 2015 or fiscal year 2016 increased by approximately 3% or approximately \$.2 million. Budgeted state shared revenue increased by approximately \$.5 million or 9.3% in fiscal year 2016 over fiscal year 2015.
- The General Fund budget for 2016 of approximately \$ 31.1 million is approximately \$.7 million or 2.3% more than the fiscal year 2015 amended budget. The increase is partly due to Palm Beach Sheriff Office contract and salary increases for employees.
- For the business-type and certain governmental activities (construction services and recreational programs), the user pays a related fee or charge associated with the service. For fiscal year 2016, the rates for the business-type activities were recommended by rate studies conducted by consultants and reflect increases of 3.5% for water rates, 3% for local sewer rates and 8% in regional sewer rates. There are no rate changes for the other utilities.

Currently Known Facts and Decisions

Beach Fund

The beachfront and casino complex opened in 2013 and now offers an upscale destination for dining, banquets, shopping and beach-goers. The City has begun the development of a market plan to increase utilization and ensure the complex will be self-supporting through the use of rents and parking revenues.

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, Finance Department, 7 North Dixie Highway, Lake Worth, FL 33460.



City of Lake Worth, Florida

**Statement of Net Position
September 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash and cash equivalents	\$ 4,509,162	\$ 18,779,195	\$ 23,288,357	\$ 1,567,457
Investments	8,190,415	41,536,465	49,726,880	2,112,459
Accounts receivable, net	2,111,684	11,950,688	14,062,372	86,055
Accrued interest receivable	16,469	113,183	129,652	-
Internal balances	(3,921,503)	3,921,503	-	-
Due from other governments	-	14,482	14,482	-
Due from component unit	1,170	-	1,170	-
Inventories	10,647	4,487,545	4,498,192	-
Land held for resale	376,767	-	376,767	3,600,764
Prepaid items	82,576	73,081	155,657	17,376
Restricted assets:				
Cash and cash equivalents	-	1,056,337	1,056,337	-
Investments	-	22,369,504	22,369,504	-
Deposits	-	1,316,174	1,316,174	-
Investment in joint venture	-	16,320,866	16,320,866	-
Capital assets:				
Nondepreciable	9,695,737	6,866,839	16,562,576	773,206
Depreciable, net	48,852,282	100,737,472	149,589,754	8,437,018
Total assets	69,925,406	229,543,334	299,468,740	16,594,335
Deferred outflows of resources:				
Deferred outflows related to pensions	6,308,450	2,940,730	9,249,180	-
Deferred charge on refunding	-	1,191,956	1,191,956	-
Total deferred outflows of resources	6,308,450	4,132,686	10,441,136	-
Total assets and deferred outflows of resources	\$ 76,233,856	\$ 233,676,020	\$ 309,909,876	\$ 16,594,335
Liabilities:				
Accounts and contracts payable	\$ 476,416	\$ 2,673,952	\$ 3,150,368	\$ 46,342
Accrued liabilities	1,554,514	5,090,495	6,645,009	5,932
Accrued interest payable	-	739,725	739,725	9,818
Due to primary government	-	-	-	1,170
Unearned revenue	673,722	-	673,722	-
Liabilities payable from restricted assets	-	270,189	270,189	-
Due within one year:				
Notes payable	-	305,819	305,819	1,676,601
Revenue bonds payable	-	3,255,000	3,255,000	-
Compensated absences	45,470	55,147	100,617	-
Due in more than a year:				
Notes payable	-	5,917,321	5,917,321	-
Revenue bonds payable	-	46,340,000	46,340,000	-
Compensated absences	406,528	454,214	860,742	-
Insurance claims payable	-	1,301,180	1,301,180	-
Other post-employment benefits	538,442	573,313	1,111,755	-
Deposits payable	-	6,238,603	6,238,603	-
Net pension liability	53,150,898	23,200,993	76,351,891	-
Total liabilities	56,845,990	96,415,951	153,261,941	1,739,863
Deferred inflows of resources:				
Deferred inflows related to pensions	1,545,965	1,476,544	3,022,509	-
Net position:				
Net investment in capital assets	58,548,019	67,396,574	125,944,593	7,533,623
Restricted for:				
Debt service	-	305,819	305,819	-
Working capital	-	1,549,767	1,549,767	-
Renewal and replacement	-	2,099,063	2,099,063	-
Grants	77,702	-	77,702	-
Public safety	2,082,034	-	2,082,034	-
Community redevelopment	-	-	-	3,352,033
Unrestricted (deficit)	(42,865,854)	64,432,302	21,566,448	3,968,816
Total net position	17,841,901	135,783,525	153,625,426	14,854,472
Total liabilities and net position	\$ 76,233,856	\$ 233,676,020	\$ 309,909,876	\$ 16,594,335

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

City of Lake Worth, Florida

Statement of Activities
For the Fiscal Year Ended September 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,422,314	\$ 2,709,695	\$ -	\$ 235,676	\$ 523,057	\$ -	\$ 523,057	\$ -
Public safety	18,613,494	1,283,169	732,682	-	(16,597,643)	-	(16,597,643)	-
Physical environment	2,684,500	11,350	276,879	-	(2,396,271)	-	(2,396,271)	-
Transportation	3,798,644	1,565,500	-	-	(2,233,144)	-	(2,233,144)	-
Culture and recreation	4,102,901	2,229,513	23,661	56,453	(1,793,274)	-	(1,793,274)	-
Total governmental activities	31,621,853	7,799,227	1,033,222	292,129	(22,497,275)	-	(22,497,275)	-
Business-type activities:								
Electric	48,719,483	54,269,092	-	-	-	5,549,609	5,549,609	-
Water	9,541,300	13,053,300	-	386,760	-	3,898,760	3,898,760	-
Local sewer	6,523,547	7,228,749	-	288,108	-	993,310	993,310	-
Regional sewer	7,360,670	6,137,326	-	149,263	-	(1,074,081)	(1,074,081)	-
Stormwater	1,160,138	1,807,513	-	-	-	647,375	647,375	-
Refuse collection and disposal	4,231,967	5,905,283	-	-	-	1,673,316	1,673,316	-
Total business-type activities	77,537,105	88,401,263	-	824,131	-	11,688,289	11,688,289	-
Total primary government	\$ 109,158,958	\$ 96,200,490	\$ 1,033,222	\$ 1,116,260	(22,497,275)	11,688,289	(10,808,986)	-
Component unit:								
Lake Worth CRA	\$ 1,778,630	\$ -	\$ -	\$ 387,155				(1,391,475)
General revenues:								
Taxes:								
Property taxes					7,016,336	-	7,016,336	1,383,038
Franchise fees based on gross receipts					39,358	-	39,358	-
Utility services taxes					5,040,381	-	5,040,381	-
Gas taxes					886,079	-	886,079	-
Sales and use taxes					2,845,915	-	2,845,915	-
Intergovernmental - unrestricted					1,469,121	-	1,469,121	-
Investment income - unrestricted					84,656	638,789	723,445	3,892
Miscellaneous					202,581	731,768	934,349	5,292
Transfers					6,146,248	(6,146,248)	-	-
Total general revenues and transfers					23,730,675	(4,775,691)	18,954,984	1,392,222
Change in net position					1,233,400	6,912,598	8,145,998	747
Net position, beginning of year, as restated, Note 15					16,608,501	128,870,927	145,479,428	14,853,725
Net position, end of year					\$ 17,841,901	\$ 135,783,525	\$ 153,625,426	\$ 14,854,472

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

City of Lake Worth, Florida

Balance Sheet
Governmental Funds
September 30, 2015

	<u>General</u>	<u>Beach Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 1,047,007	\$ 1,245,326	\$ 2,216,829	\$ 4,509,162
Investments	4,028,063	370,248	3,792,104	8,190,415
Accounts receivable, net	1,921,644	1,970	188,070	2,111,684
Accrued interest receivable	8,099	744	7,626	16,469
Due from component unit	1,170	-	-	1,170
Inventories	-	-	10,647	10,647
Land held for resale	-	-	376,767	376,767
Prepaid items	18,703	-	63,873	82,576
Due from other funds	-	-	36,000	36,000
Advances to other funds	-	-	399,000	399,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 7,024,686	\$ 1,618,288	\$ 7,090,916	\$ 15,733,890
Liabilities:				
Accounts and contracts payable	\$ 174,282	\$ 188,576	\$ 113,558	\$ 476,416
Accrued liabilities	1,313,383	185,103	56,028	1,554,514
Due to other funds	-	474,000	100,000	574,000
Advances from other funds	-	5,461,000	-	5,461,000
Unearned revenue	572,429	-	101,293	673,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	2,060,094	6,308,679	370,879	8,739,652
Fund balances:				
Non-Spendable:				
Prepaid items	18,703	-	63,873	82,576
Inventories	-	-	10,647	10,647
Restricted for:				
Purpose of fund	-	-	2,159,736	2,159,736
Committed to:				
Purpose of fund	-	-	1,692,430	1,692,430
Assigned to:				
Advances	-	-	399,000	399,000
Subsequent year's budget	68,889	-	-	68,889
Capital projects	-	-	2,527,266	2,527,266
Housing initiative	9,267	-	-	9,267
Unassigned (deficit)	4,867,733	(4,690,391)	(132,915)	44,427
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	4,964,592	(4,690,391)	6,720,037	6,994,238
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ 7,024,686	\$ 1,618,288	\$ 7,090,916	\$ 15,733,890

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

City of Lake Worth, Florida

**Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
September 30, 2015**

Total governmental fund balances	\$	6,994,238
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities, net of depreciation, are not financial resources and, therefore, are not reported in the fund.		58,548,019
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the government funds. These liabilities are comprised of the following:		
Net pension liability	(53,150,898)	
Other post employment benefits (OPEB)	(538,442)	
Compensated absences	(451,998)	
	(54,141,338)	(54,141,338)
Certain funds related to pension assets and liabilities are not reported in the governmental funds:		
Deferred outflows relating to pensions	6,308,450	
Deferred inflows relating to pensions	(1,545,965)	
		4,762,485
Internal service fund net position	13,945,194	
Less due to business-type activities for "Look Back" allocation	(12,266,697)	
	1,678,497	1,678,497
Net position of governmental activities	\$	17,841,901

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

City of Lake Worth, Florida

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2015**

	<u>General</u>	<u>Beach Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 6,316,354	\$ -	\$ -	\$ 6,316,354
Utility and other taxes	4,890,755	-	347,115	5,237,870
Licenses and permits	745,161	-	1,561,388	2,306,549
Fines and forfeitures	803,056	187,124	-	990,180
Charges for services	4,531,509	2,587,691	994,798	8,113,998
Intergovernmental	5,722,116	-	602,124	6,324,240
Investment income	49,248	2,908	47,026	99,182
Rents and royalties	21,099	-	-	21,099
Miscellaneous	33,589	5,455	260,044	299,088
Total revenues	<u>23,112,887</u>	<u>2,783,178</u>	<u>3,812,495</u>	<u>29,708,560</u>
Expenditures:				
Current:				
General government	5,539,872	-	94,330	5,634,202
Public safety	19,376,748	-	949,902	20,326,650
Physical environment	1,751,011	-	4,008	1,755,019
Transportation	979,280	304,188	735	1,284,203
Culture and recreation	1,565,563	1,647,947	1,156,959	4,370,469
Capital outlay	4,835	1,299	1,713,698	1,719,832
Total expenditures	<u>29,217,309</u>	<u>1,953,434</u>	<u>3,919,632</u>	<u>35,090,375</u>
Excess (deficiency) of revenues over expenditures	<u>(6,104,422)</u>	<u>829,744</u>	<u>(107,137)</u>	<u>(5,381,815)</u>
Other financing sources (uses):				
Transfers in	6,677,872	-	825,436	7,503,308
Transfers out	-	-	(1,357,060)	(1,357,060)
Total other financing sources (uses)	<u>6,677,872</u>	<u>-</u>	<u>(531,624)</u>	<u>6,146,248</u>
Net change in fund balances	573,450	829,744	(638,761)	764,433
Fund balances (deficit), beginning of year	<u>4,391,142</u>	<u>(5,520,135)</u>	<u>7,358,798</u>	<u>6,229,805</u>
Fund balances (deficit), end of year	<u>\$ 4,964,592</u>	<u>\$ (4,690,391)</u>	<u>\$ 6,720,037</u>	<u>\$ 6,994,238</u>

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

City of Lake Worth, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2015**

Net change in fund balances, total governmental funds	\$	764,433
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period:</p>		
Capital outlay	\$ 1,719,832	
Depreciation expense	<u>(3,773,588)</u>	(2,053,756)
<p>The net effect of various miscellaneous transactions involving capital assets:</p>		
Loss on disposal of capital assets		(78,677)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Change in other post-employment benefits	1,245	
Change in compensated absences	(44,537)	
Change in net pension liability	<u>3,707,433</u>	3,664,141
<p>Certain changes related to pension assets and liabilities are not reported in the net change in the governmental funds:</p>		
Change in deferred outflows relating to pensions		216,339
Change in deferred inflows relating to pensions		(1,545,965)
<p>Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities:</p>		
Internal service fund change in net position	1,785,215	
Current year "Look Back" allocation to Enterprise Funds	<u>(1,518,330)</u>	<u>266,885</u>
Change in net position of governmental activities	\$	<u><u>1,233,400</u></u>

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

City of Lake Worth, Florida

**Statement of Net Position - Proprietary Funds
September 30, 2015**

	<i>Business-type activities - Enterprise Funds</i>						
	Major				Non-major	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Assets:							
Current assets:							
Cash and cash equivalents	\$ 4,573,353	\$ 4,536,415	\$ 898,861	\$ 146,852	\$ 1,298,262	\$ 11,453,743	\$ 7,325,452
Investments	2,829,869	13,739,636	9,358,866	1,822,688	8,392,428	36,143,487	5,392,978
Restricted assets:							
Cash and cash equivalents	236,068	233,614	-	-	-	469,682	-
Investments	-	-	15,563	-	-	15,563	-
Accounts receivable, net	8,869,078	1,618,661	848,527	234,655	370,704	11,941,625	9,063
Accrued interest receivable	30,067	30,846	18,849	5,705	16,873	102,340	10,843
Due from other funds	100,000	292,000	-	32,771	-	424,771	146,000
Due from other governments	-	14,482	-	-	-	14,482	-
Inventories	4,080,416	251,228	-	-	-	4,331,644	155,901
Prepaid items	50,843	-	-	20,845	1,393	73,081	-
Total current assets	20,769,694	20,716,882	11,140,666	2,263,516	10,079,660	64,970,418	13,040,237
Non-current assets:							
Restricted assets:							
Cash and cash equivalents	-	-	-	586,655	-	586,655	-
Investments	19,737,691	1,601,785	-	1,014,465	-	22,353,941	-
Deposits	1,316,174	-	-	-	-	1,316,174	-
Advances to other funds	-	3,373,000	-	-	-	3,373,000	1,689,000
Investment in joint venture	-	-	-	16,320,866	-	16,320,866	-
Capital assets:							
Land	1,527,194	307,148	5,750	-	732,046	2,572,138	-
Construction in progress	1,404,107	1,786,571	391,987	660,170	31,671	4,274,506	20,195
Land improvements	216,163	-	6,570	4,602	241,637	468,972	-
Buildings and structures	40,576,701	51,687,099	5,829,936	20,325	296,994	98,411,055	-
Infrastructure	32,751,347	25,831,631	24,155,848	24,927,468	3,624,441	111,290,735	-
Machinery and equipment	24,807,320	3,607,784	637,345	108,956	467,465	29,628,870	933,786
Vehicles	1,903,543	341,845	922,115	38,320	3,434,770	6,640,593	2,174,148
Accumulated depreciation	(76,671,768)	(26,298,268)	(21,408,867)	(17,474,708)	(5,190,745)	(147,044,356)	(1,766,331)
Total non-current assets	47,568,472	62,238,595	10,540,684	26,207,119	3,638,279	150,193,149	3,050,798
Total assets	68,338,166	82,955,477	21,681,350	28,470,635	13,717,939	215,163,567	16,091,035

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

City of Lake Worth, Florida

Statement of Net Position - Proprietary Funds (continued)
September 30, 2015

	<i>Business-type activities - Enterprise Funds</i>						
	Major				Non-major	Total	Internal
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Deferred outflows of resources:							
Deferred outflows relating to pensions	1,735,029	441,110	205,852	58,815	499,924	2,940,730	-
Deferred charge on refunding	598,397	593,559	-	-	-	1,191,956	-
Total deferred outflows of resources	2,333,426	1,034,669	205,852	58,815	499,924	4,132,686	-
Total assets and deferred outflows of resources	\$ 70,671,592	\$ 83,990,146	\$ 21,887,202	\$ 28,529,450	\$ 14,217,863	\$ 219,296,253	\$ 16,091,035
Liabilities:							
Current liabilities:							
Accounts and contracts payable	\$ 2,015,207	\$ 266,472	\$ 88,354	\$ 110,442	\$ 98,456	\$ 2,578,931	\$ 95,021
Accrued liabilities	2,524,325	110,077	69,331	1,599,973	80,494	4,384,200	706,295
Accrued interest payable	332,287	407,438	-	-	-	739,725	-
Due to other funds	-	-	32,771	-	-	32,771	-
Compensated absences	36,391	2,458	87	-	16,211	55,147	-
Notes payable	-	305,819	-	-	-	305,819	-
Revenue bonds payable	1,627,500	1,627,500	-	-	-	3,255,000	-
Payable from restricted assets:							
Accounts and contracts payable	170,520	19,295	-	80,374	-	270,189	-
Total current liabilities	6,706,230	2,739,059	190,543	1,790,789	195,161	11,621,782	801,316
Non-current liabilities:							
Insurance claims payable	-	-	-	-	-	-	1,301,180
Compensated absences	216,390	86,933	28,848	-	78,698	410,869	43,345
Other post-employment benefits	313,952	94,281	37,469	6,710	120,901	573,313	-
Notes payable	-	5,917,321	-	-	-	5,917,321	-
Revenue bonds payable	23,170,000	23,170,000	-	-	-	46,340,000	-
Net pension liability	13,688,585	3,480,149	1,624,070	464,020	3,944,169	23,200,993	-
Payable from restricted assets:							
Deposits payable	5,115,497	1,123,106	-	-	-	6,238,603	-
Total non-current liabilities	42,504,424	33,871,790	1,690,387	470,730	4,143,768	82,681,099	1,344,525
Total liabilities	49,210,654	36,610,849	1,880,930	2,261,519	4,338,929	94,302,881	2,145,841
Deferred inflows of resources:							
Deferred inflows relating to pensions	871,160	221,482	103,358	29,531	251,013	1,476,544	-

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

City of Lake Worth, Florida

Statement of Net Position - Proprietary Funds (continued)
September 30, 2015

	<i>Business-type activities - Enterprise Funds</i>						Internal Service Funds
	Major				Non-major	Total	
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Net position:							
Net investment in capital assets	16,753,246	26,817,434	10,540,684	8,285,133	3,638,279	66,034,776	1,361,798
Restricted for:							
Debt service	-	305,819	-	-	-	305,819	-
Working capital	1,316,174	233,593	-	-	-	1,549,767	-
Renewal & replacement	250,000	250,000	-	1,599,063	-	2,099,063	-
Unrestricted	<u>2,270,358</u>	<u>19,550,969</u>	<u>9,362,230</u>	<u>16,354,204</u>	<u>5,989,642</u>	<u>53,527,403</u>	<u>12,583,396</u>
Total net position	<u>20,589,778</u>	<u>47,157,815</u>	<u>19,902,914</u>	<u>26,238,400</u>	<u>9,627,921</u>	<u>123,516,828</u>	<u>13,945,194</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 70,671,592</u>	<u>\$ 83,990,146</u>	<u>\$ 21,887,202</u>	<u>\$ 28,529,450</u>	<u>\$ 14,217,863</u>	<u>\$ 219,296,253</u>	<u>\$ 16,091,035</u>
Explanation of difference between proprietary funds statement of net position and the government-wide statement of net position:							
Total net position						\$ 123,516,828	
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.						<u>12,266,697</u>	
Total net position - government-wide statement of net position						<u>\$ 135,783,525</u>	

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

City of Lake Worth, Florida

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended September 30, 2015**

	<i>Business-type Activities - Enterprise Funds</i>						
	Major				Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer			
Operating revenues:							
Charges for services	\$ 54,269,092	\$ 13,053,300	\$ 7,228,749	\$ 6,137,326	\$ 7,712,796	\$ 88,401,263	\$ 11,757,624
Intergovernmental	-	-	-	-	-	-	19,275
Total operating revenues	<u>54,269,092</u>	<u>13,053,300</u>	<u>7,228,749</u>	<u>6,137,326</u>	<u>7,712,796</u>	<u>88,401,263</u>	<u>11,776,899</u>
Operating expenses:							
Cost of services	43,882,493	5,577,618	5,277,819	5,094,517	4,775,656	64,608,103	10,424,738
General and administrative	2,643,939	859,841	599,772	156,035	291,341	4,550,928	-
Depreciation	1,783,544	2,424,174	655,216	425,042	388,944	5,676,920	494,637
Total operating expenses	<u>48,309,976</u>	<u>8,861,633</u>	<u>6,532,807</u>	<u>5,675,594</u>	<u>5,455,941</u>	<u>74,835,951</u>	<u>10,919,375</u>
Operating income	5,959,116	4,191,667	695,942	461,732	2,256,855	13,565,312	857,524
Non-operating revenues (expenses):							
Investment income	130,068	205,006	99,778	30,197	93,641	558,690	80,099
Interest and fiscal charges	(712,128)	(877,295)	-	-	-	(1,589,423)	-
Other	474,738	(32,874)	36,696	(1,669,496)	42,742	(1,148,194)	43,173
Total non-operating revenues (expenses)	<u>(107,322)</u>	<u>(705,163)</u>	<u>136,474</u>	<u>(1,639,299)</u>	<u>136,383</u>	<u>(2,178,927)</u>	<u>123,272</u>
Income (loss) before transfers and contributions	5,851,794	3,486,504	832,416	(1,177,567)	2,393,238	11,386,385	980,796
Capital contributions	-	386,760	288,108	149,263	-	824,131	134,419
Transfers in	-	-	-	-	-	-	800,000
Transfers out	(3,932,889)	(1,212,316)	(693,529)	-	(977,514)	(6,816,248)	(130,000)
Change in net position	1,918,905	2,660,948	426,995	(1,028,304)	1,415,724	5,394,268	1,785,215
Net position, beginning of year, as restated, Note 15	<u>18,670,873</u>	<u>44,496,867</u>	<u>19,475,919</u>	<u>27,266,704</u>	<u>8,212,197</u>	<u>118,122,560</u>	<u>12,159,979</u>
Net position, end of year	<u>\$ 20,589,778</u>	<u>\$ 47,157,815</u>	<u>\$ 19,902,914</u>	<u>\$ 26,238,400</u>	<u>\$ 9,627,921</u>	<u>\$ 123,516,828</u>	<u>\$ 13,945,194</u>
Explanation of difference between proprietary funds statement of revenues, expenses and changes in net position and the government-wide statement of activities:							
Change in net position - proprietary funds financial statements						\$ 5,394,268	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						<u>1,518,330</u>	
Change in net position - government-wide statement of activities						<u>\$ 6,912,598</u>	

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

City of Lake Worth, Florida

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended September 30, 2015**

	Business-type Activities - Enterprise Funds						
	Major				Non-major	Total	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Cash flows from operating activities:							
Receipts from customers and interfund charges	\$ 55,275,730	\$ 13,142,431	\$ 7,292,519	\$ 6,098,312	\$ 7,691,728	\$ 89,500,720	\$ 11,783,109
Payments to suppliers	(37,474,501)	(3,898,708)	(4,715,164)	(4,468,387)	(2,646,674)	(53,203,434)	(10,573,312)
Payments to employees	(5,648,671)	(1,611,118)	(730,150)	(166,577)	(1,725,104)	(9,881,620)	(724,866)
Payments for interfund services received	(3,601,753)	(1,420,167)	(596,821)	(103,209)	(929,533)	(6,651,483)	-
Other receipts/(disbursements)	474,738	(32,874)	36,696	(1,669,496)	42,742	(1,148,194)	43,173
Net cash provided by (used in) operating activities	9,025,543	6,179,564	1,287,080	(309,357)	2,433,159	18,615,989	528,104
Cash flows from non-capital financing activities:							
Due from (to) other funds	-	(124,500)	-	-	-	(124,500)	(63,500)
Transfer from other funds	-	-	-	-	-	-	800,000
Transfer to other funds	(3,932,889)	(1,212,316)	(693,529)	-	(977,514)	(6,816,248)	(130,000)
Net cash provided by (used in) non-capital financing activities	(3,932,889)	(1,336,816)	(693,529)	-	(977,514)	(6,940,748)	606,500
Cash flows from capital and related financing activities:							
Acquisitions and construction of capital assets, net	(1,071,706)	(1,903,508)	(325,416)	(605,255)	(238,165)	(4,144,050)	(1,005,162)
Advances from (to) other funds	-	292,000	-	-	-	292,000	146,000
Proceeds of capital grants, cash transactions	-	386,760	288,108	149,263	-	824,131	134,419
Principal paid on revenue bonds	(1,582,500)	(1,582,500)	-	-	-	(3,165,000)	-
Principal paid on notes	-	(297,952)	-	-	-	(297,952)	-
Interest and other fiscal charges	(664,574)	(830,125)	-	-	-	(1,494,699)	-
Net cash provided by (used in) capital and related financing activities	(3,318,780)	(3,935,325)	(37,308)	(455,992)	(238,165)	(7,985,570)	(724,743)
Cash flows from investing activities:							
Purchase of investments	(15,495,380)	(11,230,443)	(6,572,108)	(2,052,862)	(6,157,404)	(41,508,197)	(3,697,976)
Sale of investments	15,317,584	10,527,769	6,478,627	2,024,571	6,073,713	40,422,264	3,644,228
Investment in joint venture	-	-	-	56,734	-	56,734	-
Interest and dividend received	152,461	205,341	100,518	30,421	94,304	583,045	80,665
Net cash provided by (used in) investing activities	(25,335)	(497,333)	7,037	58,864	10,613	(446,154)	26,917
Net change in cash and cash equivalents	1,748,539	410,090	563,280	(706,485)	1,228,093	3,243,517	436,778
Cash and cash equivalents, beginning	3,060,882	4,359,939	335,581	1,439,992	70,169	9,266,563	6,888,674
Cash and cash equivalents, ending	\$ 4,809,421	\$ 4,770,029	\$ 898,861	\$ 733,507	\$ 1,298,262	\$ 12,510,080	\$ 7,325,452

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

City of Lake Worth, Florida

Statement of Cash Flows - Proprietary Funds (continued)
For the Fiscal Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds						
	Major				Non-major	Total	Internal Service Funds
	Electric	Water	Local Sewer	Regional Sewer	Enterprise Funds	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 5,959,116	\$ 4,191,667	\$ 695,942	\$ 461,732	\$ 2,256,855	\$ 13,565,312	\$ 857,524
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	1,783,544	2,424,174	655,216	425,042	388,944	5,676,920	494,637
Provision for uncollectible accounts	137,003	10,856	7,177	-	-	155,036	-
Other nonoperating income (disbursements)	474,738	(32,874)	36,696	(1,669,496)	42,742	(1,148,194)	43,173
Decrease (increase) in assets:							
Accounts receivable	403,249	(21,765)	56,593	(39,014)	(21,068)	377,995	6,210
Due from other governments	-	16,011	-	-	-	16,011	-
Prepaid items	23,724	-	-	-	-	23,724	21,961
Inventories	(75,042)	1,853	-	-	-	(73,189)	14,285
Deferred outflows relating to pensions	(24,809)	(6,308)	(2,944)	(841)	(7,149)	(42,051)	-
Increase (decrease) in liabilities:							
Accounts and contracts payable	1,528,389	(366,100)	(118,965)	63,618	(33,835)	1,073,107	12,419
Accrued liabilities	(978,622)	6,962	37,276	471,201	(470)	(463,653)	217,578
Compensated absences	(34,858)	17,111	(4,311)	-	(9,133)	(31,191)	(1,792)
Insurance claims payable	-	-	-	-	-	-	(1,137,891)
Customer deposits payable	466,386	100,040	-	-	-	566,426	-
Other post-employment benefits	(670)	(215)	(71)	(19)	(299)	(1,274)	-
Net pension liability	(1,507,765)	(383,330)	(178,887)	(51,111)	(434,441)	(2,555,534)	-
Deferred inflows relating to pensions	871,160	221,482	103,358	29,531	251,013	1,476,544	-
Total adjustments	<u>3,066,427</u>	<u>1,987,897</u>	<u>591,138</u>	<u>(771,089)</u>	<u>176,304</u>	<u>5,050,677</u>	<u>(329,420)</u>
Net cash provided by (used in) operating activities	<u>\$ 9,025,543</u>	<u>\$ 6,179,564</u>	<u>\$ 1,287,080</u>	<u>\$ (309,357)</u>	<u>\$ 2,433,159</u>	<u>\$ 18,615,989</u>	<u>\$ 528,104</u>
Supplemental disclosure of noncash investing activities:							
Unrealized gains (losses) on investments	<u>\$ 9,264</u>	<u>\$ (17,862)</u>	<u>\$ (10,664)</u>	<u>\$ (3,227)</u>	<u>\$ (9,548)</u>	<u>\$ (32,037)</u>	<u>\$ (6,131)</u>

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

City of Lake Worth, Florida

**Statement of Net Position
Fiduciary Funds
September 30, 2015**

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$ 6,680,477	\$ 3,386
Investments at fair value:		
U.S. government and agency funds	19,247,668	-
Corporate bonds	13,537,269	-
Common stocks	53,372,717	-
Real estate	15,250,547	-
Mutual funds	23,528,897	-
Partnership	5,796	-
Accrued interest, dividends and contributions receivable	1,580,448	-
Due from broker	464,754	-
Prepaid items	12,394	-
	<u>133,680,967</u>	<u>3,386</u>
Liabilities:		
Accounts payable	156,328	1,026
Due for securities purchased	906,628	-
Deposits payable	-	2,360
	<u>1,062,956</u>	<u>3,386</u>
Net position held in trust for pension benefits	<u>\$ 132,618,011</u>	<u>\$ -</u>

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

City of Lake Worth, Florida

**Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 9,401,411
Chapter 175	954,095
Plan members	221,186
Rollover	1,101,767
State	426,376
	<u>12,104,835</u>
Total contributions	
Investment income:	
Interest and dividends	4,175,343
Net change in fair value of investments	(3,256,010)
Other income	28,237
	<u>947,570</u>
Total investment income	
Less investment expenses	<u>(818,937)</u>
Net investment income	<u>128,633</u>
Total additions	<u>12,233,468</u>
Deductions:	
Pension benefits	18,069,214
Administrative expenses	310,258
	<u>18,379,472</u>
Total deductions	
Change in net position	(6,146,004)
Net position, beginning of year	<u>138,764,015</u>
Net position, end of year	\$ <u><u>132,618,011</u></u>

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



**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies

The City of Lake Worth, 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, and refuse collection and disposal.

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

A. Financial Reporting Entity

The financial statements were prepared in accordance with governmental accounting standards, which establish standards for defining and reporting on the reporting entity. The definition of the financial reporting entity is based on the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The City's reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for 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 (the City) 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/benefit.

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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

B. Discretely Presented Component Unit

As required by generally accepted accounting principles, the financial statements in this report present the City, the primary government, and its component unit: The Community Redevelopment Agency (CRA). Although a legally separate entity, the CRA is included as a component unit in the City's financial statements because of the significance of their operational or financial relationships with the City which creates the potential of financial 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 not available. The statutorily required report can be obtained by contacting the Lake Worth Community Redevelopment Agency office at 29 South J Street, Unit 1, Lake Worth, FL 33460.

C. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. 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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Acquisitions of general capital assets are reported as expenditures in governmental funds. Issuance of long term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, franchise fees and other taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. 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 to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Beach Fund – The Beach Fund was established to account for the charges for services, fines and forfeitures and expenditures of the beach, pier, pool, beach parking and casino building. Revenues from parking and special events are committed to fund tourism within the City.

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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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:

Non-Major Special Revenue Funds:

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

Non-Major Capital Project Funds:

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

Non-Major 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 Fund.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Agency Funds:

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

E. Interfund Receivables and Payables

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

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

F. Receivables

Receivables include amounts due from other governments and others for services provided by the City. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based on historical trends and the periodic aging of receivables.

Utility (electric, water, local and regional sewer, stormwater 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.

G. Inventories

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

H. 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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

I. Restricted Assets

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

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., utility lines, roads, bridges, sidewalks, and similar items), regardless of their acquisition date, are reported at cost or estimated historical cost in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year.

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

	<u>Years</u>
Land improvements	4-40
Infrastructure	4-20
Buildings and structure	10-40
Machinery and equipment	3-15
Vehicles	5

K. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two 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 of the life of the refunded or refunding debt. The second item is the deferred outflows relating to the pension plans and discussed in further detail in Note 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The item is the deferred inflows relating to the pension plans and is discussed further in Note 10.

L. 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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

M. 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 in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method, which approximates the effective interest method. Bonds are reported net of the applicable bond premiums or discounts.

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

N. Nature and Purpose of Fund Balance

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

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.

O. 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 to provide for necessary cash flow to minimize any short-term borrowings. As of September 30, 2015 this balance was approximately \$ 4.9 million.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

P. 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, reduced by accumulated depreciation and any outstanding debt incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, 2) restricted or 3) unrestricted. The first category represents net position related to property, plant, equipment and infrastructure. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the two other components.

Q. 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 and liabilities and disclosure of contingent assets and liabilities 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.

R. Date of Management Review

Subsequent events were evaluated by management through June 28, 2016, which is the date the financial statements were available to be issued.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations - The following expenditures exceeded appropriations by the amounts indicated:

General Fund:		
Physical Environment	\$	3,816
Capital Projects Fund:		
General government	\$	2,598
Golf Fund:		
Culture and recreation	\$	24,904
Simpkin Trust Fund:		
Culture and recreation	\$	309

These over-expenditures were funded by other categories and/or appropriate fund balance, where applicable.

Fund Deficits - The Beach Fund has a deficit balance in unassigned fund balance as of September 30, 2015 of \$ 4,690,391. The deficit is due to the internal loan which originated in 2013 to improve and rebuild the casino building. Due to unprecedented low interest rates that the City is receiving on its investments, the City has determined that continuing the internal financing was the most economical alternative for the foreseeable future.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 2. Stewardship, Compliance and Accountability (continued)

The Golf Course Fund has a deficit balance in unassigned fund balance as of September 30, 2015 of \$ 58,395. During 2013, the City developed a restructured business plan to provide resources for the operations and elimination of the fund deficit. The restructured business plan resulted in a decrease of the deficit of unassigned fund balance of \$ 8,818 during 2015. It is anticipated that the deficit will be eliminated over time.

Note 3. Deposits and Investments

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

Investments - As required by Florida Statutes, the City has adopted a written investment policy, which, from time to time, is amended by the City. Investments are made in accordance with provisions of the Florida Statutes and the City's policies. The City is authorized to invest in the State Board of Administration (SBA) funds, 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 State Board of Administration (SBA) administers the Florida PRIME (formerly known as the Local Government Surplus Funds Trust (LGIP)), which is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The investments in the Florida PRIME are not insured by the FDIC or any other governmental agency.

The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirement for a 2a-7 like fund, which permits money market funds to use amortized cost to maintain a constant net position value (NAV) of \$1 per share. The fair value of the position in the pool is equal to the value of the pool share. One hundred percent of the pool's shares are available as liquid balance. The Florida PRIME is rated by Standard and Poor's and has a current rating of AAAM.

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.

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 3. Deposits and Investments (continued)

City Investments:

As of September 30, 2015, the City had the following investments:

City Investments	Maturities	Fair Value
Short Term Investments, Money Market Funds	N/A	\$ 10,455,449
Local Government Surplus Funds Trust:		
Florida PRIME	29 days	41,424
U.S. Government Obligations:		
U.S. Treasury	11/30/2015 - 04/30/2018	38,456,912
Federal Agency Bond/Note	02/19/2016 - 03/07/2018	<u>23,142,599</u>
Total Investments		<u>\$ 72,096,384</u>

Discretely Presented Component Unit:

Community Redevelopment Agency	Maturities	Fair Value
Short Term Investments, Money Market Funds	N/A	\$ 609,102
U.S. Government Obligations:		
U.S. Treasury	07/31/16	<u>1,503,357</u>
Total Investments		<u>\$ 2,112,459</u>

The City's pension plan investment for debt-type securities had maturities as follows:

General Employees' Retirement System:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate Bonds	\$ 8,397,412	\$ 1,247,868	\$ 3,571,078	\$ 1,822,796	\$ 1,755,670
U.S. Agencies	4,113,894	192,648	11,586	101,504	3,808,156
U.S. Treasuries	4,098,736	-	1,350,790	1,913,784	834,162
Total Investments	<u>\$ 16,610,042</u>	<u>\$ 1,440,516</u>	<u>\$ 4,933,454</u>	<u>\$ 3,838,084</u>	<u>\$ 6,397,988</u>

Police Officers' Relief and Retirement System:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate Bonds	\$ 4,299,508	\$ 532,186	\$ 1,944,054	\$ 878,669	\$ 944,599
U.S. Agencies	2,128,261	61,746	3,379	44,408	2,018,728
U.S. Treasuries	2,053,955	-	679,755	951,557	422,643
Total Investments	<u>\$ 8,481,724</u>	<u>\$ 593,932</u>	<u>\$ 2,627,188</u>	<u>\$ 1,874,634</u>	<u>\$ 3,385,970</u>

Firefighters' Pension Trust Fund:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate Bonds	\$ 840,349	\$ -	\$ -	\$ 840,349	\$ -
U.S. Agencies	6,852,822	-	369,598	6,090,712	392,512
Total Investments	<u>\$ 7,693,171</u>	<u>\$ -</u>	<u>\$ 369,598</u>	<u>\$ 6,931,061</u>	<u>\$ 392,512</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 3. Deposits and Investments (continued)

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

The investment policies of the Pension Trust Funds do not have a limit on investment maturities as a means of managing its exposure from increasing interest rates.

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 Florida PRIME is rated AA_m by Standard and Poor's. The rest of the City's investments were rated AA+ by Standard and Poor's.

The investment policies of the City's General Employees' and Police Officers' and Firefighters' Pension Trust Funds require corporate fixed income securities to have a rating of "BBB" or higher under one of the national rating agencies.

The ratings for the fixed income investments for the General Employees', Police Officers' and Firefighters' Pension Trust Funds are as follows:

Ratings	General Employees' Fair Value	Police Officers' Fair Value	Firefighters' Fair Value
Aaa	\$ 4,414,970	\$ 2,313,998	\$ 4,387,844
Aa1	306,573	153,958	77,314
Aa2	417,254	183,195	82,130
Aa3	315,461	198,972	77,284
A1	1,064,624	452,183	153,656
A2	2,882,655	1,348,225	-
A3	2,114,437	1,206,181	283,889
Baa1	585,090	398,904	166,076
Baa2	147,032	-	-
Unrated U.S. Government Securities	4,282,314	2,195,480	2,464,978
WR	79,632	30,628	-
Total	\$ 16,610,042	\$ 8,481,724	\$ 7,693,171

Concentration of Credit Risk - The City's investment policy limits its investments in the State Board of Administration PRIME Fund 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 and mutual funds, external investment pools and other pooled investments are exempt from this disclosure.

The General Employees', Police Officers' and Firefighters' Pension Trust Funds do not allow investments in a single issuer to exceed 5% of Plan Net Position, other than those of the U.S. Government or its agencies. More than 5% of the Plan investments are invested in debt securities issued by U.S. Government agencies.

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 Plans register all securities in their names.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 3. Deposits and Investments (continued)

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.

Note 4. Property Taxes

Property taxes are billed and collected within the same fiscal period. Ad valorem taxes on property values are assessed as of January 1st and are levied the following October. Taxes are payable on November 1st, with discounts allowed of 1% to 4% if paid prior to March 1st of the following calendar year. All unpaid taxes on real and personal property become delinquent and subject to lien on April 1st. Real and personal property taxes are collected by Palm Beach County (the County) and remitted to the City. Revenue is recognized at the time when monies are received by the City. State law permits Florida cities to levy a maximum of \$10 per \$1,000 (10 mills) of assessed taxable value for general government services. The City levied taxes at a rate of approximately 5.495 mills plus County-levied Fire Municipal Services Taxing Unit rate of 3.458, for a total of 8.953 on all City parcels, leaving a margin of 1.047 mills under the maximum possible assessment of 10 mills.

Note 5. Receivables

Accounts, special assessments and other receivables, including restricted accounts receivable and the related allowance for doubtful accounts as of September 30, 2015, are as follows:

	General	Beach Fund	Non-Major Governmental Funds	Electric	Water
Customer Accounts	\$ 122,634	\$ 7,291	\$ 199,568	\$ 9,800,655	\$ 1,820,039
Utility and Other Taxes	613,061	-	51,586	320,860	-
Claims and Assessments	-	-	-	-	2,186
Intergovernmental	1,358,824	-	81,237	-	-
Other Receivables	23,075	1,970	-	127,917	1,936
Gross Receivables	<u>2,117,594</u>	<u>9,261</u>	<u>332,391</u>	<u>10,249,432</u>	<u>1,824,161</u>
Less: Allowance for Doubtful Accounts	<u>(195,950)</u>	<u>(7,291)</u>	<u>(144,321)</u>	<u>(1,380,354)</u>	<u>(205,500)</u>
Total	<u>\$ 1,921,644</u>	<u>\$ 1,970</u>	<u>\$ 188,070</u>	<u>\$ 8,869,078</u>	<u>\$ 1,618,661</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 5. Receivables (continued)

	<u>Local Sewer</u>	<u>Regional Sewer</u>	<u>Non-Major Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Customer Accounts	\$ 958,529	\$ 234,655	\$ 376,711	\$ 9,063	\$ 13,529,145
Utility and Other Taxes	-	-	-	-	985,507
Claims and Assessments	-	-	-	-	2,186
Intergovernmental	-	-	-	-	1,440,061
Other Receivables	-	-	71,439	-	226,337
Gross Receivables	<u>958,529</u>	<u>234,655</u>	<u>448,150</u>	<u>9,063</u>	<u>16,183,236</u>
Less: Allowance for Doubtful Accounts	<u>(110,002)</u>	<u>-</u>	<u>(77,446)</u>	<u>-</u>	<u>(2,120,864)</u>
Total	<u>\$ 848,527</u>	<u>\$ 234,655</u>	<u>\$ 370,704</u>	<u>\$ 9,063</u>	<u>\$ 14,062,372</u>

At September 30, 2015, accounts receivable for the Discretely Presented Component Unit was \$ 86,055.

Note 6. Interfund Receivables, Payables, Advances and Transfers

Interfund activity balances for the City are summarized as follows as of and for the fiscal year ended September 30, 2015:

Advances to/from Other Funds:

	<u>Advance From</u>	<u>Advance To</u>
Beach Fund	\$ -	\$ 5,461,000
Water Fund	3,373,000	-
Insurance Fund **	1,689,000	-
Capital Project Fund*	399,000	-
	<u>\$ 5,461,000</u>	<u>\$ 5,461,000</u>

* Non Major Capital Project Fund

** Internal Service Fund

The \$ 399,000 in the Capital Project Fund represents an internal loan to the Beach Fund to help support daily operations. This amount is not expected to be repaid within one year.

The \$ 3,373,000 in the Water Fund and the \$ 1,689,000 in the Self Insurance Fund represent internal loans to the Beach Fund for the renovation/construction of the casino building during 2013. These loans are not expected to be repaid within one year.

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Fund	Beach Fund	\$ 292,000
Electric Fund	Golf Fund*	100,000
Regional Sewer Fund	Local Sewer Fund	32,771
Capital Project Fund**	Beach Fund	36,000
Insurance Fund***	Beach Fund	146,000
		<u>\$ 606,771</u>

* Non-Major Special Revenue Fund

** Non-Major Capital Project Fund

*** Internal Service Fund

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 6. Interfund Receivables, Payables, Advances and Transfers (continued)

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

Interfund Transfers:

Transfers In	Transfers Out			
	Non-Major Governmental Funds	Electric	Water	Local Sewer
Governmental Funds:				
General	\$ 524,060	\$ 3,932,889	\$ 1,022,788	\$ 569,080
Non-Major	33,000	-	189,528	124,449
Proprietary Funds:				
Internal Service	800,000	-	-	-
Total	<u>\$ 1,357,060</u>	<u>\$ 3,932,889</u>	<u>\$ 1,212,316</u>	<u>\$ 693,529</u>

Transfers In	Transfers Out		
	Non-Major Enterprise Funds	Internal Service Funds	Total
Governmental Funds:			
General	\$ 629,055	\$ -	\$ 6,677,872
Non-Major	348,459	130,000	825,436
Proprietary Funds:			
Internal Service	-	-	800,000
Total	<u>\$ 977,514</u>	<u>\$ 130,000</u>	<u>\$ 8,303,308</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the appropriate fund as debt service payments become 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.

Note 7. Capital Assets

Governmental Activities Capital Assets:

Summary by category of changes in governmental activities capital assets for the year ended September 30, 2015:

	Restated Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 8,209,133	\$ -	\$ -	\$ -	\$ 8,209,133
Construction-in-progress	<u>1,447,792</u>	<u>1,573,055</u>	<u>-</u>	<u>(1,534,243)</u>	<u>1,486,604</u>
Total capital assets, not being depreciated	<u>9,656,925</u>	<u>1,573,055</u>	<u>-</u>	<u>(1,534,243)</u>	<u>9,695,737</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 7. Capital Assets (continued)

	Restated Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, being depreciated:					
Land improvements	2,817,915	-	-	-	2,817,915
Buildings and structure	31,352,584	-	-	5,642	31,358,226
Infrastructure	69,101,633	-	-	1,528,601	70,630,234
Machinery and equipment	3,684,155	146,777	(192,990)	-	3,637,942
Vehicles	1,524,547	-	(11,000)	-	1,513,547
Total capital assets, being depreciated	<u>108,480,834</u>	<u>146,777</u>	<u>(203,990)</u>	<u>1,534,243</u>	<u>109,957,864</u>
Less accumulated depreciation for:					
Land improvements	1,807,661	101,370	-	-	1,909,031
Buildings and structure	9,234,856	984,857	-	-	10,219,713
Infrastructure	42,105,404	2,534,230	-	-	44,639,634
Machinery and equipment	2,851,682	125,943	(114,313)	-	2,863,312
Vehicles	1,457,704	27,188	(11,000)	-	1,473,892
Total accumulated depreciation	<u>57,457,307</u>	<u>3,773,588</u>	<u>(125,313)</u>	<u>-</u>	<u>61,105,582</u>
Total capital assets, being depreciated, net	<u>51,023,527</u>	<u>(3,626,811)</u>	<u>(78,677)</u>	<u>1,534,243</u>	<u>48,852,282</u>
Governmental activities capital assets, net	\$ <u>60,680,452</u>	\$ <u>(2,053,756)</u>	\$ <u>(78,677)</u>	\$ <u>-</u>	\$ <u>58,548,019</u>

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

General government	\$ 35,586
Culture and recreation	1,009,675
Transportation	2,516,835
Public safety	200,437
Physical environment	<u>11,055</u>
Total depreciation expense	<u>\$ 3,773,588</u>

Business-Type Activities Capital Assets:

Summary by category of changes in business-type activities capital assets for the year ended September 30, 2015:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,572,138	\$ -	\$ -	\$ -	\$ 2,572,138
Construction-in-progress	<u>5,931,132</u>	<u>3,743,957</u>	<u>-</u>	<u>(5,380,388)</u>	<u>4,294,701</u>
Total capital assets, not being depreciated	<u>8,503,270</u>	<u>3,743,957</u>	<u>-</u>	<u>(5,380,388)</u>	<u>6,866,839</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 7. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, being depreciated:					
Land improvements	468,972	-	-	-	468,972
Buildings and structure	98,329,332	39,323	-	42,400	98,411,055
Infrastructure	106,098,776	232,161	-	4,959,798	111,290,735
Machinery and equipment	30,040,309	144,157	-	378,190	30,562,656
Vehicles	<u>8,186,351</u>	<u>989,614</u>	<u>(361,224)</u>	<u>-</u>	<u>8,814,741</u>
 Total capital assets, being depreciated	 <u>243,123,740</u>	 <u>1,405,255</u>	 <u>(361,224)</u>	 <u>5,380,388</u>	 <u>249,548,159</u>
Less accumulated depreciation for:					
Land improvements	378,004	15,599	-	-	393,603
Buildings and structure	45,037,274	2,431,034	-	-	47,468,308
Infrastructure	64,960,554	2,335,284	-	-	67,295,838
Machinery and equipment	25,629,977	760,140	-	-	26,390,117
Vehicles	<u>6,994,545</u>	<u>629,500</u>	<u>(361,224)</u>	<u>-</u>	<u>7,262,821</u>
 Total accumulated depreciation	 <u>143,000,354</u>	 <u>6,171,557</u>	 <u>(361,224)</u>	 <u>-</u>	 <u>148,810,687</u>
 Total capital assets, being depreciated, net	 <u>100,123,386</u>	 <u>(4,766,302)</u>	 <u>-</u>	 <u>5,380,388</u>	 <u>100,737,472</u>
 Business-type activities capital assets, net	 \$ <u>108,626,656</u>	 \$ <u>(1,022,345)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 \$ <u>107,604,311</u>

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

Electric	\$ 1,783,544
Water	2,424,174
Local sewer	655,216
Regional sewer	425,042
Stormwater	262,170
City garage	375,833
Refuse collection and disposal	126,774
Information technology	<u>118,804</u>
 Total depreciation expense	 \$ <u>6,171,557</u>

Discretely Presented Component Unit:

Summary by category of changes in the discretely presented component unit capital assets for the year ended September 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Component Unit Activities:					
Capital assets, not being depreciated:					
Land	\$ <u>773,206</u>	\$ -	\$ -	\$ -	\$ <u>773,206</u>
 Total capital assets, not being depreciated	 <u>773,206</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>773,206</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 7. Capital Assets (continued)

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, being depreciated:					
Land improvements	223,831	-	-	-	223,831
Infrastructure	9,183,579	100,000	-	-	9,283,579
Buildings and structure	1,097,058	-	-	-	1,097,058
Machinery and equipment	124,565	-	-	-	124,565
Total capital assets, being depreciated	10,629,033	100,000	-	-	10,729,033
Less accumulated depreciation for:					
Land improvements	38,705	11,192	-	-	49,897
Infrastructure	1,612,868	360,954	-	-	1,973,822
Buildings and structure	156,377	36,569	-	-	192,946
Machinery and equipment	54,387	20,963	-	-	75,350
Total accumulated depreciation	1,862,337	429,678	-	-	2,292,015
Total capital assets, being depreciated, net	8,766,696	(329,678)	-	-	8,437,018
Component unit activities capital assets, net	\$ <u>9,539,902</u>	\$ <u>(329,678)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,210,224</u>

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

Community redevelopment	\$ <u>429,678</u>
Total depreciation expense	\$ <u>429,678</u>

Note 8. Investment in Joint Venture

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

The Agreement provides for the establishment of a Governing Board (the "Board"), comprised of one Member representative participating in the Agreement, to administer the ECR. In accordance with the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. The City of West Palm Beach operates and manages the ECR on behalf of the Board consistent with the terms of the Agreement.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 8. Investment in Joint Venture (continued)

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%.

In September 2012, ECR entered into a \$ 14,000,000 loan agreement with a bank. The proceeds were used for the purpose of prepaying the SRF loans and a portion of the cost of the project. In April 2013, ECR entered into a \$ 11,000,000 loan agreement. The proceeds were used to purchase processing capacity in the Solid Waste Authority's Bio-Solids Processing Facility. At September 30, 2015, the balance due on the loans totaled \$ 23,460,000 and the City's estimated share was approximately \$ 3,900,000 which is reflected net of the investment in joint venture in the Regional Sewer Fund. The City accounts for this Joint Venture using the equity method in accordance with GAAP.

Reserve Capacity Percentages are estimated to be as follows:

Entity	Flow Allocation MGD	Reserve Capacity Percentage
City of Lake Worth	11.5	16.43%
City of Riviera Beach	8.0	11.43%
City of West Palm Beach	20.5	29.28%
Town of Palm Beach	6.0	8.57%
Palm Beach County	24.0	34.29%
Total	70.0	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.

Note 9. Long-Term Debt and Liabilities

The following is a summary of the changes in long-term debt and liabilities for the year ended September 30, 2015 for both governmental and business-type activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 407,461	\$ 765,435	\$ (720,898)	\$ 451,998	\$ 45,470
Other post-employment benefits	539,687	-	(1,245)	538,442	-
Net pension liability	56,858,331	-	(3,707,433)	53,150,898	-
Total	\$ 57,805,479	\$ 765,435	\$ (4,429,576)	\$ 54,141,338	\$ 45,470

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 9. Long-Term Debt and Liabilities (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds payable:					
Revenue bonds	\$ 52,760,000	\$ -	\$ (3,165,000)	\$ 49,595,000	\$ 3,255,000
Notes payable	6,521,092	-	(297,952)	6,223,140	305,819
Compensated absences	542,344	1,280,058	(1,313,041)	509,361	55,147
Other post-employment benefits	574,587	-	(1,274)	573,313	-
Net pension liability	25,756,527	-	(2,555,534)	23,200,993	-
Insurance claims payable	2,439,071	-	(1,137,891)	1,301,180	-
Total	\$ 88,593,621	\$ 1,280,058	\$ (8,470,692)	\$ 81,402,987	\$ 3,615,966

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

Discretely Presented Component Unit:

The following is a summary of the changes in long-term debt and liabilities for the Community Redevelopment Agency for the year ended September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 2,322,508	\$ -	\$ (645,907)	\$ 1,676,601	\$ 1,676,601
Total	\$ 2,322,508	\$ -	\$ (645,907)	\$ 1,676,601	\$ 1,676,601

Business – Type Activities:

Business-type revenue bonds payable as of September 30, 2015 consist of:

2013 Series Utility System Refunding Revenue Bonds (2008 Series Bonds) – On April 24, 2013, \$ 54,030,000 in 2013 Series Bonds with an interest rate of 2.68% were issued to advance refund \$ 54,955,000 of outstanding 2008 Series Bonds which had previously refunded the 2004 Series Bonds. The 2008 Series Bonds had an interest rate of 4.20%. The 2013 Series Bonds are due in annual principal installments of \$ 1,980,000 to \$ 4,390,000 through October 1, 2028. The annual bond interest rate is 2.68% which is subject to adjustment upon an event of taxability, as provided in the series 2013 bond agreement. As of September 30, 2015, the principal amount outstanding on the bonds is \$ 49,595,000.

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

Fiscal Year Ending September 30,	Principal	Interest
2016	\$ 3,255,000	\$ 1,285,529
2017	3,340,000	1,197,156
2018	3,435,000	1,106,371
2019	3,530,000	1,013,040
2020	3,625,000	917,163
2021-2025	19,705,000	3,051,381
2026-2029	12,705,000	557,507
	\$ 49,595,000	\$ 9,128,147

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 9. Long-Term Debt and Liabilities (continued)

State Revolving Loan Payable (Notes 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 \$ 6,622,765 at an interest rate of 2.61% and \$ 469,252 at an interest rate of 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 of \$ 305,819 to \$ 452,137 through October 2031. As of September 30, 2015, the principal outstanding on the notes was \$ 6,223,140.

At September 30, 2015, debt service requirements to maturity on the notes payable are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 305,819	\$ 161,283
2017	313,895	153,207
2018	322,185	144,918
2019	330,692	136,410
2020	339,425	127,677
2021-2025	1,836,410	499,103
2026-2030	2,092,050	243,462
2031-2032	682,664	17,990
	\$ 6,223,140	\$ 1,484,050

Bond 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 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. As of September 30, 2015, the City's debt limit is \$ 329,289,250.

Discretely Presented Component Unit:

Community Redevelopment Agency (CRA) Revenue Note, Series 2005 (Series 2005 Note) - On May 25, 2005, the City issued a CRA Series 2005 \$ 8,000,000 Private Placement Revenue Note. The note was issued for the purpose of funding improvements in the designated CRA area of the City. The current interest rate on the Note is 3.466% per annum. The final annual installment of \$ 1,676,601 is due in fiscal year 2016. The note is payable as to both principal and interest, from a lien on and pledge of tax increment revenues. The City of Lake Worth entered into an interlocal agreement with the CRA to support the final payment. Any support provided by the City to the CRA, to be used for the balloon payment, the CRA shall make payments to the City from the tax increments in the Redevelopment Agency Fund. As of September 30, 2015, the principal outstanding on the note was \$ 1,676,601.

At September 30, 2015, the CRA was not in compliance with the pledged revenue requirements for the note and is in the process of obtaining a waiver from the bank.

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 9. Long-Term Debt and Liabilities (continued)

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

Fiscal Year Ending September 30,	Principal	Interest
2016	\$ 1,676,601	\$ 29,056
	\$ 1,676,601	\$ 29,056

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 September 30, 2015 are as follows:

	Primary Government Business- Type Activities	Discretely Presented Component Unit
Sources of Revenue Pledged:	Electric and Water Revenues	Tax Increment Revenues
Current Revenue Pledged	\$ 15,080,335	\$ 1,383,038
Current Debt Service	5,007,632	1,705,657
Total Future Revenues Pledged	70,426,402	1,705,657
Purpose of Debt	Utilities & Refunding	To Fund Gateway
Term of Commitment	2013-2031	2005-2016
Percentage of Debt Service to Current Year Pledged Revenues	3.01%	0.81%

Note 10. Employee Retirement Systems

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

Summary of Significant Accounting Policies:

The Pension Trust Funds financial statements are prepared using the accrual basis of accounting. Contributions to the Pension Trust Funds are recognized as revenue at the time they are due.

Benefit payments and refunds are recognized as expenses as they become payable and administrative expenses are recognized at the time the expense is incurred. Investments are reported at fair value. Interest and dividend income is 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 Ordinance for the City of Lake Worth, Florida, Chapter 10, Article II. The Plan was amended October 1, 2010 under Ordinance No 2010-19.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

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, 2015 was \$ 3,273,988.

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

Police Officers' Relief and Retirement System (PRS):

Plan Description - The PRS is a single-employer defined benefit plan covering all eligible police officers. The PRS was established by the City under the Code of Ordinances for the City of Lake Worth, Florida, Chapter 16, Article IV Division I. The PRS was amended June 5, 2012 under Ordinance No 2012-23. 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, 2013 and in accordance to Ordinance 2013-31, the 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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

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 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, 2015, was \$ 873,930.

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, 2015. The City received payments from the State for the PRS in the amount of \$ 426,376. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 185 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

Firefighters' Pension Trust Fund (FPTF):

Plan Description - The FPTF is a single-employer defined benefit plan covering all eligible firefighters. The FPTF 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 FPTF.

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.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

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, 2015, was \$ 15,280,701.

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 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 FPTF Board of Trustees and the City Commission.

During the fiscal year ended September 30, 2015. The City received payments from the State for the FPTF in the amount of \$ 109,225. These contributions which consist of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City are required under Chapter 175 Florida Statutes. These revenues and expenditures were appropriately recorded in the General Fund.

At October 1, 2014, the following plan members were covered by the plans:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
Active employees	233	17	11
Inactive plan members or beneficiaries currently receiving benefits	322	100	66
Inactive plan members entitled but not yet receiving benefits	6	-	2
Total	561	117	79

Net Pension Liability of the City:

The City’s net pension liability was determined based on a measurement date of September 30, 2014.

The components of the net pension liability of the City at September 30, 2015, were as follows:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
Total pension liability	\$ 104,858,551	\$ 52,796,980	\$ 57,460,375
Plan fiduciary net position	(68,606,999)	(32,185,769)	(37,971,247)
Net pension liability	\$ 36,251,552	\$ 20,611,211	\$ 19,489,128
Plan fiduciary net position as a percentage of the total pension liability	65.43%	60.96%	66.08%

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Actuarial Assumptions - The total pension liability at September 30, 2014 was determined by using actuarial valuations as of October 1, 2013, with update procedures used to roll forward the total pension liability to September 30, 2014. The actuarial valuations used the following actuarial assumptions:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
Inflation	3.00%	3.00%	4.00%
Salary increases	5.8%-11.0%*	6.50%**	6.50%
Investment rate of return	7.75%	7.75%	7.90%

* Depending on years of service, including inflation

** Including inflation

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

For the FPTF plan, mortality rates were based on a blend of 20% of the 1983 Group Annuity Mortality and 80% of the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale AA.

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

Asset Class	Target Allocations		
	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
Domestic equities	40-65%	40-65%	40-65%
International equities	5-20%	5-20%	5-25%
Fixed income	20-30%	20-30%	20-40%
Real estate	0-15%	0-15%	0-10%
TIPS	N/A	0-10%	N/A
Cash and cash equivalents	Minimal	Minimal	Minimal

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

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Asset Class	Long-term Expected Real Rate of Return		
	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
Domestic equities	10.00%	10.00%	10.00%
International equities	11.00%	11.00%	11.00%
Fixed income	11.00%	11.00%	11.00%
Real estate	7.00%	7.00%	7.00%

Rate of Return - For the year ended September 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was .61 percent for GERS, was 1.65 percent for PRS, and was (2.16) percent for FPTF. 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 7.75% for the GERS, 7.75% for the PRS and 7.90% for the FPTF. 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.

Changes in Net Pension Liability:

General Employees' Retirement System:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances, as of September 30, 2013, Measurement Date	\$ 105,289,108	\$ 65,044,534	\$ 40,244,574
Changes for the year:			
Service cost	1,269,805	-	1,269,805
Interest	7,897,624	-	7,897,624
Differences between expected and actual experience	(289,809)	-	(289,809)
Contributions - Employer	-	4,553,202	(4,553,202)
Contributions - Employee	-	928,387	(928,387)
Net investment income	-	7,515,916	(7,515,916)
Benefit payments	(9,308,177)	(9,308,177)	-
Administrative expenses	-	(126,863)	126,863
Net changes	<u>(430,557)</u>	<u>3,562,465</u>	<u>(3,993,022)</u>
Balances, as of September 30, 2014, Measurement Date	<u>\$ 104,858,551</u>	<u>\$ 68,606,999</u>	<u>\$ 36,251,552</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Police Officers' Relief and Retirement System:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances, as of September 30, 2013, Measurement Date	\$ 52,206,025	\$ 30,546,979	\$ 21,659,046
Changes for the year:			
Service cost	280,511	-	280,511
Interest	3,915,664	-	3,915,664
Differences between expected and actual experience	115,847	-	115,847
Contributions - Employer and State	-	2,543,956	(2,543,956)
Contributions - Employee	-	208,801	(208,801)
Net investment income	-	2,906,179	(2,906,179)
Benefit payments	(3,923,670)	(3,923,670)	-
Other (additions to share plan accounts)	202,603	-	202,603
Administrative expenses	-	(96,476)	96,476
Net changes	<u>590,955</u>	<u>1,638,790</u>	<u>(1,047,835)</u>
Balances, as of September 30, 2014, Measurement Date	<u>\$ 52,796,980</u>	<u>\$ 32,185,769</u>	<u>\$ 20,611,211</u>

Firefighters' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances, as of September 30, 2013, Measurement Date	\$ 56,013,911	\$ 35,302,673	\$ 20,711,238
Changes for the year:			
Service cost	297,315	-	297,315
Interest	4,332,379	-	4,332,379
Differences between expected and actual experience	(241,254)	-	(241,254)
Contributions - Employer and State	-	2,625,210	(2,625,210)
Contributions - Employee	-	123,344	(123,344)
Net investment income	-	3,079,060	(3,079,060)
Benefit payments	(3,217,144)	(3,217,144)	-
Rollover	275,168	275,168	-
Administrative expenses	-	(217,064)	217,064
Net changes	<u>1,446,464</u>	<u>2,668,574</u>	<u>(1,222,110)</u>
Balances, as of September 30, 2014, Measurement Date	<u>\$ 57,460,375</u>	<u>\$ 37,971,247</u>	<u>\$ 19,489,128</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.75% for the GERS and PRS, 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 (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
General Employees' Retirement System	\$ <u>46,170,689</u>	\$ <u>36,251,552</u>	\$ <u>27,877,423</u>
Police Officers' Relief and Retirement System	\$ <u>25,301,213</u>	\$ <u>20,611,211</u>	\$ <u>16,653,782</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.90% for the 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 (6.90%) or 1 percentage point higher (8.90%) than the current rate:

	<u>1% Decrease 6.90%</u>	<u>Current Discount Rate 7.90%</u>	<u>1% Increase 8.90%</u>
Firefighters' Pension Trust Fund	\$ <u>23,898,924</u>	\$ <u>19,489,128</u>	\$ <u>15,748,810</u>

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the City recognized pension expense of \$ 2,377,807. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
General Employees' Retirement System:		
Pension contributions subsequent to the measurement date	\$ 4,594,890	\$ -
Differences between expected and actual experience	-	(204,571)
Net difference between projected and actual earnings on pension plan investments	-	<u>(2,102,529)</u>
Total	<u>\$ 4,594,890</u>	<u>\$ (2,307,100)</u>

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Police Officers' Relief and Retirement System:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,518,365	\$ -
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(470,319)</u>
Total	<u>\$ 2,518,365</u>	<u>\$ (470,319)</u>
Firefighters' Pension Trust Fund:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,135,925	\$ -
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(245,090)</u>
Total	<u>\$ 2,135,925</u>	<u>\$ (245,090)</u>

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

Year Ending September 30,	<u>General Employees' Retirement System</u>	<u>Police Officers' Relief and Retirement System</u>	<u>Firefighters' Pension Trust Fund</u>
2016	\$ 3,984,020	\$ 2,400,785	\$ 2,074,652
2017	(610,870)	(117,580)	(61,273)
2018	(559,727)	(117,580)	(61,273)
2019	(525,633)	(117,579)	(61,271)
Total	<u>\$ 2,287,790</u>	<u>\$ 2,048,046</u>	<u>\$ 1,890,835</u>

Pension Trust Funds:

The City maintains three pension trust funds to account for its fiduciary responsibility. The following condensed statements present the net position held in trust for pension benefits at September 30, 2015 and the changes in net position for the year then ended:

City of Lake Worth, Florida

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 10. Employee Retirement Systems (continued)

Condensed Statements of Net Position:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund	Total Pension Trust Funds
Assets:				
Cash and cash equivalents	\$ 3,235,606	\$ 1,904,935	\$ 1,539,936	\$ 6,680,477
Investments at fair value	61,680,986	27,401,801	35,860,107	124,942,894
Other	929,900	740,432	387,264	2,057,596
Total assets	65,846,492	30,047,168	37,787,307	133,680,967
Liabilities:				
Accounts payable	73,359	34,638	48,331	156,328
Due for securities purchased	645,043	158,252	103,333	906,628
Total liabilities	718,402	192,890	151,664	1,062,956
Net position held in trust for pension benefits	\$ 65,128,090	\$ 29,854,278	\$ 37,635,643	\$ 132,618,011

Condensed Statements of Changes in Net Position:

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund	Total Pension Trust Funds
Additions:				
Contributions	\$ 5,458,643	\$ 2,876,125	\$ 3,770,067	\$ 12,104,835
Net investment income (loss)	508,074	449,322	(828,763)	128,633
Total additions	5,966,717	3,325,447	2,941,304	12,233,468
Deductions:				
Pension benefits	9,316,942	5,567,874	3,184,398	18,069,214
Administrative expenses	128,684	89,064	92,510	310,258
Total deductions	9,445,626	5,656,938	3,276,908	18,379,472
Change in net position	\$ (3,478,909)	\$ (2,331,491)	\$ (335,604)	\$ (6,146,004)

Note 11. Deferred Compensation Plans

The City offers its employees two deferred compensation plans in accordance with Internal Revenue Code Sections 401a and 457. The funds are administrated by ICMA Retirement Corporation. All assets of the Plans are held in trust, custodial accounts or annuity contracts, for the exclusive benefit of the participants and their beneficiaries. Consequently, those Plan assets and liabilities are not recorded by the City. During fiscal year 2015, the City contributed approximately \$ 119,600 into the 401a plan on behalf of employees. The City does not contribute to the 457 plan, as it is 100% employee contributions.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 12. Other Post-Employment Benefits (OPEB)

Plan Description - 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 Plan has no assets and does not issue a separate financial report.

Funding Policy and Annual OPEB Cost - The City does not directly make a contribution to the Plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted cost paid by the City or its active employees for coverage of the retirees and their dependents for the year, net of the retiree's own payments for the year.

The annual other post-employment benefit (OPEB) cost is calculated based on the annual retired contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost for the City for the current year and the related information is as follows:

Required contribution rates:	
Employer	Pay-as-you-go
Plan member	N/A
Normal cost	\$ 37,884
Amortization	343,212
Interest	36,214
Adjustments to ARC	<u>(140,226)</u>
Annual OPEB cost	277,084
Estimated Contribution made	<u>(279,603)</u>
Decrease in net OPEB obligation	(2,519)
Net OPEB obligation, beginning of year	<u>1,114,274</u>
Net OPEB obligation, end of year	<u>\$ 1,111,755</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and two preceding years were as follows:

	2015	2014	2013
Annual OPEB cost	\$ 277,084	\$ 454,325	\$ 460,136
Percentage of OPEB cost contributed	100.91%	73.53%	69.32%
Net OPEB obligation	\$ 1,111,755	\$ 1,114,274	\$ 994,000

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 12. Other Post-Employment Benefits (OPEB) (continued)

Funded Status and Funding Progress - The funded status of the plan as of October 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability	\$	2,683,974
Actuarial value of assets		-
Unfunded actuarial accrued liability (UAAL)	\$	2,683,974
Funded ratio		0.0%
Covered payroll	\$	12,855,613
UAAL as a percentage of covered payroll		20.88%

Other post-employment benefit obligations attributable to governmental activities are generally liquidated by the General Fund or the appropriate proprietary fund for business-type activities.

The actuarial valuation for 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. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the Plan at this time.

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the 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. Significant methods and assumptions were as follows:

Actuarial valuation date	October 1, 2014
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	9 Years
Asset valuation method	Unfunded
 Actuarial assumptions:	
Investment rate of return	3.25%
Projected salary increases	5.80% - 11.00%
Payroll growth assumptions	0.00%
Initial per capita cost trend rate	-2.40%
2nd trend rate	7.00%
3rd trend rate	6.50%
Ultimate trend rate	4.67%
Years to ultimate rate	36
Inflation	2.50%

Note 13. 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 St. Lucie Unit No. 1. Under the FMPA agreements, the City is to receive approximately 21 megawatts (mw) of power from St. Lucie and 10 mw of power from Stanton. Costs associated with power purchases under these agreements are charged against operations as incurred. Revenue from participating sales contracts are recognized as earned.

Pursuant to the City's agreement with the FMPA, the City was required to make a specified contribution to the FMPA. The City satisfied part of this requirement during fiscal year 2003 by transferring certain fuel inventory. The City has recorded a long-term, restricted deposit of \$1,316,174 as it would be refundable to the City in the event that the FMPA were to dissolve.

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

During the duration of the contract the City shall maintain on its senior unsecured debt securities, a rating by Standard and Poor's Corporation of BB+, Moody's Investors Service, Inc., of Baa1, Fitch IBCA of BBB+, or another nationally recognized rating service reasonable acceptable to OUC Standard, whichever is lower. In the event the City's ratings fall below the specified minimum rating, the City will be required to provide a Letter of Credit, cash or bond or other assurances reasonably sufficient to assure the City's performance of its purchase and payment obligations under the agreement.

The agreement with OUC is for a three year term beginning January 1, 2014 with two additional option years.

Litigation, Claims and Assessments - The City is the defendant in several personnel-related and other lawsuits occurring in the normal course of operation. While the ultimate outcome of the litigations cannot be determined at this time, management and the City Attorney believe that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 13. Commitments and Contingencies (continued)

FEMA Grants - The City worked with FEMA to finalize all of the claims filed by the City related to Hurricanes Jeanne, Frances and Wilma in 2004 and 2005. Amounts received or receivable from FEMA are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability to the City. The City received initial determination letters for all large projects (those with a cost of more than \$57,500) in late December of 2011. The net questioned costs for the three storms were approximately \$ 2.8 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec 206.206 Federal Regulations, which allows for two appeals. The City is currently in the second appeal process. That appeal process will not likely be resolved until fiscal year 2017. Resources for any ultimately disallowed costs are available from the City's \$ 4.9 million emergency reserve.

The U.S. Department of Homeland Security, Office of Inspector General (DHSOIG) conducted an audit of FEMA Disaster Declarations Nos. 1545 (Hurricane Frances), 1561 (Hurricane Jeanne) and 1609 (Hurricane Wilma) between January and May 2012. The purpose of this was to review the findings of the FEMA/State of Florida closeout audits. DHSOIG issued reports to the FEMA Regional Director in November 2012 and December 2012. In July of 2013, the City was notified by the State that there were additional net questioned costs for the three storms which were approximately \$ 1.1 million. The City has availed itself of the appeal opportunities afforded under 44 CFR, Sec. 206.206 Federal Regulations which allows for two appeals. The City is currently in the second appeal process. That appeal process will not likely be resolved until FY 2017. Reserves for any ultimately disallowed costs are available from the City's \$ 4.9 million emergency reserve.

Master Equipment Lease/Purchase Agreement - In connection with the energy savings project, the City entered into an agreement with Siemens Industry, Inc. for the installation of certain energy saving infrastructure and equipment throughout the City. The City also entered into a note payable agreement with a bank for approximately \$ 22.6 million to fund the energy savings project. The note payable requires quarterly payments ranging from \$ 277,098 to \$ 560,985 including principal and interest at 3.04%, beginning March 2017. As of September 30, 2015, no funding was provided to the City under this note payable.

In accordance with the note payable agreement, the City is required to establish an escrow account for the purpose of funding costs associated with the project and certain other restrictive covenants.

Note 14. Self-Insurance Program

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

Liabilities are recorded when a claim or loss has been reported. The City analyzes its losses and finances, both uninsured and insured risks. All insurance premiums and claims are charged to the appropriate Fund.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 14. Self-Insurance Program (continued)

The City is a member of a self-insured risk retention group for property coverage on all properties, other than Utilities. The approximately \$ 41 million of coverage is purchased with a shared limit of \$ 250,000,000 and a \$ 25,000,000 named windstorm sublimit. There is a \$ 25,000 all other peril deductible and a 5% windstorm deductible. Utility property is insured with Star Tech Insurance Company with a dedicated limit of approximately \$ 116 million. This is subject to a \$ 300,000 all other peril deductible and a 5% windstorm deductible. The City purchased a \$ 1,000,000 excess 3rd party liability over a \$ 100,000 self-insured retention.

The City is self-insured for workers' compensation and has a self-insured retention level of \$ 500,000 per claim, with statutory excess, and \$ 1,000,000 excess for employer's liability through PGIT. In the past 3 years all workers' compensation claims were within the limit of the policy. There were no significant reductions in coverage during the fiscal year compared to prior year.

The City has a self-insured retention level of \$ 100,000 per occurrence for general and professional liability and automobile liability.

Due to risk limitations, the City's beach, pier and lifeguard stands are considered uninsurable by the City's risk pool. Therefore, the cost of repair or replacement to these assets must be absorbed directly by the City unless reimbursement is provided by federal emergency funding.

Note 15. Restatement of Beginning Net Position

During the year ended September 30, 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. This pronouncement requires the restatement of the September 30, 2014 net position of the Governmental, Business-Type Activities, Electric Fund, Water Fund, Local Sewer Fund, Regional Sewer Fund, Stormwater and Refuse Collection and Disposal Fund as shown below. The City also recorded an adjustment to its net position due to a restatement of capital assets in Governmental Activities.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Electric</u>	<u>Water</u>	<u>Local Sewer</u>	<u>Regional Sewer</u>	<u>Stormwater</u>	<u>Refuse Collection & Disposal</u>
Net Position, September 30, 2014 as previously reported	\$ 66,633,648	\$ 151,728,775	\$ 32,157,003	\$ 47,925,544	\$ 21,075,968	\$ 27,723,861	\$ 7,476,661	\$ 4,621,371
Cumulative Effect of Application of GASB 68, Net Pension Asset/ Liability	(50,798,353)	(22,857,848)	(13,486,130)	(3,428,677)	(1,600,049)	(457,157)	(914,315)	(2,971,520)
Restatement of Capital Assets	<u>773,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, September 30, 2014, as restated	<u>\$ 16,608,501</u>	<u>\$ 128,870,927</u>	<u>\$ 18,670,873</u>	<u>\$ 44,496,867</u>	<u>\$ 19,475,919</u>	<u>\$ 27,266,704</u>	<u>\$ 6,562,346</u>	<u>\$ 1,649,851</u>

**Notes to the Basic Financial Statements
For the Fiscal Year Ended September 30, 2015**

Note 16. Subsequent Event

Effective March 2016, the City entered into a new loan agreement with the State Department of Environmental Protection for \$ 571,532, including capitalized interest of \$ 3,100. The loan will be used to fund the replacement of approximately 17 miles of 2 inch water lines which are corroded within the City's water distribution system. The loan is payable in semi-annual installments of \$ 11,402, including principal and interest at a rate of 1.08%, beginning September 2017 through March 2022.



REQUIRED SUPPLEMENTARY INFORMATION

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 6,315,694	\$ 6,315,694	\$ 6,316,354	\$ 660
Utility service taxes	4,040,000	4,040,000	3,965,318	(74,682)
Sales and use taxes	840,000	840,000	886,079	46,079
Franchise fees	41,600	41,600	39,358	(2,242)
Total taxes	<u>11,237,294</u>	<u>11,237,294</u>	<u>11,207,109</u>	<u>(30,185)</u>
Licenses and permits:				
Business	725,000	725,000	614,602	(110,398)
Non-business	129,000	129,000	130,559	1,559
Total licenses and permits	<u>854,000</u>	<u>854,000</u>	<u>745,161</u>	<u>(108,839)</u>
Fines and forfeitures:				
Public safety	50,000	50,000	49,594	(406)
Library fines	7,000	7,000	9,294	2,294
Violations of local ordinances	255,600	255,600	744,168	488,568
Total fines and forfeitures	<u>312,600</u>	<u>312,600</u>	<u>803,056</u>	<u>490,456</u>
Charges for services:				
General government	3,407,585	3,407,585	3,379,528	(28,057)
Public safety	270,000	270,000	214,728	(55,272)
Physical environment	660,000	660,000	739,298	79,298
Transportation	29,000	29,000	34,234	5,234
Culture and recreation	190,948	190,948	163,721	(27,227)
Total charges for services	<u>4,557,533</u>	<u>4,557,533</u>	<u>4,531,509</u>	<u>(26,024)</u>
Intergovernmental:				
State shared revenues	6,026,225	6,026,225	5,722,116	(304,109)
Total intergovernmental	<u>6,026,225</u>	<u>6,026,225</u>	<u>5,722,116</u>	<u>(304,109)</u>
Other revenues:				
Investment income	20,000	20,000	49,248	29,248
Rents and royalties	22,400	22,400	21,099	(1,301)
Miscellaneous	351,692	351,692	33,589	(318,103)
Total other revenues	<u>394,092</u>	<u>394,092</u>	<u>103,936</u>	<u>(290,156)</u>
Total revenues	<u>23,381,744</u>	<u>23,381,744</u>	<u>23,112,887</u>	<u>(268,857)</u>
Expenditures:				
General Government:				
City commission	247,544	249,544	239,304	10,240
City manager	553,241	553,241	497,330	55,911
City clerk	429,825	429,825	415,537	14,288
Finance	1,455,746	1,455,746	1,239,029	216,717
Internal auditing	173,288	173,288	171,243	2,045
Personnel	244,918	244,918	196,573	48,345
City attorney	825,033	825,033	776,254	48,779
Community development	920,819	920,819	903,135	17,684
Business license	79,194	79,194	72,187	7,007
Building maintenance	1,005,556	1,005,556	966,495	39,061
Cost of services	80,000	98,531	62,785	35,746
Total general government	<u>6,015,164</u>	<u>6,035,695</u>	<u>5,539,872</u>	<u>495,823</u>

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund (continued)
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police	15,306,633	15,306,633	15,088,112	218,521
Fire	2,936,028	2,936,028	2,756,417	179,611
Building and zoning	663,871	683,871	635,777	48,094
Code and administration	975,282	975,282	896,442	78,840
Total public safety	<u>19,881,814</u>	<u>19,901,814</u>	<u>19,376,748</u>	<u>525,066</u>
Physical environment:				
Cemetery	255,386	255,386	259,202	(3,816)
Grounds maintenance	1,495,912	1,495,912	1,491,809	4,103
Total physical environment	<u>1,751,298</u>	<u>1,751,298</u>	<u>1,751,011</u>	<u>287</u>
Transportation:				
Administration	795,641	795,641	766,876	28,765
Streets, drains and sidewalks	221,477	221,477	212,404	9,073
Total transportation	<u>1,017,118</u>	<u>1,017,118</u>	<u>979,280</u>	<u>37,838</u>
Culture and recreation:				
Library	458,064	458,064	455,470	2,594
Recreation	1,195,896	1,195,896	1,110,093	85,803
Total culture and recreation	<u>1,653,960</u>	<u>1,653,960</u>	<u>1,565,563</u>	<u>88,397</u>
Capital outlay	<u>5,000</u>	<u>26,546</u>	<u>4,835</u>	<u>21,711</u>
Total expenditures	<u>30,324,354</u>	<u>30,386,431</u>	<u>29,217,309</u>	<u>1,169,122</u>
Excess (deficiency) of revenues over expenditures	<u>(6,942,610)</u>	<u>(7,004,687)</u>	<u>(6,104,422)</u>	<u>900,265</u>
Other financing sources (uses):				
Transfers in	6,677,872	6,677,872	6,677,872	-
Transfers out	-	-	-	-
Appropriated fund balance	<u>264,738</u>	<u>326,815</u>	<u>-</u>	<u>(326,815)</u>
Total other financing sources (uses)	<u>6,942,610</u>	<u>7,004,687</u>	<u>6,677,872</u>	<u>(326,815)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	573,450	\$ <u>573,450</u>
Fund balance, beginning of year			<u>4,391,142</u>	
Fund balance, end of year			\$ <u>4,964,592</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Beach Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 2,467,417	\$ 2,467,417	\$ 2,587,691	\$ 120,274
Fines and forfeitures	100,000	100,000	187,124	87,124
Investment income	4,000	4,000	2,908	(1,092)
Miscellaneous	2,812	2,812	5,455	2,643
Total revenues	2,574,229	2,574,229	2,783,178	208,949
Expenditures:				
Current:				
Transportation	362,057	363,166	304,188	58,978
Culture and recreation	1,770,012	1,773,305	1,647,947	125,358
Capital outlay	-	1,300	1,299	1
Total expenditures	2,132,069	2,137,771	1,953,434	184,337
Excess (deficiency) of revenues over expenditures	442,160	436,458	829,744	393,286
Other financing uses:				
Transfers out	(50,000)	(50,000)	-	50,000
Appropriated fund balance	(392,160)	(386,458)	-	386,458
Total other financing uses	(442,160)	(436,458)	-	436,458
Net change in fund balance	\$ -	\$ -	829,744	\$ 829,744
Fund balance, beginning of year			(5,520,135)	
Fund balance, end of year			\$ (4,690,391)	

City of Lake Worth, Florida

**Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2015**

Note 1. Budgets and Legal Compliance

The City follows these procedures in establishing budgetary data:

- a. The City Manager submits to the City Commission a proposed operating budget for the General Fund the ensuing fiscal year. The operating budget includes proposed expenditures and the sources of receipts to finance them.
- b. Public hearings are conducted to obtain taxpayer comments.
- 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. All budget amendments are essentially a reallocation of existing appropriations.
- 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.

Note 2. Explanation of Differences in Fund Balance Between – Budget to Actual and Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Projects

Amounts reported for budget to actual are different because:

Revenues and expenditures in certain funds have legally adopted budgets in those funds for budgetary purposes; but are reported as combined in the Capital Projects Fund in the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Projects Funds:

Net change in fund balance - Road Improvement Fund (1)	\$ (41,657)
Net change in fund balance - Capital Projects Fund (2)	<u>(956,750)</u>
Capital Projects Fund net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances - Capital Projects Fund - Page 80.	<u>\$ (998,407)</u>

(1) See budget to actual comparison schedule on page 94.

(2) See budget to actual comparison schedule on page 93.

City of Lake Worth, Florida

**City of Lake Worth
Required Supplementary Information
(unaudited)
General Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 1,289,330	\$ 1,269,805
Interest	7,865,429	7,897,624
Differences between expected and actual experience	(967,020)	(289,809)
Benefit payments, including refunds of member contributions	<u>(9,316,942)</u>	<u>(9,308,177)</u>
Net change in total pension liability	(1,129,203)	(430,557)
Total pension liability - beginning	<u>104,858,551</u>	<u>105,289,108</u>
Total pension liability - ending (a)	<u>\$ 103,729,348</u>	<u>\$ 104,858,551</u>
Plan fiduciary net position		
Contributions - employer and state	\$ 4,613,773	\$ 4,553,202
Contributions - member	844,870	928,387
Net investment income (loss)	508,074	7,515,916
Benefit payments, including refunds of member contributions	(9,316,942)	(9,308,177)
Administrative expenses	<u>(128,684)</u>	<u>(126,863)</u>
Net change in plan fiduciary net position	(3,478,909)	3,562,465
Plan fiduciary net position - beginning	<u>68,606,999</u>	<u>65,044,534</u>
Plan fiduciary net position - ending (b)	<u>\$ 65,128,090</u>	<u>\$ 68,606,999</u>
City net pension liability - ending (a) - (b)	<u>\$ 38,601,258</u>	<u>\$ 36,251,552</u>
Plan fiduciary net position as a percentage of the total pension liability	62.79%	65.43%
Covered-employee payroll	\$ 11,590,026	\$ 12,305,877
City net pension liability as percentage of covered-employee payroll	333.06%	294.59%

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

City of Lake Worth, Florida

**City of Lake Worth
Required Supplementary Information
(unaudited)
Police Officers' Relief and Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 238,693	\$ 280,511
Interest	3,902,610	3,915,664
Differences between expected and actual experience	287,033	115,847
Benefit payments, including refunds of member contributions	(5,567,874)	(3,923,670)
Other	209,050	202,603
Net change in total pension liability	(930,488)	590,955
Total pension liability - beginning	<u>52,796,980</u>	<u>52,206,025</u>
Total pension liability - ending (a)	<u>\$ 51,866,492</u>	<u>\$ 52,796,980</u>
Plan fiduciary net position		
Contributions - employer and state	\$ 2,773,209	\$ 2,543,956
Contributions - member	102,916	208,801
Net investment income (loss)	449,322	2,906,179
Benefit payments, including refunds of member contributions	(5,567,874)	(3,923,670)
Administrative expenses	(89,064)	(96,476)
Net change in plan fiduciary net position	(2,331,491)	1,638,790
Plan fiduciary net position - beginning	<u>32,185,769</u>	<u>30,546,979</u>
Plan fiduciary net position - ending (b)	<u>\$ 29,854,278</u>	<u>\$ 32,185,769</u>
City net pension liability - ending (a) - (b)	<u>\$ 22,012,214</u>	<u>\$ 20,611,211</u>
Plan fiduciary net position as a percentage of the total pension liability	57.56%	60.96%
Covered-employee payroll	\$ 1,564,912	\$ 1,763,814
City net pension liability as percentage of covered-employee payroll	1406.61%	1168.56%

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

City of Lake Worth, Florida

**City of Lake Worth
Required Supplementary Information
(unaudited)
Firefighters' Pension Trust Fund
Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 332,003	\$ 297,315
Interest	4,483,334	4,332,379
Differences between expected and actual experience	198,870	(241,254)
Changes of assumptions	978,453	-
Benefit payments, including refunds of member contributions	(3,184,398)	(3,217,144)
Other	<u>1,101,767</u>	<u>275,168</u>
Net change in total pension liability	3,910,029	1,446,464
Total pension liability - beginning	57,460,375	56,013,911
Total pension liability - ending (a)	\$ <u><u>61,370,404</u></u>	\$ <u><u>57,460,375</u></u>
Plan fiduciary net position		
Contributions - employer and state	\$ 2,550,030	\$ 2,625,210
Contributions - member	118,270	123,344
Net investment income (loss)	(828,763)	3,079,060
Benefit payments, including refunds of member contributions	(3,184,398)	(3,217,144)
Administrative expenses	(92,510)	(217,064)
Rollover	<u>1,101,767</u>	<u>275,168</u>
Net change in plan fiduciary net position	(335,604)	2,668,574
Plan fiduciary net position - beginning	37,971,247	35,302,673
Plan fiduciary net position - ending (b)	\$ <u><u>37,635,643</u></u>	\$ <u><u>37,971,247</u></u>
City net pension liability - ending (a) - (b)	\$ <u><u>23,734,761</u></u>	\$ <u><u>19,489,128</u></u>
Plan fiduciary net position as a percentage of the total pension liability	61.33%	66.08%
Covered-employee payroll	\$ 2,682,534	\$ 2,995,687
City net pension liability as percentage of covered-employee payroll	884.79%	650.57%

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

City of Lake Worth, Florida

**City of Lake Worth, Florida
Required Supplementary Information
(unaudited)
General Employees' Retirement System
Schedule of Contributions
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2015	\$ 4,614,165	\$ 4,614,165	\$ -	\$ 11,590,026	39.8%
2014	4,553,202	4,553,202	-	12,305,877	37.0%
2013	3,982,877	3,982,877	-	11,547,885	34.5%
2012	3,293,953	3,293,953	-	11,916,382	27.6%
2011	2,786,433	2,786,433	-	10,951,357	25.4%
2010	3,413,861	3,413,861	-	12,563,517	27.2%
2009	2,900,325	2,900,325	-	13,257,113	21.9%
2008	2,852,077	2,852,077	-	13,332,893	21.4%
2007	2,783,603	2,783,603	-	12,104,052	23.0%
2006	2,162,016	2,162,016	-	11,318,124	19.1%

Notes to Schedule:

Valuation date: October 1, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	5 year smoothed market
Inflation	3.00%
Salary increases	5.8%-11%, including inflation
Investment rate of return	7.75%
Mortality	RP-200 Combined Healthy Participant Mortality Tables for males and females with mortality improvement projected to all future years after 2000 using Scale AA.

City of Lake Worth, Florida

**City of Lake Worth, Florida
Required Supplementary Information
(unaudited)
Police Officers' Relief and Retirement System
Schedule of Contributions
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2015	\$ 2,548,833	\$ 2,564,159	\$ (15,326)	\$ 1,564,912	163.9%
2014	2,341,353	2,341,353	-	1,763,814	132.7%
2013	2,071,189	2,071,189	-	1,445,490	143.3%
2012	1,733,395	1,733,395	-	1,460,425	118.7%
2011	1,569,833	1,569,833	-	1,553,664	101.0%
2010	1,453,457	1,453,457	-	2,037,850	71.3%
2009	1,452,892	1,452,892	-	2,885,722	50.3%
2008	1,414,687	1,414,687	-	3,504,813	40.4%
2007	1,134,913	1,134,913	-	4,883,436	23.2%
2006	1,064,230	1,064,230	-	4,427,671	24.0%

Notes to Schedule:

Valuation date: October 1, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	19 years
Asset valuation method	5 year smoothed market
Inflation	3.00%
Salary increases	6.50%
Investment rate of return	7.75%
Mortality	RP-200 Combined Healthy Participant Mortality Tables for males and females with mortality improvement projected to all future years after 2000 using Scale AA.

City of Lake Worth, Florida

**City of Lake Worth, Florida
Required Supplementary Information
(unaudited)
Firefighters' Pension Trust Fund
Schedule of Contributions
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2015	\$ 2,550,030	\$ 2,550,030	\$ -	\$ 2,682,534	95.1%
2014	2,625,210	2,625,210	-	2,995,687	87.6%
2013	2,332,795	2,332,795	-	994,538	234.6%
2012	1,845,288	1,845,288	-	1,073,889	171.8%
2011	1,705,530	1,705,530	-	1,118,599	152.5%
2010	1,794,081	1,794,081	-	1,312,204	136.7%
2009	2,113,667	2,113,687	(20)	1,309,166	161.5%
2008	1,803,579	1,803,667	(88)	3,293,733	54.8%
2007	1,657,924	1,657,924	-	4,349,180	38.1%
2006	942,443	944,351	(1,908)	3,634,139	26.0%

Notes to Schedule:

Valuation date: October 1, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market
Inflation	4.00%
Salary increases	6.50%
Investment rate of return	7.75%
Mortality	RP-200 Combined Healthy Participant Mortality Tables for males and females with mortality improvement projected to all future years after 2000 using Scale AA.

City of Lake Worth, Florida

**City of Lake Worth, Florida
Required Supplementary Information
(unaudited)
Pension Trust Funds
Schedule of Investment Returns
Last Ten Fiscal Years**

Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense		
	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund
2015	0.61%	1.65%	(2.16%)
2014	12.19%	10.14%	9.03%
2013	16.25%	15.44%	13.81%
2012	19.43%	19.80%	20.64%
2011	(0.89%)	(0.34%)	0.38%
2010	9.13%	9.07%	8.67%
2009	3.41%	2.27%	2.24%
2008	(15.38%)	(15.28%)	(14.96%)
2007	13.19%	13.15%	13.75%
2006	8.62%	8.33%	7.87%

City of Lake Worth, Florida

**Schedule of Funding Progress
Other Post-Employment Benefits**

	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	(Overfunded) Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL (Overfunded) as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date						
October 1, 2014 (a)	\$ -	\$ 2,683,974	\$ 2,683,974	0.00%	\$ 12,855,613	20.88%
October 1, 2012	-	4,158,245	4,158,245	0.00%	12,292,104	33.83%
October 1, 2009	-	6,201,458	6,201,458	0.00%	12,401,348	50.01%
October 1, 2007	-	7,799,266	7,799,266	0.00%	17,689,510	44.09%

(a) This is the latest valuation date.

The above schedule reflects data for 4 years only, this includes all reports required since the implementation of GASB Statement No. 45.

Source: Gabriel, Roeder, Smith & Company, Actuaries

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES

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

City of Lake Worth, Florida

Non-Major Governmental Funds

Special Revenue Funds

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

Building Permit Fund

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

Golf Fund

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

Parking Improvement Fund

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

Code Remediation Fund

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

Grants Fund

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

Tree Beautification Fund

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

Utility Conservation Fund

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

Simpkin Trust Fund

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

Library Trust Fund

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

Law Enforcement and Firefighters Education Fund

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

Law Enforcement Confiscated Property Fund

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

City of Lake Worth, Florida

Capital Projects Funds

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

Park of Commerce Fund

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

Capital Projects Fund

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

City of Lake Worth, Florida

**Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015**

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,142,862	\$ 1,073,967	\$ 2,216,829
Investments	2,384,771	1,407,333	3,792,104
Accounts receivable, net	142,925	45,145	188,070
Accrued interest receivable	4,796	2,830	7,626
Inventories	10,647	-	10,647
Land held for resale	376,767	-	376,767
Prepaid items	63,873	-	63,873
Due from other funds	-	36,000	36,000
Advances to other funds	-	399,000	399,000
	<hr/>	<hr/>	<hr/>
Total assets	\$ 4,126,641	\$ 2,964,275	\$ 7,090,916
	<hr/>	<hr/>	<hr/>
Liabilities:			
Accounts and contracts payable	\$ 75,549	\$ 38,009	\$ 113,558
Accrued liabilities	56,028	-	56,028
Due to other funds	100,000	-	100,000
Unearned revenue	101,293	-	101,293
	<hr/>	<hr/>	<hr/>
Total liabilities	332,870	38,009	370,879
	<hr/>	<hr/>	<hr/>
Fund balances:			
Non-spendable:			
Prepaid items	63,873	-	63,873
Inventories	10,647	-	10,647
Restricted for:			
Purpose of fund	2,159,736	-	2,159,736
Committed to:			
Purpose of fund	1,692,430	-	1,692,430
Assigned to:			
Advances	-	399,000	399,000
Capital projects	-	2,527,266	2,527,266
Unassigned (deficit)	(132,915)	-	(132,915)
	<hr/>	<hr/>	<hr/>
Total fund balances	3,793,771	2,926,266	6,720,037
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 4,126,641	\$ 2,964,275	\$ 7,090,916
	<hr/>	<hr/>	<hr/>

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Utility and other taxes	\$ -	\$ 347,115	\$ 347,115
Licenses and permits	1,561,388	-	1,561,388
Charges for services	994,798	-	994,798
Intergovernmental	602,124	-	602,124
Investment income	23,974	23,052	47,026
Miscellaneous	<u>230,044</u>	<u>30,000</u>	<u>260,044</u>
Total revenues	<u>3,412,328</u>	<u>400,167</u>	<u>3,812,495</u>
Expenditures:			
Current:			
General government	91,732	2,598	94,330
Public safety	949,902	-	949,902
Physical environment	4,008	-	4,008
Transportation	64	671	735
Culture and recreation	1,156,959	-	1,156,959
Capital outlay	<u>616,427</u>	<u>1,097,271</u>	<u>1,713,698</u>
Total expenditures	<u>2,819,092</u>	<u>1,100,540</u>	<u>3,919,632</u>
Excess (deficiency) of revenues over expenditures	<u>593,236</u>	<u>(700,373)</u>	<u>(107,137)</u>
Other financing sources (uses):			
Transfers in	-	825,436	825,436
Transfers out	<u>(557,060)</u>	<u>(800,000)</u>	<u>(1,357,060)</u>
Total other financing sources (uses)	<u>(557,060)</u>	<u>25,436</u>	<u>(531,624)</u>
Net change in fund balance	36,176	(674,937)	(638,761)
Fund balances, beginning of year	<u>3,757,595</u>	<u>3,601,203</u>	<u>7,358,798</u>
Fund balances, end of year	<u>\$ <u>3,793,771</u></u>	<u>\$ <u>2,926,266</u></u>	<u>\$ <u>6,720,037</u></u>

City of Lake Worth, Florida

**Combining Balance Sheet
Non-Major Special Revenue Funds
September 30, 2015**

	<u>Building Permit</u>	<u>Golf</u>	<u>Parking Improvement</u>	<u>Code Remediation</u>	<u>Grants</u>	<u>Tree Beautification</u>	<u>Utility Conservation</u>	<u>Simpkin Trust</u>	<u>Library Trust</u>	<u>Law Enforcement and Firefighters Education</u>	<u>Law Enforcement Confiscated Property</u>	<u>Total Non-Major Special Revenue Funds</u>
Assets:												
Cash and cash equivalents	\$ 825,243	\$ 100,347	\$ 24,678	\$ 13,231	\$ 22,616	\$ 7,308	\$ 29,852	\$ 8,203	\$ 27,463	\$ 58,397	\$ 25,524	\$ 1,142,862
Investments	1,188,583	-	42,106	289,749	-	-	610,285	245,746	-	-	8,302	2,384,771
Accounts receivable, net	-	10,407	-	50,814	81,237	-	13	-	-	454	-	142,925
Accrued interest receivable	2,390	-	85	583	-	-	1,227	494	-	-	17	4,796
Inventories	-	10,647	-	-	-	-	-	-	-	-	-	10,647
Land held for resale	-	-	-	376,767	-	-	-	-	-	-	-	376,767
Prepaid items	-	63,873	-	-	-	-	-	-	-	-	-	63,873
Total assets	<u>\$ 2,016,216</u>	<u>\$ 185,274</u>	<u>\$ 66,869</u>	<u>\$ 731,144</u>	<u>\$ 103,853</u>	<u>\$ 7,308</u>	<u>\$ 641,377</u>	<u>\$ 254,443</u>	<u>\$ 27,463</u>	<u>\$ 58,851</u>	<u>\$ 33,843</u>	<u>\$ 4,126,641</u>
Liabilities:												
Accounts and contracts payable	\$ 6,414	\$ 11,356	\$ -	\$ 33,618	\$ 24,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,549
Accrued liabilities	20,462	31,020	-	-	1,990	-	2,556	-	-	-	-	56,028
Due to other funds	-	100,000	-	-	-	-	-	-	-	-	-	100,000
Unearned revenue	-	101,293	-	-	-	-	-	-	-	-	-	101,293
Total liabilities	<u>26,876</u>	<u>243,669</u>	<u>-</u>	<u>33,618</u>	<u>26,151</u>	<u>-</u>	<u>2,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,870</u>
Fund balances:												
Non-spendable:												
Prepaid items	-	63,873	-	-	-	-	-	-	-	-	-	63,873
Inventories	-	10,647	-	-	-	-	-	-	-	-	-	10,647
Restricted for:												
Purpose of fund	1,989,340	-	-	-	77,702	-	-	-	-	58,851	33,843	2,159,736
Committed to:												
Purpose of fund	-	-	66,869	697,526	-	7,308	638,821	254,443	27,463	-	-	1,692,430
Unassigned (deficit)	-	(132,915)	-	-	-	-	-	-	-	-	-	(132,915)
Total fund balances (deficit)	<u>1,989,340</u>	<u>(58,395)</u>	<u>66,869</u>	<u>697,526</u>	<u>77,702</u>	<u>7,308</u>	<u>638,821</u>	<u>254,443</u>	<u>27,463</u>	<u>58,851</u>	<u>33,843</u>	<u>3,793,771</u>
Total liabilities and fund balances	<u>\$ 2,016,216</u>	<u>\$ 185,274</u>	<u>\$ 66,869</u>	<u>\$ 731,144</u>	<u>\$ 103,853</u>	<u>\$ 7,308</u>	<u>\$ 641,377</u>	<u>\$ 254,443</u>	<u>\$ 27,463</u>	<u>\$ 58,851</u>	<u>\$ 33,843</u>	<u>\$ 4,126,641</u>

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Fiscal Year Ended September 30, 2015**

	Building Permit	Golf	Parking Improvement	Code Remediation	Grants	Tree Beautification	Utility Conservation	Simpkin Trust	Library Trust	Law Enforcement and Firefighters Education	Law Enforcement Confiscated Property	Total Non-Major Special Revenue Funds
Revenues:												
Licenses and permits	\$ 1,561,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,561,388
Charges for services	180	994,618	-	-	-	-	-	-	-	-	-	994,798
Intergovernmental	-	-	-	-	590,825	-	-	-	-	11,299	-	602,124
Investment income	12,651	-	447	-	-	-	7,294	3,214	-	-	368	23,974
Miscellaneous	13,151	132,648	-	75,505	-	2,500	590	-	5,650	-	-	230,044
Total revenues	1,587,370	1,127,266	447	75,505	590,825	2,500	7,884	3,214	5,650	11,299	368	3,412,328
Expenditures:												
Current:												
General government	-	-	-	-	-	-	91,732	-	-	-	-	91,732
Public safety	650,861	-	-	245,622	29,956	-	-	-	-	-	23,463	949,902
Physical environment	-	-	-	-	-	4,008	-	-	-	-	-	4,008
Transportation	-	-	64	-	-	-	-	-	-	-	-	64
Culture and recreation	-	1,118,448	-	-	38,102	-	-	409	-	-	-	1,156,959
Capital outlay	-	-	-	-	616,427	-	-	-	-	-	-	616,427
Total expenditures	650,861	1,118,448	64	245,622	684,485	4,008	91,732	409	-	-	23,463	2,819,092
Excess (deficiency) of revenues over expenditures	936,509	8,818	383	(170,117)	(93,660)	(1,508)	(83,848)	2,805	5,650	11,299	(23,095)	593,236
Other financing uses:												
Transfers out	(475,060)	-	-	-	-	-	-	(82,000)	-	-	-	(557,060)
Total other financing uses	(475,060)	-	-	-	-	-	-	(82,000)	-	-	-	(557,060)
Net change in fund balances	461,449	8,818	383	(170,117)	(93,660)	(1,508)	(83,848)	(79,195)	5,650	11,299	(23,095)	36,176
Fund balances (deficit), beginning of year	1,527,891	(67,213)	66,486	867,643	171,362	8,816	722,669	333,638	21,813	47,552	56,938	3,757,595
Fund balances (deficit), end of year	\$ 1,989,340	\$ (58,395)	\$ 66,869	\$ 697,526	\$ 77,702	\$ 7,308	\$ 638,821	\$ 254,443	\$ 27,463	\$ 58,851	\$ 33,843	\$ 3,793,771

City of Lake Worth, Florida

**Combining Balance Sheet
Non-Major Capital Projects Funds
September 30, 2015**

	<u>Park of Commerce</u>	<u>Capital Projects</u>	<u>Total Non-Major Capital Projects Funds</u>
Assets:			
Cash and cash equivalents	\$ 523,367	\$ 550,600	\$ 1,073,967
Investments	-	1,407,333	1,407,333
Accounts receivable, net	-	45,145	45,145
Accrued interest receivable	-	2,830	2,830
Due from other funds	-	36,000	36,000
Advances to other funds	-	399,000	399,000
	<u>523,367</u>	<u>2,440,908</u>	<u>2,964,275</u>
Total assets	\$ 523,367	\$ 2,440,908	\$ 2,964,275
Liabilities:			
Accounts and contracts payable	\$ 29,522	\$ 8,487	\$ 38,009
	<u>29,522</u>	<u>8,487</u>	<u>38,009</u>
Total liabilities	29,522	8,487	38,009
Fund balances:			
Assigned to:			
Advances	-	399,000	399,000
Capital projects	493,845	2,033,421	2,527,266
	<u>493,845</u>	<u>2,432,421</u>	<u>2,926,266</u>
Total fund balances	493,845	2,432,421	2,926,266
Total liabilities and fund balances	\$ 523,367	\$ 2,440,908	\$ 2,964,275

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
For the Fiscal Year Ended September 30, 2015**

	Park of Commerce	Capital Projects	Total Non-Major Capital Projects Funds
Revenues:			
Utility and other taxes	\$ -	\$ 347,115	\$ 347,115
Investment income	-	23,052	23,052
Miscellaneous	-	30,000	30,000
	-	400,167	400,167
Total revenues	-	400,167	400,167
Expenditures:			
Current:			
General government	-	2,598	2,598
Transportation	-	671	671
Capital outlay	338,966	758,305	1,097,271
	338,966	761,574	1,100,540
Total expenditures	338,966	761,574	1,100,540
Excess (deficiency) of revenues over expenditures	(338,966)	(361,407)	(700,373)
Other financing sources (uses):			
Transfers in	662,436	163,000	825,436
Transfers out	-	(800,000)	(800,000)
	662,436	(637,000)	25,436
Total other financing sources (uses)	662,436	(637,000)	25,436
Net change in fund balances	323,470	(998,407)	(674,937)
Fund balances, beginning of year	170,375	3,430,828	3,601,203
Fund balances, end of year	\$ 493,845	\$ 2,432,421	\$ 2,926,266

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Building Permit Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 681,793	\$ 681,793	\$ 1,561,388	\$ 879,595
Charges for services	980	980	180	(800)
Investment income	3,327	3,327	12,651	9,324
Miscellaneous	1,585	1,585	13,151	11,566
Total revenues	<u>687,685</u>	<u>687,685</u>	<u>1,587,370</u>	<u>899,685</u>
Expenditures:				
Public safety	745,855	746,172	650,861	95,311
Total expenditures	<u>745,855</u>	<u>746,172</u>	<u>650,861</u>	<u>95,311</u>
Excess (deficiency) of revenues over expenditures	<u>(58,170)</u>	<u>(58,487)</u>	<u>936,509</u>	<u>994,996</u>
Other financing sources (uses):				
Transfers out	(475,060)	(475,060)	(475,060)	-
Appropriated fund balance	533,230	533,547	-	(533,547)
Total other financing sources (uses)	<u>58,170</u>	<u>58,487</u>	<u>(475,060)</u>	<u>(533,547)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	461,449	<u>\$ 461,449</u>
Fund balance, beginning of year			<u>1,527,891</u>	
Fund balance, end of year			<u>\$ 1,989,340</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Golf Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,075,020	\$ 1,075,020	\$ 994,618	\$ (80,402)
Miscellaneous	64,785	64,785	132,648	67,863
Total revenues	<u>1,139,805</u>	<u>1,139,805</u>	<u>1,127,266</u>	<u>(12,539)</u>
Expenditures:				
Current:				
Culture and recreation	1,060,052	1,093,544	1,118,448	(24,904)
Capital outlay	16,000	16,000	-	16,000
Total expenditures	<u>1,076,052</u>	<u>1,109,544</u>	<u>1,118,448</u>	<u>(8,904)</u>
Excess (deficiency) of revenues over expenditures	<u>63,753</u>	<u>30,261</u>	<u>8,818</u>	<u>(21,443)</u>
Other financing uses:				
Appropriated fund balance	<u>(63,753)</u>	<u>(30,261)</u>	-	30,261
Total other financing uses	<u>(63,753)</u>	<u>(30,261)</u>	-	30,261
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8,818	<u>\$ 8,818</u>
Fund balance, beginning of year			<u>(67,213)</u>	
Fund balance, end of year			<u>\$ (58,395)</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Parking Improvement Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 447	\$ 447
Total revenues	<u>-</u>	<u>-</u>	<u>447</u>	<u>447</u>
Expenditures:				
Transportation	<u>66,380</u>	<u>66,380</u>	<u>64</u>	<u>66,316</u>
Total expenditures	<u>66,380</u>	<u>66,380</u>	<u>64</u>	<u>66,316</u>
Excess (deficiency) of revenues over expenditures	<u>(66,380)</u>	<u>(66,380)</u>	<u>383</u>	<u>66,763</u>
Other financing sources:				
Appropriated fund balance	<u>66,380</u>	<u>66,380</u>	<u>-</u>	<u>(66,380)</u>
Total other financing sources	<u>66,380</u>	<u>66,380</u>	<u>-</u>	<u>(66,380)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>383</u>	<u>\$ 383</u>
Fund balance, beginning of year			<u>66,486</u>	
Fund balance, end of year			<u>\$ 66,869</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Code Remediation Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 75,505	\$ 75,505
Total revenues	<u>-</u>	<u>-</u>	<u>75,505</u>	<u>75,505</u>
Expenditures:				
Public safety	302,134	302,134	245,622	56,512
Total expenditures	<u>302,134</u>	<u>302,134</u>	<u>245,622</u>	<u>56,512</u>
Excess (deficiency) of revenues over expenditures	<u>(302,134)</u>	<u>(302,134)</u>	<u>(170,117)</u>	<u>132,017</u>
Other financing sources:				
Appropriated fund balance	302,134	302,134	-	(302,134)
Total other financing sources	<u>302,134</u>	<u>302,134</u>	<u>-</u>	<u>(302,134)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(170,117)	<u>\$ (170,117)</u>
Fund balance, beginning of year			<u>867,643</u>	
Fund balance, end of year			<u>\$ 697,526</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Grants Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 491,916	\$ 1,406,499	\$ 590,825	\$ (815,674)
Total revenues	491,916	1,406,499	590,825	(815,674)
Expenditures:				
Current:				
Public safety	26,374	76,681	29,956	46,725
Culture and recreation	-	69,019	38,102	30,917
Capital outlay	465,542	1,346,244	616,427	729,817
Total expenditures	491,916	1,491,944	684,485	807,459
Excess (deficiency) of revenues over expenditures	-	(85,445)	(93,660)	(8,215)
Other financing sources:				
Appropriated fund balance	-	85,445	-	(85,445)
Total other financing sources	-	85,445	-	(85,445)
Net change in fund balance	\$ -	\$ -	(93,660)	\$ (93,660)
Fund balance, beginning of year			171,362	
Fund balance, end of year			\$ 77,702	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Tree Beautification Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 1,425	\$ 1,425	\$ 2,500	\$ 1,075
Total revenues	<u>1,425</u>	<u>1,425</u>	<u>2,500</u>	<u>1,075</u>
Expenditures:				
Physical environment	<u>1,893</u>	<u>5,918</u>	<u>4,008</u>	<u>1,910</u>
Total expenditures	<u>1,893</u>	<u>5,918</u>	<u>4,008</u>	<u>1,910</u>
Excess (deficiency) of revenues over expenditures	<u>(468)</u>	<u>(4,493)</u>	<u>(1,508)</u>	<u>2,985</u>
Other financing sources:				
Appropriated fund balance	<u>468</u>	<u>4,493</u>	<u>-</u>	<u>(4,493)</u>
Total other financing sources	<u>468</u>	<u>4,493</u>	<u>-</u>	<u>(4,493)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,508)</u>	<u>\$ (1,508)</u>
Fund balance, beginning of year			<u>8,816</u>	
Fund balance, end of year			<u>\$ 7,308</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Utility Conservation Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 7,294	\$ 7,294
Miscellaneous	-	-	590	590
Total revenues	<u>-</u>	<u>-</u>	<u>7,884</u>	<u>7,884</u>
Expenditures:				
Current:				
General government	100,079	100,079	91,732	8,347
Capital outlay	584,043	584,043	-	584,043
Total expenditures	<u>684,122</u>	<u>684,122</u>	<u>91,732</u>	<u>592,390</u>
Excess (deficiency) of revenues over expenditures	<u>(684,122)</u>	<u>(684,122)</u>	<u>(83,848)</u>	<u>600,274</u>
Other financing sources:				
Appropriated fund balance	684,122	684,122	-	(684,122)
Total other financing sources	<u>684,122</u>	<u>684,122</u>	<u>-</u>	<u>(684,122)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(83,848)	<u>\$ (83,848)</u>
Fund balance, beginning of year			<u>722,669</u>	
Fund balance, end of year			<u>\$ 638,821</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Simpkin Trust Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 800	\$ 800	\$ 3,214	\$ 2,414
Total revenues	<u>800</u>	<u>800</u>	<u>3,214</u>	<u>2,414</u>
Expenditures:				
Culture and recreation	100	100	409	(309)
Total expenditures	<u>100</u>	<u>100</u>	<u>409</u>	<u>(309)</u>
Excess (deficiency) of revenues over expenditures	<u>700</u>	<u>700</u>	<u>2,805</u>	<u>2,105</u>
Other financing sources (uses):				
Transfers out	(82,000)	(82,000)	(82,000)	-
Appropriated fund balance	<u>81,300</u>	<u>81,300</u>	<u>-</u>	<u>(81,300)</u>
Total other financing sources (uses)	<u>(700)</u>	<u>(700)</u>	<u>(82,000)</u>	<u>(81,300)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(79,195)	<u>\$ (79,195)</u>
Fund balance, beginning of year			<u>333,638</u>	
Fund balance, end of year			<u>\$ 254,443</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Library Trust Fund
For the Fiscal Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 2,100	\$ 2,100	\$ 5,650	\$ 3,550
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>5,650</u>	<u>3,550</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,100</u>	<u>2,100</u>	<u>5,650</u>	<u>3,550</u>
Other financing uses:				
Appropriated fund balance	<u>(2,100)</u>	<u>(2,100)</u>	<u>-</u>	<u>2,100</u>
Total other financing uses	<u>(2,100)</u>	<u>(2,100)</u>	<u>-</u>	<u>2,100</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,650	<u>\$ 5,650</u>
Fund balance, beginning of year			<u>21,813</u>	
Fund balance, end of year			<u>\$ 27,463</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Law Enforcement and Firefighters Education Fund
For the Fiscal Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 11,299	\$ 6,299
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>11,299</u>	<u>6,299</u>
Expenditures:				
Public safety	<u>6,122</u>	<u>6,122</u>	-	<u>6,122</u>
Total expenditures	<u>6,122</u>	<u>6,122</u>	-	<u>6,122</u>
Excess (deficiency) of revenues over expenditures	<u>(1,122)</u>	<u>(1,122)</u>	<u>11,299</u>	<u>12,421</u>
Other financing sources:				
Appropriated fund balance	<u>1,122</u>	<u>1,122</u>	-	<u>(1,122)</u>
Total other financing sources	<u>1,122</u>	<u>1,122</u>	-	<u>(1,122)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>11,299</u>	<u>\$ 11,299</u>
Fund balance, beginning of year			<u>47,552</u>	
Fund balance, end of year			<u>\$ 58,851</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Law Enforcement Confiscated Property Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 150	\$ 150	\$ 368	\$ 218
Total revenues	<u>150</u>	<u>150</u>	<u>368</u>	<u>218</u>
Expenditures:				
Public safety	50,021	50,021	23,463	26,558
Total expenditures	<u>50,021</u>	<u>50,021</u>	<u>23,463</u>	<u>26,558</u>
Excess (deficiency) of revenues over expenditures	<u>(49,871)</u>	<u>(49,871)</u>	<u>(23,095)</u>	<u>26,776</u>
Other financing sources:				
Appropriated fund balance	49,871	49,871	-	(49,871)
Total other financing sources	<u>49,871</u>	<u>49,871</u>	<u>-</u>	<u>(49,871)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(23,095)	<u>\$ (23,095)</u>
Fund balance, beginning of year			<u>56,938</u>	
Fund balance, end of year			<u>\$ 33,843</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Park of Commerce Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,000,000	\$ -	\$ -	\$ -
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	50,000	-	50,000
Capital outlay	3,350,000	470,375	338,966	131,409
Total expenditures	<u>3,350,000</u>	<u>520,375</u>	<u>338,966</u>	<u>181,409</u>
Excess (deficiency) of revenues over expenditures	<u>(2,350,000)</u>	<u>(520,375)</u>	<u>(338,966)</u>	<u>181,409</u>
Other financing sources (uses):				
Transfers in	2,350,000	662,436	662,436	-
Appropriated fund balance	<u>-</u>	<u>(142,061)</u>	<u>-</u>	<u>142,061</u>
Total other financing sources (uses)	<u>2,350,000</u>	<u>520,375</u>	<u>662,436</u>	<u>142,061</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	323,470	<u>\$ 323,470</u>
Fund balance, beginning of year			<u>170,375</u>	
Fund balance, end of year			<u>\$ 493,845</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 16,423	\$ 16,423
Miscellaneous	-	-	30,000	30,000
Total revenues	<u>-</u>	<u>-</u>	<u>46,423</u>	<u>46,423</u>
Expenditures:				
Current:				
General government	-	-	2,598	(2,598)
Capital outlay	369,656	931,244	363,575	567,669
Total expenditures	<u>369,656</u>	<u>931,244</u>	<u>366,173</u>	<u>565,071</u>
Excess (deficiency) of revenues over expenditures	<u>(369,656)</u>	<u>(931,244)</u>	<u>(319,750)</u>	<u>611,494</u>
Other financing sources (uses):				
Transfers in	83,000	213,000	163,000	(50,000)
Transfers out	(1,350,000)	(1,350,000)	(800,000)	550,000
Appropriated fund balance	1,636,656	2,068,244	-	(2,068,244)
Total other financing sources (uses)	<u>369,656</u>	<u>931,244</u>	<u>(637,000)</u>	<u>(1,568,244)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(956,750)	<u>\$ (956,750)</u>
Fund balance, beginning of year			<u>2,316,369</u>	
Fund balance, end of year			<u>\$ 1,359,619</u>	

City of Lake Worth, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Road Improvement Fund
For the Fiscal Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Utility and other taxes	\$ 323,000	\$ 323,000	\$ 347,115	\$ 24,115
Investment income	1,200	1,200	6,629	5,429
Total revenues	<u>324,200</u>	<u>324,200</u>	<u>353,744</u>	<u>29,544</u>
Expenditures:				
Transportation	545,300	545,300	671	544,629
Capital outlay	478,704	1,000,162	394,730	605,432
Total expenditures	<u>1,024,004</u>	<u>1,545,462</u>	<u>395,401</u>	<u>1,150,061</u>
Excess (deficiency) of revenues over expenditures	<u>(699,804)</u>	<u>(1,221,262)</u>	<u>(41,657)</u>	<u>1,179,605</u>
Other financing sources:				
Appropriated fund balance	699,804	1,221,262	-	(1,221,262)
Total other financing sources	<u>699,804</u>	<u>1,221,262</u>	<u>-</u>	<u>(1,221,262)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(41,657)	<u>\$ (41,657)</u>
Fund balance, beginning of year,			<u>1,114,459</u>	
Fund balance, end of year			<u>\$ 1,072,802</u>	

City of Lake Worth, Florida

Non-Major Enterprise Funds

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

Stormwater Utility Fund

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

Refuse Collection and Disposal Fund

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

City of Lake Worth, Florida

**Combining Statement of Net Position
Non-Major Enterprise Funds
September 30, 2015**

	<u>Stormwater</u>	<u>Refuse Collection and Disposal</u>	<u>Total Non-Major Enterprise Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 73,066	\$ 1,225,196	\$ 1,298,262
Investments	4,963,784	3,428,644	8,392,428
Prepaid expense	-	1,393	1,393
Accounts receivable, net	8,049	362,655	370,704
Accrued interest receivable	9,980	6,893	16,873
Total current assets	<u>5,054,879</u>	<u>5,024,781</u>	<u>10,079,660</u>
Non-current assets:			
Capital assets:			
Land	138,346	593,700	732,046
Construction in progress	31,671	-	31,671
Land improvements	241,637	-	241,637
Buildings and structures	-	296,994	296,994
Infrastructure	3,624,441	-	3,624,441
Machinery and equipment	378,753	88,712	467,465
Vehicles	816,853	2,617,917	3,434,770
Accumulated depreciation	<u>(2,630,848)</u>	<u>(2,559,897)</u>	<u>(5,190,745)</u>
Total non-current assets	<u>2,600,853</u>	<u>1,037,426</u>	<u>3,638,279</u>
Total assets	<u>7,655,732</u>	<u>6,062,207</u>	<u>13,717,939</u>
Deferred Outflows of Resources:			
Deferred outflows relating to pensions	<u>117,629</u>	<u>382,295</u>	<u>499,924</u>
Total assets and deferred outflows of resources	<u>\$ 7,773,361</u>	<u>\$ 6,444,502</u>	<u>\$ 14,217,863</u>
Liabilities:			
Current liabilities:			
Accounts and contracts payable	\$ 4,643	\$ 93,813	\$ 98,456
Accrued liabilities	17,404	63,090	80,494
Compensated absences	<u>3,084</u>	<u>13,127</u>	<u>16,211</u>
Total current liabilities	<u>25,131</u>	<u>170,030</u>	<u>195,161</u>
Non-current liabilities:			
Compensated absences	12,266	66,432	78,698
Other post-employment benefits	16,356	104,545	120,901
Net pension liability	<u>928,040</u>	<u>3,016,129</u>	<u>3,944,169</u>
Total non-current liabilities	<u>956,662</u>	<u>3,187,106</u>	<u>4,143,768</u>
Total liabilities	<u>981,793</u>	<u>3,357,136</u>	<u>4,338,929</u>
Deferred Inflows of Resources:			
Deferred inflows relating to pensions	<u>59,062</u>	<u>191,951</u>	<u>251,013</u>
Net position:			
Net investment in capital assets	2,600,853	1,037,426	3,638,279
Unrestricted	<u>4,131,653</u>	<u>1,857,989</u>	<u>5,989,642</u>
Total net position	<u>6,732,506</u>	<u>2,895,415</u>	<u>9,627,921</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,773,361</u>	<u>\$ 6,444,502</u>	<u>\$ 14,217,863</u>

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Enterprise Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Stormwater</u>	<u>Refuse Collection and Disposal</u>	<u>Total Non-Major Enterprise Funds</u>
Operating revenues:			
Charges for services	\$ 1,807,513	\$ 5,905,283	\$ 7,712,796
Total operating revenues	<u>1,807,513</u>	<u>5,905,283</u>	<u>7,712,796</u>
Operating expenses:			
Cost of services	841,412	3,934,244	4,775,656
General and administrative	73,344	217,997	291,341
Depreciation	262,170	126,774	388,944
Total operating expenses	<u>1,176,926</u>	<u>4,279,015</u>	<u>5,455,941</u>
Operating income	<u>630,587</u>	<u>1,626,268</u>	<u>2,256,855</u>
Non-operating revenues:			
Investment income	57,146	36,495	93,641
Other	846	41,896	42,742
Total non-operating revenues	<u>57,992</u>	<u>78,391</u>	<u>136,383</u>
Income before transfers	688,579	1,704,659	2,393,238
Other financing uses:			
Transfers out	<u>(518,419)</u>	<u>(459,095)</u>	<u>(977,514)</u>
Total other financing uses	(518,419)	(459,095)	(977,514)
Change in net position	170,160	1,245,564	1,415,724
Net position, beginning of year, as restated	<u>6,562,346</u>	<u>1,649,851</u>	<u>8,212,197</u>
Net position, end of year	<u>\$ 6,732,506</u>	<u>\$ 2,895,415</u>	<u>\$ 9,627,921</u>

City of Lake Worth, Florida

**Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Stormwater</u>	<u>Refuse Collection and Disposal</u>	<u>Total Non-Major Enterprise Funds</u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,799,492	\$ 5,892,236	\$ 7,691,728
Payments to suppliers	(472,572)	(2,174,102)	(2,646,674)
Payments to employees	(371,063)	(1,354,041)	(1,725,104)
Payments for interfund services received	(151,238)	(778,295)	(929,533)
Other receipts	846	41,896	42,742
Net cash provided by (used in) operating activities	<u>805,465</u>	<u>1,627,694</u>	<u>2,433,159</u>
Cash flows from non-capital financing activities:			
Transfer to other funds	<u>(518,419)</u>	<u>(459,095)</u>	<u>(977,514)</u>
Net cash provided by (used in) non-capital financing activities	<u>(518,419)</u>	<u>(459,095)</u>	<u>(977,514)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital asset, net	<u>(238,165)</u>	<u>-</u>	<u>(238,165)</u>
Net cash provided by (used in) capital and related financing activities	<u>(238,165)</u>	<u>-</u>	<u>(238,165)</u>
Cash flows from investing activities:			
Purchase of investments	(3,693,728)	(2,463,676)	(6,157,404)
Sale of investments	3,644,228	2,429,485	6,073,713
Interest and dividends received	<u>57,538</u>	<u>36,766</u>	<u>94,304</u>
Net cash provided by (used in) investing activities	<u>8,038</u>	<u>2,575</u>	<u>10,613</u>
Net change in cash and cash equivalents	56,919	1,171,174	1,228,093
Cash and cash equivalents, beginning	<u>16,147</u>	<u>54,022</u>	<u>70,169</u>
Cash and cash equivalents, ending	<u>\$ 73,066</u>	<u>\$ 1,225,196</u>	<u>\$ 1,298,262</u>

City of Lake Worth, Florida

**Combining Statement of Cash Flows
Non-Major Enterprise Funds (continued)
For the Fiscal Year Ended September 30, 2015**

	<u>Stormwater</u>	<u>Refuse Collection and Disposal</u>	<u>Total Non-Major Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 630,587	\$ 1,626,268	\$ 2,256,855
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	262,170	126,774	388,944
Other non-operating income	846	41,896	42,742
Decrease (increase) in assets:			
Accounts receivable	(8,021)	(13,047)	(21,068)
Deferred outflows relating to pensions	(1,682)	(5,467)	(7,149)
Increase (decrease) in liabilities:			
Accounts and contracts payable	(31,919)	(1,916)	(33,835)
Accrued liabilities	(2,128)	1,658	(470)
Compensated absences	(1,177)	(7,956)	(9,133)
Other post-employment benefits	(52)	(247)	(299)
Net pension liability	(102,221)	(332,220)	(434,441)
Deferred inflows relating to pensions	59,062	191,951	251,013
Total adjustments	<u>174,878</u>	<u>1,426</u>	<u>176,304</u>
Net cash provided by (used in) operating activities	<u>\$ 805,465</u>	<u>\$ 1,627,694</u>	<u>\$ 2,433,159</u>
Supplemental disclosure of investing activities:			
Unrealized gains (losses) on investments	<u>\$ (5,647)</u>	<u>\$ (3,901)</u>	<u>\$ (9,548)</u>



City of Lake Worth, Florida

Internal Service Funds

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

Information Technology

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

Insurance Fund

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

Garage Fund

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

Employee Benefits

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

City of Lake Worth, Florida

**Combining Statement of Net Position
Internal Service Funds
September 30, 2015**

	<u>Information Technology</u>	<u>Insurance</u>	<u>City Garage</u>	<u>Employee Benefits</u>	<u>Total Internal Service Funds</u>
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,111,924	\$ 3,088,921	\$ 1,251,492	\$ 1,873,115	\$ 7,325,452
Investments	-	5,392,978	-	-	5,392,978
Accounts receivable, net	-	3,866	-	5,197	9,063
Accrued interest receivable	-	10,843	-	-	10,843
Due from other funds	-	146,000	-	-	146,000
Inventories	-	-	155,901	-	155,901
Total current assets	<u>1,111,924</u>	<u>8,642,608</u>	<u>1,407,393</u>	<u>1,878,312</u>	<u>13,040,237</u>
Non-current assets:					
Advances to other funds	-	1,689,000	-	-	1,689,000
Construction in progress	20,195	-	-	-	20,195
Machinery and equipment	933,786	-	-	-	933,786
Vehicles	45,764	-	2,128,384	-	2,174,148
Accumulated depreciation	(778,796)	-	(987,535)	-	(1,766,331)
Total non-current assets	<u>220,949</u>	<u>1,689,000</u>	<u>1,140,849</u>	<u>-</u>	<u>3,050,798</u>
Total assets	<u>\$ 1,332,873</u>	<u>\$ 10,331,608</u>	<u>\$ 2,548,242</u>	<u>\$ 1,878,312</u>	<u>\$ 16,091,035</u>
Liabilities:					
Current liabilities:					
Accounts and contracts payable	\$ 12,458	\$ 13,623	\$ 53,974	\$ 14,966	\$ 95,021
Accrued liabilities	15,699	225,646	18,852	446,098	706,295
Total current liabilities	<u>28,157</u>	<u>239,269</u>	<u>72,826</u>	<u>461,064</u>	<u>801,316</u>
Non-current liabilities:					
Insurance claims payable	-	1,301,180	-	-	1,301,180
Compensated absences	19,174	-	24,171	-	43,345
Total non-current liabilities	<u>19,174</u>	<u>1,301,180</u>	<u>24,171</u>	<u>-</u>	<u>1,344,525</u>
Total liabilities	<u>47,331</u>	<u>1,540,449</u>	<u>96,997</u>	<u>461,064</u>	<u>2,145,841</u>
Net position:					
Net investment in capital assets	220,949	-	1,140,849	-	1,361,798
Unrestricted	1,064,593	8,791,159	1,310,396	1,417,248	12,583,396
Total net position	<u>1,285,542</u>	<u>8,791,159</u>	<u>2,451,245</u>	<u>1,417,248</u>	<u>13,945,194</u>
Total liabilities and net position	<u>\$ 1,332,873</u>	<u>\$ 10,331,608</u>	<u>\$ 2,548,242</u>	<u>\$ 1,878,312</u>	<u>\$ 16,091,035</u>

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Information Technology</u>	<u>Insurance</u>	<u>City Garage</u>	<u>Employee Benefits</u>	<u>Total Internal Service Funds</u>
Operating revenues:					
Charges for services	\$ 1,152,572	\$ 2,107,320	\$ 932,188	\$ 7,565,544	\$ 11,757,624
Intergovernmental	-	-	-	19,275	19,275
Total operating revenues	<u>1,152,572</u>	<u>2,107,320</u>	<u>932,188</u>	<u>7,584,819</u>	<u>11,776,899</u>
Operating expenses:					
Cost of services	1,119,485	884,477	661,748	7,759,028	10,424,738
Depreciation	118,804	-	375,833	-	494,637
Total operating expenses	<u>1,238,289</u>	<u>884,477</u>	<u>1,037,581</u>	<u>7,759,028</u>	<u>10,919,375</u>
Operating income (loss)	<u>(85,717)</u>	<u>1,222,843</u>	<u>(105,393)</u>	<u>(174,209)</u>	<u>857,524</u>
Non-operating revenues:					
Investment income	-	80,099	-	-	80,099
Other	-	13,629	22,818	6,726	43,173
Total non-operating revenues	<u>-</u>	<u>93,728</u>	<u>22,818</u>	<u>6,726</u>	<u>123,272</u>
Income (loss) before transfers and contributions	(85,717)	1,316,571	(82,575)	(167,483)	980,796
Capital contributions	952	-	133,467	-	134,419
Transfers in	-	800,000	-	-	800,000
Transfers out	-	(130,000)	-	-	(130,000)
Change in net position	(84,765)	1,986,571	50,892	(167,483)	1,785,215
Net position, beginning of year	<u>1,370,307</u>	<u>6,804,588</u>	<u>2,400,353</u>	<u>1,584,731</u>	<u>12,159,979</u>
Net position, end of year	<u>\$ 1,285,542</u>	<u>\$ 8,791,159</u>	<u>\$ 2,451,245</u>	<u>\$ 1,417,248</u>	<u>\$ 13,945,194</u>

City of Lake Worth, Florida

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2015**

	<u>Information Technology</u>	<u>Insurance</u>	<u>City Garage</u>	<u>Employee Benefits</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from interfund charges	\$ 1,165,057	\$ 2,104,021	\$ 932,188	\$ 7,581,843	\$ 11,783,109
Payments to suppliers	(815,121)	(1,739,380)	(362,455)	(7,656,356)	(10,573,312)
Payments to employees	(332,674)	(76,884)	(252,560)	(62,748)	(724,866)
Other receipts (disbursements)	-	13,629	22,818	6,726	43,173
Net cash provided by (used in) operating activities	<u>17,262</u>	<u>301,386</u>	<u>339,991</u>	<u>(130,535)</u>	<u>528,104</u>
Cash flows from non-capital financing activities:					
Due from (to) other funds	-	(63,500)	-	-	(63,500)
Transfer from other funds	-	800,000	-	-	800,000
Transfer to other funds	-	(130,000)	-	-	(130,000)
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>606,500</u>	<u>-</u>	<u>-</u>	<u>606,500</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets, net	(15,548)	-	(989,614)	-	(1,005,162)
Advances from (to) other funds	-	146,000	-	-	146,000
Contributed capital, cash transactions	952	-	133,467	-	134,419
Net cash provided by (used in) capital and related financing activities	<u>(14,596)</u>	<u>146,000</u>	<u>(856,147)</u>	<u>-</u>	<u>(724,743)</u>
Cash flows from investing activities:					
Purchase of investments	-	(3,697,976)	-	-	(3,697,976)
Sale of investments	-	3,644,228	-	-	3,644,228
Interest and dividends received	-	80,665	-	-	80,665
Net cash provided by (used in) investing activities	<u>-</u>	<u>26,917</u>	<u>-</u>	<u>-</u>	<u>26,917</u>
Net change in cash and cash equivalents	2,666	1,080,803	(516,156)	(130,535)	436,778
Cash and cash equivalents, beginning	<u>1,109,258</u>	<u>2,008,118</u>	<u>1,767,648</u>	<u>2,003,650</u>	<u>6,888,674</u>
Cash and cash equivalents, ending	<u>\$ 1,111,924</u>	<u>\$ 3,088,921</u>	<u>\$ 1,251,492</u>	<u>\$ 1,873,115</u>	<u>\$ 7,325,452</u>

City of Lake Worth, Florida

**Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Fiscal Year Ended September 30, 2015**

	<u>Information Technology</u>	<u>Insurance</u>	<u>City Garage</u>	<u>Employee Benefits</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (85,717)	\$ 1,222,843	\$ (105,393)	\$ (174,209)	\$ 857,524
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	118,804	-	375,833	-	494,637
Other non-operating income (disbursements)	-	13,629	22,818	6,726	43,173
Decrease (increase) in assets:					
Accounts receivable	12,485	(3,299)	-	(2,976)	6,210
Prepaid items	-	21,961	-	-	21,961
Inventories	-	-	14,285	-	14,285
Increase (decrease) in liabilities:					
Accounts and contracts payable	(19,995)	(2,852)	26,676	8,590	12,419
Accrued liabilities	(656)	186,995	(95)	31,334	217,578
Insurance claims payable	-	(1,137,891)	-	-	(1,137,891)
Compensated absences	(7,659)	-	5,867	-	(1,792)
Total adjustments	<u>102,979</u>	<u>(921,457)</u>	<u>445,384</u>	<u>43,674</u>	<u>(329,420)</u>
Net cash provided by (used in) operating activities	<u>\$ 17,262</u>	<u>\$ 301,386</u>	<u>\$ 339,991</u>	<u>\$ (130,535)</u>	<u>\$ 528,104</u>
Supplemental disclosure of noncash investing activities:					
Unrealized gains (losses) on investments	<u>\$ -</u>	<u>\$ (6,131)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,131)</u>

City of Lake Worth, Florida



City of Lake Worth, Florida

Fiduciary Funds

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

Pension Trust Funds

General Employees' Retirement System Pension Fund

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

Police Officers' Relief and Retirement System Pension Fund

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

Firefighters' Pension Trust Fund

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

Agency Fund

Agency Fund

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

City of Lake Worth, Florida

**Combining Statement of Net Position
Pension Trust Funds
September 30, 2015**

	General Employees' Retirement System	Police Officers' Relief and Retirement System	Firefighters' Pension Trust Fund	Total Pension Trust Funds
Assets:				
Cash and cash equivalents	\$ 3,235,606	\$ 1,904,935	\$ 1,539,936	\$ 6,680,477
Investments at fair value:				
U.S. Government and agency funds	8,212,630	4,182,216	6,852,822	19,247,668
Corporate bonds	8,397,412	4,299,508	840,349	13,537,269
Common stocks	27,969,956	10,803,818	14,598,943	53,372,717
Real estate	7,598,684	3,629,983	4,021,880	15,250,547
Mutual funds	9,496,508	4,486,276	9,546,113	23,528,897
Partnership	5,796	-	-	5,796
Accrued interest, dividends and contributions receivable	546,730	669,483	364,235	1,580,448
Due from broker	377,500	64,225	23,029	464,754
Prepaid items	5,670	6,724	-	12,394
Total assets	65,846,492	30,047,168	37,787,307	133,680,967
Liabilities:				
Accounts payable	73,359	34,638	48,331	156,328
Due for securities purchased	645,043	158,252	103,333	906,628
Total liabilities	718,402	192,890	151,664	1,062,956
Net position held in trust for pension benefits	\$ 65,128,090	\$ 29,854,278	\$ 37,635,643	\$ 132,618,011

City of Lake Worth, Florida

Combining Statement of Changes in Net Position

Pension Trust Funds

For the Fiscal Year Ended September 30, 2015

	<u>General Employees' Retirement System</u>	<u>Police Officers' Relief and Retirement System</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Total Pension Trust Funds</u>
Additions:				
Contributions:				
Employer	\$ 4,613,773	\$ 2,346,833	\$ 2,440,805	\$ 9,401,411
Chapter 175	844,870	-	109,225	954,095
Plan members	-	102,916	118,270	221,186
Rollover	-	-	1,101,767	1,101,767
State	-	426,376	-	426,376
	<u>5,458,643</u>	<u>2,876,125</u>	<u>3,770,067</u>	<u>12,104,835</u>
Investment income:				
Interest and dividends	1,816,724	853,221	1,505,398	4,175,343
Net change in fair value of investments	(924,222)	(232,453)	(2,099,335)	(3,256,010)
Other income	12,316	8,496	7,425	28,237
	<u>904,818</u>	<u>629,264</u>	<u>(586,512)</u>	<u>947,570</u>
Total investment income	904,818	629,264	(586,512)	947,570
Less investment expenses	<u>(396,744)</u>	<u>(179,942)</u>	<u>(242,251)</u>	<u>(818,937)</u>
Net investment income	<u>508,074</u>	<u>449,322</u>	<u>(828,763)</u>	<u>128,633</u>
Total additions	<u>5,966,717</u>	<u>3,325,447</u>	<u>2,941,304</u>	<u>12,233,468</u>
Deductions:				
Pension benefits	9,316,942	5,567,874	3,184,398	18,069,214
Administrative expenses	128,684	89,064	92,510	310,258
	<u>9,445,626</u>	<u>5,656,938</u>	<u>3,276,908</u>	<u>18,379,472</u>
Total deductions	<u>9,445,626</u>	<u>5,656,938</u>	<u>3,276,908</u>	<u>18,379,472</u>
Change in net position	(3,478,909)	(2,331,491)	(335,604)	(6,146,004)
Net position, beginning of year	<u>68,606,999</u>	<u>32,185,769</u>	<u>37,971,247</u>	<u>138,764,015</u>
Net position, end of year	<u>\$ 65,128,090</u>	<u>\$ 29,854,278</u>	<u>\$ 37,635,643</u>	<u>\$ 132,618,011</u>

City of Lake Worth, Florida

Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended September 30, 2015

	<u>Balance October 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2015</u>
Assets:				
Cash and cash equivalents	\$ 2,261	\$ 15,838	\$ (14,713)	\$ 3,386
Accounts receivable	-	300	(300)	-
Total assets	<u>\$ 2,261</u>	<u>\$ 16,138</u>	<u>\$ (15,013)</u>	<u>\$ 3,386</u>
Liabilities:				
Accounts payable	\$ 200	\$ 12,064	\$ (11,238)	\$ 1,026
Deposit payable	2,061	15,988	(15,689)	2,360
Total liabilities	<u>\$ 2,261</u>	<u>\$ 28,052</u>	<u>\$ (26,927)</u>	<u>\$ 3,386</u>

City of Lake Worth, Florida

Discretely Presented Component Unit

Community Redevelopment Agency Fund

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

NSP2 Fund

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

CRA Capital Projects Fund

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

City of Lake Worth, Florida

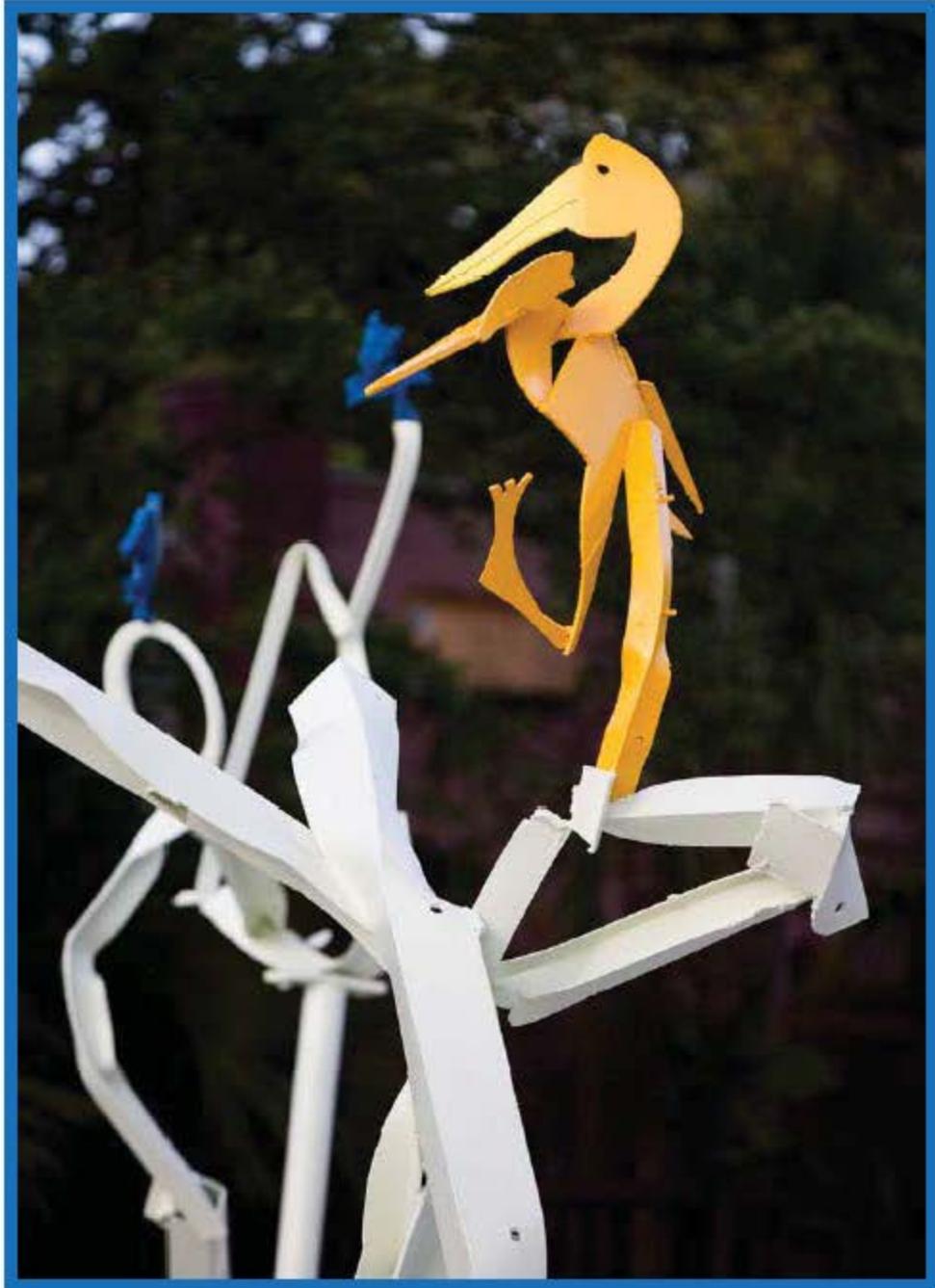
**Combining Balance Sheet
Discretely Presented Component Unit
September 30, 2015**

	<u>Community Redevelopment Agency</u>	<u>NSP2</u>	<u>CRA Capital Projects</u>	<u>Total Component Unit</u>
Assets:				
Cash and cash equivalents	\$ 237,200	\$ 1,288,628	\$ 41,629	\$ 1,567,457
Investments	1,844,154	-	268,305	2,112,459
Accounts receivable, net	-	4,276	81,779	86,055
Due from other funds	2,600	-	-	2,600
Land held for resale	-	3,600,764	-	3,600,764
Advances to other funds	5,000	-	-	5,000
Prepaid items	12,376	5,000	-	17,376
Total assets	<u>\$ 2,101,330</u>	<u>\$ 4,898,668</u>	<u>\$ 391,713</u>	<u>\$ 7,391,711</u>
Liabilities:				
Accounts and contracts payable	\$ 11,977	\$ 3,146	\$ 31,219	\$ 46,342
Accrued liabilities	1,253	4,679	-	5,932
Due to other funds	1,170	2,600	-	3,770
Advances from other funds	-	5,000	-	5,000
Total liabilities	<u>14,400</u>	<u>15,425</u>	<u>31,219</u>	<u>61,044</u>
Fund balances:				
Non-Spendable:				
Land held for resale	-	3,600,764	-	3,600,764
Prepaid items	12,376	5,000	-	17,376
Restricted for:				
Purpose of fund	2,074,554	1,277,479	-	3,352,033
Assigned to:				
Capital projects	-	-	360,494	360,494
Total fund balances	<u>2,086,930</u>	<u>4,883,243</u>	<u>360,494</u>	<u>7,330,667</u>
Total liabilities and fund balances	<u>\$ 2,101,330</u>	<u>\$ 4,898,668</u>	<u>\$ 391,713</u>	<u>\$ 7,391,711</u>

City of Lake Worth, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Discretely Presented Component Unit
For the Year Ended September 30, 2015**

	<u>Community Redevelopment Agency</u>	<u>NSP2</u>	<u>CRA Capital Projects</u>	<u>Total Component Unit</u>
Revenues:				
Property taxes	\$ 1,383,038	\$ -	\$ -	\$ 1,383,038
Intergovernmental	120,000	185,376	81,779	387,155
Investment income	2,975	186	731	3,892
Miscellaneous	5,292	-	-	5,292
Total revenues	<u>1,511,305</u>	<u>185,562</u>	<u>82,510</u>	<u>1,779,377</u>
Expenditures:				
Current:				
Community redevelopment	\$ 547,816	\$ 533,916	\$ 190,320	\$ 1,272,052
Debt service:				
Principal	645,907	-	-	645,907
Interest and fiscal charges	80,498	-	-	80,498
Capital outlay	100,000	-	-	100,000
Total expenditures	<u>1,374,221</u>	<u>533,916</u>	<u>190,320</u>	<u>2,098,457</u>
Excess (deficiency) of revenues over expenditures	137,084	(348,354)	(107,810)	(319,080)
Fund balances, beginning of year	<u>1,949,846</u>	<u>5,231,597</u>	<u>468,304</u>	<u>7,649,747</u>
Fund balances, end of year	<u>\$ 2,086,930</u>	<u>\$ 4,883,243</u>	<u>\$ 360,494</u>	<u>\$ 7,330,667</u>



STATISTICAL SECTION

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	S2 – S11
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	S12– S15
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	S16 – S23
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	S24 – S25
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	S26 – S31
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, Florida

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:				
Net investment in capital assets	\$ 23,461,231	\$ 25,550,312	\$ 57,367,332	\$ 60,803,680
Restricted	10,934,880	9,086,004	8,524,651	9,638,809
Unrestricted (deficit)	<u>14,894,093</u>	<u>19,960,135</u>	<u>19,705,440</u>	<u>13,434,653</u>
 Total governmental activities net position	 <u>49,290,204</u>	 <u>54,596,451</u>	 <u>85,597,423</u>	 <u>83,877,142</u>
Business-Type Activities:				
Net investment in capital assets	76,919,792	85,288,499	75,118,328	70,255,454
Restricted	10,858,741	10,061,616	19,642,872	17,522,478
Unrestricted	<u>44,187,657</u>	<u>42,536,712</u>	<u>44,785,774</u>	<u>54,291,217</u>
 Total business-type activities net position	 <u>131,966,190</u>	 <u>137,886,827</u>	 <u>139,546,974</u>	 <u>142,069,149</u>
Total Government:				
Net investment in capital assets	100,381,023	110,838,811	132,485,660	131,059,134
Restricted	21,793,621	19,147,620	28,167,523	27,161,287
Unrestricted	<u>59,081,750</u>	<u>62,496,847</u>	<u>64,491,214</u>	<u>67,725,870</u>
 Total government net position	 <u>\$ 181,256,394</u>	 <u>\$ 192,483,278</u>	 <u>\$ 225,144,397</u>	 <u>\$ 225,946,291</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	59,067,959	\$ 60,345,422	\$ 63,132,112	\$ 63,660,538	\$ 59,907,246	\$ 58,548,019
	12,939,913	5,630,464	6,374,614	1,631,956	1,803,743	2,159,736
	<u>13,881,744</u>	<u>21,765,696</u>	<u>2,624,576</u>	<u>6,055,185</u>	<u>(45,102,488)</u>	<u>(42,865,854)</u>
	<u>85,889,616</u>	<u>87,741,582</u>	<u>72,131,302</u>	<u>71,347,679</u>	<u>16,608,501</u>	<u>17,841,901</u>
	65,016,315	73,913,475	60,153,130	66,248,211	65,053,346	67,396,574
	17,398,012	17,043,315	22,390,764	2,803,258	4,330,029	3,954,649
	<u>58,134,674</u>	<u>53,714,975</u>	<u>68,980,999</u>	<u>79,507,888</u>	<u>59,487,552</u>	<u>64,432,302</u>
	<u>140,549,001</u>	<u>144,671,765</u>	<u>151,524,893</u>	<u>148,559,357</u>	<u>128,870,927</u>	<u>135,783,525</u>
	124,084,274	134,258,897	123,285,242	129,908,749	124,960,592	125,944,593
	30,337,925	22,673,779	28,765,378	4,435,214	6,133,772	6,114,385
	<u>72,016,418</u>	<u>75,480,671</u>	<u>71,605,575</u>	<u>85,563,073</u>	<u>14,385,064</u>	<u>21,566,448</u>
\$	<u><u>226,438,617</u></u>	<u><u>232,413,347</u></u>	<u><u>223,656,195</u></u>	<u><u>219,907,036</u></u>	<u><u>145,479,428</u></u>	<u><u>153,625,426</u></u>

City of Lake Worth, Florida

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:				
Governmental Activities:				
General Government	\$ 3,357,391	\$ 4,332,707	\$ 3,595,041	\$ 4,447,237
Public Safety	21,659,488	25,031,728	24,218,855	26,611,820
Physical Environment	1,273,494	1,271,527	1,246,126	2,810,190
Transportation	4,539,585	1,984,675	2,062,494	3,813,671
Culture and Recreation	4,034,193	4,564,347	6,376,489	2,320,000
Community Redevelopment	434,412	699,254	1,661,848	1,341,898
Interest on Long-Term Debt	378,695	389,230	353,096	303,538
Total Governmental Activities Expenses	<u>35,677,258</u>	<u>38,273,468</u>	<u>39,513,949</u>	<u>41,648,354</u>
Business-Type Activities:				
Electric	56,080,287	46,947,158	57,490,812	55,353,581
Water	6,535,047	7,531,626	9,619,267	8,942,867
Local Sewer	9,692,162	5,558,581	5,262,561	5,676,010
Regional Sewer	5,082,477	5,723,073	5,184,429	5,611,951
Golf Course	2,171,315	2,190,970	2,023,117	1,641,346
Stormwater	815,732	836,700	1,307,365	1,081,029
Refuse Collection and Disposal	3,774,872	5,247,076	3,810,654	3,538,792
Total Business-Type Activities Expenses	<u>84,151,892</u>	<u>74,035,184</u>	<u>84,698,205</u>	<u>81,845,576</u>
Total Primary Government Expenses	<u>\$ 119,829,150</u>	<u>\$ 112,308,652</u>	<u>\$ 124,212,154</u>	<u>\$ 123,493,930</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	1,893,398	1,920,609	2,337,022	1,548,336
Public Safety	1,469,251	1,697,091	1,536,383	876,141
Physical Environment	316,389	507,040	573,727	34,005
Transportation	488,994	457,878	367,892	471,675
Culture and Recreation	151,109	122,410	150,229	246,592
Community Redevelopment	-	-	487,013	4,139
Operating Grants and Contributions	6,158,444	3,752,060	1,594,136	840,361
Capital Grants and Contributions	336,396	809,702	2,404,587	2,422,946
Total Governmental Activities Program Revenues	<u>10,813,981</u>	<u>9,266,790</u>	<u>9,450,989</u>	<u>6,444,195</u>
Business-Type Activities:				
Charges for Services:				
Electric	60,786,014	52,706,489	57,474,801	58,406,242
Water	8,348,026	9,278,503	9,879,269	10,178,854
Local Sewer	5,175,080	5,265,096	5,277,244	5,613,738
Regional Sewer	3,804,657	4,135,849	3,481,035	4,913,736
Golf Course	2,012,331	2,028,454	1,921,702	1,476,811
Stormwater	1,649,918	1,594,645	1,651,158	1,364,897
Refuse Collection and Disposal	4,334,017	4,544,261	4,678,227	4,543,339
Operating Grants and Contributions	41,803	491,000	-	-
Capital Grants and Contributions	10,912,745	2,020,250	1,421,392	1,026,062
Total Business-Type Activities Program Revenues	<u>97,064,591</u>	<u>82,064,547</u>	<u>85,784,828</u>	<u>87,523,679</u>
Total Primary Program Revenues	<u>\$ 107,878,572</u>	<u>\$ 91,331,337</u>	<u>\$ 95,235,817</u>	<u>\$ 93,967,874</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	1,808,565	\$ 2,779,104	\$ 2,625,404	\$ 2,326,955	\$ 2,297,354	\$ 2,422,314
	20,206,868	19,077,692	18,516,774	19,624,339	19,971,563	18,613,494
	3,171,382	2,510,728	2,021,308	1,841,328	1,709,220	2,684,500
	3,869,570	1,382,039	3,388,138	3,923,414	3,775,229	3,798,644
	2,867,839	4,761,357	4,480,875	6,666,221	4,219,879	4,102,901
	1,514,545	2,664,189	-	-	-	-
	266,896	228,457	21,401	24,000	-	-
	<u>33,705,665</u>	<u>33,403,566</u>	<u>31,053,900</u>	<u>34,406,257</u>	<u>31,973,245</u>	<u>31,621,853</u>
	53,936,852	49,596,103	52,552,814	51,377,436	50,529,559	48,719,483
	9,171,596	8,712,797	10,569,901	10,790,441	10,218,577	9,541,300
	6,174,317	5,460,696	6,239,262	5,304,658	6,522,133	6,523,547
	4,884,662	3,815,581	6,070,749	11,061,208	5,827,196	7,360,670
	1,436,970	1,343,390	0	-	-	-
	1,124,438	2,092,756	2,075,984	1,340,812	1,365,026	1,160,138
	3,419,697	3,245,043	3,954,656	3,956,006	4,880,048	4,231,967
	<u>80,148,532</u>	<u>74,266,366</u>	<u>81,463,366</u>	<u>83,830,561</u>	<u>79,342,539</u>	<u>77,537,105</u>
\$	<u>113,854,197</u>	<u>107,669,932</u>	<u>112,517,266</u>	<u>118,236,818</u>	<u>111,315,784</u>	<u>109,158,958</u>
	2,846,869	2,332,345	2,062,610	2,229,910	1,791,964	2,709,695
	1,099,226	717,382	526,601	572,064	934,486	1,283,169
	17,995	82,768	25,250	22,200	15,420	11,350
	614,943	793,998	650,724	1,021,207	1,425,139	1,565,500
	353,038	316,993	1,543,131	1,799,711	1,936,822	2,229,513
	-	-	-	-	-	-
	879,328	1,948,280	940,072	1,275,649	809,270	1,033,222
	3,477,733	4,683,790	3,533,795	2,913,927	559,996	292,129
	<u>9,289,132</u>	<u>10,875,556</u>	<u>9,282,183</u>	<u>9,834,668</u>	<u>7,473,097</u>	<u>9,124,578</u>
	59,380,987	55,903,189	53,885,218	51,062,159	54,537,479	54,269,092
	11,392,126	12,004,104	11,731,448	11,487,086	12,005,357	13,053,300
	6,417,177	6,983,675	7,705,072	7,222,939	6,322,018	7,228,749
	5,613,322	5,043,689	6,586,821	5,231,267	4,657,237	6,137,326
	1,348,186	1,184,647	-	-	-	-
	1,582,863	1,564,276	1,936,918	1,865,303	1,811,731	1,807,513
	4,601,480	4,906,260	5,491,867	5,587,032	5,840,137	5,905,283
	-	-	-	-	-	-
	173,887	148,343	-	677,280	398,574	824,131
	<u>90,510,028</u>	<u>87,738,183</u>	<u>87,337,344</u>	<u>83,133,066</u>	<u>85,572,533</u>	<u>89,225,394</u>
\$	<u>99,799,160</u>	<u>98,613,739</u>	<u>96,619,527</u>	<u>92,967,734</u>	<u>93,045,630</u>	<u>98,349,972</u>

City of Lake Worth, Florida

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net (Expense) / Revenue:				
Governmental Activities	\$ (24,863,277)	\$ (29,006,678)	\$ (30,062,960)	\$ (35,204,159)
Business-Type Activities	<u>12,912,699</u>	<u>8,029,363</u>	<u>1,086,623</u>	<u>5,678,103</u>
 Total Primary Government Net Expenses	 <u>\$ (11,950,578)</u>	 <u>\$ (20,977,315)</u>	 <u>\$ (28,976,337)</u>	 <u>\$ (29,526,056)</u>
General Revenues:				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 13,162,483	\$ 16,367,654	\$ 17,339,044	\$ 14,784,901
Franchise Taxes	124,548	126,043	401,349	88,226
Utility Taxes	6,478,627	5,217,773	5,283,661	5,498,780
Sales and Gas Taxes	971,351	928,943	3,550,446	3,098,708
Intergovernmental - Unrestricted	4,383,743	4,184,826	1,287,185	2,653,336
Investment Income - Unrestricted	1,121,130	1,576,297	1,126,412	1,168,908
Miscellaneous	1,014,453	790,207	203,202	404,767
Transfers	<u>4,895,213</u>	<u>5,121,182</u>	<u>2,849,991</u>	<u>5,786,252</u>
 Total Governmental Activities Revenues	 <u>32,151,548</u>	 <u>34,312,925</u>	 <u>32,041,290</u>	 <u>33,483,878</u>
Business-Type Activities:				
Investment Income - Unrestricted	2,730,865	2,830,772	2,436,509	2,160,175
Miscellaneous	1,304,750	181,684	370,328	470,149
Transfers	<u>(4,895,213)</u>	<u>(5,121,182)</u>	<u>(2,849,991)</u>	<u>(5,786,252)</u>
 Total Business-Type Activities Revenues	 <u>(859,598)</u>	 <u>(2,108,726)</u>	 <u>(43,154)</u>	 <u>(3,155,928)</u>
 Total Primary Government General Revenues	 <u>\$ 31,291,950</u>	 <u>\$ 32,204,199</u>	 <u>\$ 31,998,136</u>	 <u>\$ 30,327,950</u>
Change in Net Position:				
Governmental Activities	\$ 7,288,271	\$ 5,306,247	\$ 1,978,330	\$ (1,720,281)
Business-type Activities	<u>12,053,101</u>	<u>5,920,637</u>	<u>1,043,469</u>	<u>2,522,175</u>
 Total Primary Government	 <u>\$ 19,341,372</u>	 <u>\$ 11,226,884</u>	 <u>\$ 3,021,799</u>	 <u>\$ 801,894</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ (24,416,533)	\$ (22,528,010)	\$ (21,771,717)	\$ (24,571,589)	\$ (24,500,148)	\$ (22,497,275)
<u>10,361,496</u>	<u>13,471,817</u>	<u>5,873,978</u>	<u>(697,495)</u>	<u>6,229,994</u>	<u>11,688,289</u>
<u>\$ (14,055,037)</u>	<u>\$ (9,056,193)</u>	<u>\$ (15,897,739)</u>	<u>\$ (25,269,084)</u>	<u>\$ (18,270,154)</u>	<u>\$ (10,808,986)</u>
\$ 7,764,745	\$ 6,773,150	\$ 6,592,349	\$ 6,256,979	\$ 6,530,263	\$ 7,016,336
99,913	43,337	42,836	54,068	36,127	39,358
5,709,719	5,864,811	5,335,753	5,020,040	5,118,045	5,040,381
3,153,448	3,170,175	3,170,202	3,288,619	3,488,545	3,731,994
2,212,812	1,215,448	1,245,229	1,262,112	661,551	1,469,121
360,493	146,788	85,908	50,884	72,073	84,656
1,296,289	17,599	200,291	479,396	104,778	202,581
<u>6,640,517</u>	<u>7,379,240</u>	<u>2,310,223</u>	<u>7,270,342</u>	<u>5,949,062</u>	<u>6,146,248</u>
<u>27,237,936</u>	<u>24,610,548</u>	<u>18,982,791</u>	<u>23,682,440</u>	<u>21,960,444</u>	<u>23,730,675</u>
1,430,064	488,511	-	228,997	293,379	638,789
2,991,767	753,906	3,834,357	4,352,763	1,794,210	731,768
<u>(6,640,517)</u>	<u>(7,379,240)</u>	<u>(2,310,223)</u>	<u>(7,270,342)</u>	<u>(5,949,062)</u>	<u>(6,146,248)</u>
<u>(2,218,686)</u>	<u>(6,136,823)</u>	<u>1,524,134</u>	<u>(2,688,582)</u>	<u>(3,861,473)</u>	<u>(4,775,691)</u>
<u>\$ 25,019,250</u>	<u>\$ 18,473,725</u>	<u>\$ 20,506,925</u>	<u>\$ 20,993,858</u>	<u>\$ 18,098,971</u>	<u>\$ 18,954,984</u>
\$ 2,821,403	\$ 2,082,538	\$ (2,788,926)	\$ (889,149)	\$ (2,539,704)	\$ 1,233,400
<u>8,142,810</u>	<u>7,334,994</u>	<u>7,398,112</u>	<u>(3,386,077)</u>	<u>2,368,521</u>	<u>6,912,598</u>
<u>\$ 10,964,213</u>	<u>\$ 9,417,532</u>	<u>\$ 4,609,186</u>	<u>\$ (4,275,226)</u>	<u>\$ (171,183)</u>	<u>\$ 8,145,998</u>

City of Lake Worth, Florida

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund:				
Reserved	\$ 1,128,001	\$ 1,314,269	\$ 2,487,554	\$ 559,088
Unreserved, designated	14,995,636	8,217,901	9,602,723	6,613,235
Unreserved, undesignated	880,097	7,523,232	4,044,241	-
Non-Spendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Advances	-	-	-	-
Committed to:				
Emergencies	-	-	-	-
Assigned to:				
Incentive	-	-	-	-
Housing Initiative	-	-	-	-
Unassigned	-	-	-	-
 Total General Fund	 <u>\$ 17,003,734</u>	 <u>\$ 17,055,402</u>	 <u>\$ 16,134,518</u>	 <u>\$ 7,172,323</u>
All Other Governmental Funds:				
Reserved	8,559,106	6,105,141	5,372,993	3,524,765
Unreserved, designated	650,000	1,472,218	94,567	4,381,973
Unreserved, undesignated, reported:				
Special Revenue Funds	3,672,632	6,248,591	8,316,059	2,505,388
Capital Projects Funds	1,719,784	2,285,481	2,448,836	4,678,219
Non Spendable:				
Land held for resale	-	-	-	-
Prepaid items	-	-	-	-
Inventories	-	-	-	-
Restricted for:				
Purpose of fund	-	-	-	-
Debt Service	-	-	-	-
Committed to:				
Purpose of fund	-	-	-	-
Assigned to:				
Advances	-	-	-	-
Capital projects	-	-	-	-
Unassigned (deficit)	-	-	-	-
 Total All Other Governmental Funds	 <u>14,601,522</u>	 <u>16,111,431</u>	 <u>16,232,455</u>	 <u>15,090,345</u>
Total Governmental Funds	<u>\$ 31,605,256</u>	<u>\$ 33,166,833</u>	<u>\$ 32,366,973</u>	<u>\$ 22,262,668</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	1,555,329	\$ -	\$ -	\$ -	\$ -	\$ -
	5,193,918	-	-	-	-	-
	843,977	-	-	-	-	-
	-	33,259	-	-	-	-
	-	244,617	16,225	26,438	22,256	18,703
	-	1,620,324	1,535,674	-	-	-
	-	5,193,918	-	-	-	-
	-	8,435	8,435	-	-	-
	-	-	-	9,462	9,267	9,267
	-	2,015,792	3,823,324	4,237,941	4,359,619	4,936,622
\$	<u>7,593,224</u>	<u>9,116,345</u>	<u>5,383,658</u>	<u>4,273,841</u>	<u>4,391,142</u>	<u>4,964,592</u>
	3,300,192	-	-	-	-	-
	6,627,823	-	-	-	-	-
	5,589,788	-	-	-	-	-
	1,145,425	-	-	-	-	-
	-	5,619,085	-	-	-	-
	-	32,829	3,697	4,163	4,680	63,873
	-	-	-	12,559	10,647	10,647
	-	3,010,642	1,318,521	1,631,956	1,803,743	2,159,736
	-	250,206	-	-	-	-
	-	3,469,027	2,709,902	2,068,146	2,021,065	1,692,430
	-	420,000	-	485,000	485,000	399,000
	-	3,679,589	5,427,177	4,919,534	3,116,203	2,527,266
	-	-	(1,996,104)	(6,475,512)	(5,602,675)	(4,823,306)
	<u>16,663,228</u>	<u>16,481,378</u>	<u>7,463,193</u>	<u>2,645,846</u>	<u>1,838,663</u>	<u>2,029,646</u>
\$	<u>24,256,452</u>	<u>25,597,723</u>	<u>12,846,851</u>	<u>6,919,687</u>	<u>6,229,805</u>	<u>6,994,238</u>

City of Lake Worth, Florida

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues:				
Property Taxes	\$ 13,162,483	\$ 16,367,654	\$ 15,730,702	\$ 14,784,901
Utility and Other Taxes	7,574,526	6,272,759	6,282,858	6,419,989
Licenses and Permits	1,533,893	1,585,733	2,023,268	1,098,442
Fines and Forfeitures	1,104,399	1,152,089	830,403	469,519
Charges for Services	1,448,133	1,740,069	1,754,532	1,372,515
Intergovernmental	10,845,569	8,685,590	9,463,236	8,274,109
Investment Income	1,089,137	1,541,807	1,032,231	1,168,908
Rents and Royalties	232,716	227,138	248,659	240,412
Miscellaneous	1,047,467	857,903	1,084,215	404,767
Total Revenues	<u>38,038,323</u>	<u>38,430,742</u>	<u>38,450,104</u>	<u>34,233,562</u>
Expenditures:				
Current:				
General Government	2,988,876	3,464,922	3,015,659	3,549,190
Public Safety	21,500,274	23,950,597	25,732,096	27,037,184
Physical Environment	587,369	545,716	446,465	2,098,908
Transportation	4,449,617	1,855,955	1,949,482	1,276,444
Culture and Recreation	3,652,772	4,130,611	3,768,270	2,088,088
Community Redevelopment	434,412	697,877	1,416,380	1,295,003
Capital Outlay	8,858,645	5,899,197	4,650,066	11,366,391
Debt Service:				
Principal	432,338	1,109,544	1,151,410	1,101,956
Interest and Other Fiscal Charges	438,058	395,929	360,127	310,955
Total Expenditures	<u>43,342,361</u>	<u>42,050,348</u>	<u>42,489,955</u>	<u>50,124,119</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,304,038)</u>	<u>(3,619,606)</u>	<u>(4,039,851)</u>	<u>(15,890,557)</u>
Other Financing Sources (Uses):				
Transfers In	8,841,954	9,549,961	11,075,191	21,323,530
Transfers Out	(3,946,741)	(4,368,778)	(7,835,200)	(15,537,278)
Sale of Capital Assets	57,510	-	-	-
Advances forgiven	-	-	-	-
Note Issued	708,000	-	-	-
Total Other Financing Sources (Uses)	<u>5,660,723</u>	<u>5,181,183</u>	<u>3,239,991</u>	<u>5,786,252</u>
Net Change in Fund Balances	<u>\$ 356,685</u>	<u>\$ 1,561,577</u>	<u>\$ (799,860)</u>	<u>\$ (10,104,305)</u>
Debt Service as a Percentage of Non-Capital Expenditures	2.59%	4.35%	4.16%	3.78%

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	7,764,745	\$ 6,082,587	\$ 5,879,132	\$ 5,646,125	\$ 5,762,505	\$ 6,316,354
	6,633,934	6,709,122	6,192,834	5,882,323	5,311,296	5,237,870
	1,260,724	1,122,704	1,311,181	1,909,015	1,374,635	2,306,549
	482,635	340,140	253,858	209,517	507,709	990,180
	2,921,690	6,587,720	7,326,862	6,977,890	8,309,647	8,113,998
	13,058,025	10,575,314	8,621,673	8,144,808	6,145,110	6,324,240
	360,493	146,788	85,908	50,884	72,073	99,182
	267,022	28,256	811	22,874	21,921	21,099
	1,307,012	204,917	281,729	311,550	165,899	299,088
	<u>34,056,280</u>	<u>31,797,548</u>	<u>29,953,988</u>	<u>29,154,986</u>	<u>27,670,795</u>	<u>29,708,560</u>
	5,481,014	5,743,061	6,805,608	5,923,710	5,751,549	5,634,202
	20,011,801	19,090,029	18,293,122	19,482,378	19,773,044	20,326,650
	2,367,405	2,351,909	2,006,693	1,837,574	1,683,387	1,755,019
	1,743,460	1,052,798	875,626	1,244,226	1,129,732	1,284,203
	2,406,296	2,196,355	3,938,839	4,102,093	4,252,002	4,370,469
	1,489,780	2,257,690	-	-	-	-
	3,716,428	3,567,570	8,338,374	4,073,029	1,825,165	1,719,832
	1,212,102	1,338,833	-	-	-	-
	274,727	237,272	21,401	-	-	-
	<u>38,703,013</u>	<u>37,835,517</u>	<u>40,279,663</u>	<u>36,663,010</u>	<u>34,414,879</u>	<u>35,090,375</u>
	<u>(4,646,733)</u>	<u>(6,037,969)</u>	<u>(10,325,675)</u>	<u>(7,508,024)</u>	<u>(6,744,084)</u>	<u>(5,381,815)</u>
	12,643,285	9,577,618	9,338,075	8,845,314	9,083,001	7,503,308
	(6,002,768)	(2,198,378)	(7,027,852)	(1,574,972)	(3,133,939)	(1,357,060)
	-	-	-	-	-	-
	-	-	-	238,278	-	-
	-	-	-	-	-	-
	<u>6,640,517</u>	<u>7,379,240</u>	<u>2,310,223</u>	<u>7,508,620</u>	<u>5,949,062</u>	<u>6,146,248</u>
\$	<u>1,993,784</u>	<u>1,341,271</u>	<u>(8,015,452)</u>	<u>596</u>	<u>(795,022)</u>	<u>764,433</u>
	4.44%	4.82%	0.07%	0.00%	0.00%	0.00%

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

City of Lake Worth, Florida

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

<u>Fiscal Year Ended September 30,</u>	<u>Tax Revenue Year</u>	<u>Real Property</u>			<u>Total Net Assessed Value</u>	<u>Total Direct Tax Rate</u>
		<u>Residential Property</u>	<u>Commercial Property</u>	<u>Railroad Property</u>		
2006	2005	\$ 1,460,926	\$ 66,821	\$ 2,511	\$ 1,530,258	8.67
2007	2006	1,944,042	69,320	2,713	2,016,075	8.38
2008	2007	2,876,405	78,083	3,483	2,957,971	7.51
2009	2008	1,893,668	58,227	3,448	1,955,343	8.30
2010	2009	1,436,762	57,667	4,224	1,498,653	8.76
2011	2010	1,053,076	53,324	3,735	1,110,135	8.49
2012	2011	990,200	52,992	3,825	1,047,017	8.95
2013	2012	1,041,527	51,276	4,350	1,097,153	8.95
2014	2013	1,143,415	49,839	4,763	1,198,017	8.95
2015	2014	1,260,658	51,353	5,148	1,317,159	8.95

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

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

City of Lake Worth, Florida

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
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		
2006	2005	8.40	-	0.27	8.67	4.72	7.87	0.70 *	0.04	1.97	0.69	24.66	
2007	2006	8.15	-	0.23	8.38	4.48	7.87	0.70 *	0.04	0.97	0.62	23.06	
2008	2007	7.30	-	0.21	7.51	3.98	7.87	0.70 *	0.03	0.89	0.58	21.56	
2009	2008	8.07	-	0.23	8.30	3.97	7.25	0.62	0.03	1.00	0.60	21.77	
2010	2009 (2)	5.00	3.46	0.30	8.76	4.56	7.98	0.62	0.03	1.15	0.69	23.79	
2011	2010	4.99	3.46	0.04	8.49	4.99	8.18	0.24	0.03	1.13	0.75	23.81	
2012	2011	5.49	3.46	-	8.95	4.99	7.78	0.18	0.03	1.12	0.73	23.78	
2013	2012	5.49	3.46	-	8.95	4.99	7.78	0.77	0.03	1.12	0.73	24.37	
2014	2013	5.49	3.46	-	8.95	4.99	7.59	0.74	0.03	1.08	0.70	24.08	
2015	2014	5.49	3.46	-	8.95	4.78	7.59	0.69	0.03	1.05	0.67	23.76	

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).

(2) The decrease from Tax Year 2008 to Tax Year 2009 is due to the Fire Department going to Palm Beach County. The operating tax was decreased by the MSTU of 3.4581.

* Includes the Everglades Construction Project.

City of Lake Worth, Florida

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Total Taxes Levied for Year (2)</u>	<u>Collected Within the Fiscal Year of the Levy (1)</u>		<u>Percent of Levy</u>	<u>Collections in Subsequent Year's</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Amount</u>			<u>Amount</u>	<u>Percent of Levy</u>
2006	\$ 13,325,225	\$ 10,919,319		81.94%	\$ 327,327	\$ 11,246,646	84.40%
2007	16,975,285	16,469,083		97.02%	84,849	16,553,932	97.52%
2008	15,671,110	12,547,122		80.07%	375,544	12,922,666	82.46%
2009	15,338,884	14,541,337		94.80%	406,525	14,947,862	97.45%
2010	7,965,615	7,434,810		93.34%	194,286	7,629,096	95.78%
2011	6,096,193	5,841,442		95.82%	178,523	6,019,965	98.75%
2012	5,752,832	5,728,138		99.57%	13,946	5,742,084	99.81%
2013	6,028,316	5,429,614		90.07%	67,717	5,497,331	91.19%
2014	6,584,941	5,694,788		86.48%	38,369	5,733,157	87.06%
2015	6,668,511	6,277,985		94.14%	-	6,277,985	94.14%

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, Florida

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015			2006		
	Taxable	Rank	Percentage	Taxable	Rank	Percentage
Palm Beach Investments, LLC	\$ 10,836,170	1	0.82%	\$ -	-	-
Palm Beach Mobile Home Park, LLC	8,546,155	2	0.65%	-	-	-
1920 10th Ave., LLC	8,514,356	3	0.65%	-	-	-
Tackett, Patricia A.	8,027,772	4	0.61%	-	-	-
CubSMART LP	7,835,367	5	0.59%	-	-	-
Bellsouth Telecommunications, Inc.	7,219,214	6	0.55%	-	-	-
GSG Investments	6,491,713	7	0.49%	-	-	-
Lake Worth Town Plaza, LLC	5,280,750	8	0.40%	-	-	-
Publix Super Markets, Inc.	5,109,564	9	0.39%	-	-	-
Arbor Square Realty Co., LLC	4,961,466	10	0.38%	-	-	-
Southern Bell Telephone & Company	-	-	-	3,407,025	1	0.22%
Kathryn J. Akers	-	-	-	3,145,028	2	0.21%
Home Life Insurance	-	-	-	2,787,298	3	0.18%
Martha D. Lemin	-	-	-	2,568,826	4	0.17%
Sutton Town & Country	-	-	-	2,500,000	5	0.16%
Robert Akers	-	-	-	2,369,926	6	0.15%
Arbor Living Centers of Florida	-	-	-	2,069,003	7	0.14%
Crystal Palms	-	-	-	1,955,772	8	0.13%
Investment Group, Inc.	-	-	-	1,912,337	9	0.12%
Carefree Park Corporation	-	-	-	1,786,090	10	0.12%
	<u>\$ 72,822,527</u>		<u>5.53%</u>	<u>\$ 24,501,305</u>		<u>1.60%</u>

SOURCE: Tax roll provided by the Palm Beach County Property Appraiser's Office.

City of Lake Worth, Florida

**SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Amount of Special Assessments Recorded Due During Fiscal Year</u>	<u>Special Assessments Collected</u>	<u>Total Outstanding Assessments (1)</u>
2006	\$ 179,524	\$ 221,431	\$ 629,771
2007	3,759	208,818	424,712
2008	130,620	94,587	460,745
2009	88,144	292,204	256,685
2010	24,901	20,641	260,945
2011	-	180,768	80,177
2012	-	22,967	57,210
2013	-	22,605	34,605
2014	-	24,138	10,467
2015	-	8,282	2,185

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.

(1) Includes Floral Park and High Ridge Road Watermain Project.

City of Lake Worth, Florida

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Primary Government						Total	Percent of Personal Income (2)	Debt Per Capita (2)
	Governmental Activities			Business-Type Activities					
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds (1)	Notes Payable	Capital Leases			
2006	\$ 1,855,000	\$ 8,000,000	\$ 595,662	\$ 71,632,245	\$ 12,867,931	\$ 1,858,765	\$ 96,809,603	4.76%	\$ 2,659
2007	1,520,000	7,315,733	505,383	66,017,189	7,324,284	1,584,771	84,267,360	3.87%	2,275
2008	1,170,000	6,608,023	411,686	65,066,291	6,810,257	1,299,841	81,366,098	3.91%	2,316
2009	800,000	5,876,067	-	63,773,755	6,289,550	1,003,534	77,742,906	4.08%	2,117
2010	410,000	5,119,035	-	61,536,648	6,034,550	695,393	73,795,626	3.88%	2,040
2011	-	4,336,067	545,505	56,744,327	12,445,305	401,833	74,473,037	3.99%	2,133
2012	-	-	-	56,792,006	13,566,736	102,372	70,461,114	N/A	2,019
2013	-	-	-	54,030,000	9,632,083	-	63,662,083	N/A	1,791
2014	-	-	-	52,760,000	6,521,092	-	59,281,092	N/A	1,596
2015	-	-	-	49,595,000	6,223,140	-	55,818,140	N/A	1,482

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

(1) Presented net of original unamortized discounts and premiums.

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

N/A Not Available.

City of Lake Worth, Florida

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2006	\$ 1,855,000	\$ (4,165,678)	\$ (2,310,678)	-0.15%	\$ (63)
2007	1,520,000	(4,375,913)	(2,855,913)	-0.14%	(77)
2008	1,170,000	(295,341)	874,659	0.03%	25
2009	800,000	(262,284)	537,716	0.03%	15
2010	410,000	(255,244)	154,756	0.01%	4
2011	-	(250,208)	(250,208)	-0.02%	(7)
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

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.

City of Lake Worth, Florida

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<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:			
Palm Beach County	\$ 141,605,000	0.86%	\$ 1,222,554
Palm Beach School Board	17,430,000	0.86%	150,483
Subtotal	159,035,000		1,373,037
Direct Debt:			
City of Lake Worth	\$ -	100.00%	-
Total Direct and Overlapping Debt	<u>\$ 159,035,000</u>		<u>\$ 1,373,037</u>

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%, as determined by the ratio of the City's assessed valuation of property of \$1,317,158,773 to the total assessed value of taxable property in the overlapping of \$ 152,562,817,768.

City of Lake Worth, Florida

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Sewer Revenue (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Net Available Revenue</u>	<u>Debt Service Principal</u>	<u>Debt Service Interest</u>	<u>Coverage</u>
2006	\$ 10,126,856	\$ 12,954,937	\$ (2,828,081)	\$ 446,638	\$ 226,415	(4.20)
2007	9,868,012	9,234,509	633,503	2,137,516	346,533	0.26
2008	5,511,659	4,617,670	893,989	255,000	244,202	1.79
2009	5,788,641	5,128,106	660,535	255,000	231,966	1.36
2010	6,511,978	5,522,422	989,556	255,000	91,804	2.85
2011	7,027,613	4,811,414	2,216,199	255,000	68,597	6.85
2012	7,737,291	5,590,967	2,146,324	255,000	191,031	4.81
2013	7,254,074	4,659,716	2,594,358	-	-	100.00
2014	6,362,910	5,868,978	493,932	-	-	100.00
2015	7,328,527	5,877,591	1,450,936	-	-	100.00

SOURCE: City of Lake Worth, Finance Department

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

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

City of Lake Worth, Florida

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

<u>Fiscal Year Ended September 30,</u>	<u>Water Revenue (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Net Available Revenue</u>	<u>Debt Service Principal</u>	<u>Debt Service Interest</u>	<u>Coverage</u>
2006	\$ 8,348,026	\$ 4,276,412	\$ 4,071,614	\$ 408,333	\$ 919,273	3.07
2007	10,578,241	5,218,130	5,360,111	637,500	1,366,520	2.67
2008	11,012,972	5,665,735	5,347,237	187,500	1,773,386	2.73
2009	11,144,335	6,910,247	4,234,088	1,137,500	1,357,650	1.70
2010	11,878,935	8,793,880	3,085,055	1,185,000	1,338,415	1.22
2011	12,127,703	6,681,473	5,446,230	-	617,085	8.83
2012	11,803,738	7,008,004	4,795,734	1,290,000	1,181,145	1.94
2013	11,545,178	7,107,407	4,437,771	635,000	669,238	3.40
2014	12,059,246	6,775,980	5,283,266	1,880,452	854,928	1.93
2015	13,258,306	6,437,459	6,820,847	1,933,319	804,048	2.49

SOURCE: City of Lake Worth, Finance Department

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

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

City of Lake Worth, Florida

**PLEDGED REVENUE COVERAGE
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
2006	\$ 61,645,089	\$ 51,516,271	\$ 10,128,818	\$ 612,500	\$ 1,442,027	4.93
2007	53,824,950	42,524,553	11,300,397	8,405,431	1,366,520	1.16
2008	58,314,475	49,620,575	8,693,900	187,500	1,773,386	4.43
2009	59,230,272	53,092,542	6,137,730	1,137,500	1,357,650	2.46
2010	59,895,691	55,899,906	3,995,785	1,210,000	1,338,799	1.57
2011	56,113,677	46,404,184	9,709,493	-	617,085	15.73
2012	53,998,826	49,774,388	4,224,438	1,290,000	1,181,145	1.71
2013	51,143,917	48,826,115	2,317,802	635,000	669,238	1.78
2014	54,635,498	48,028,511	6,606,987	1,582,500	685,779	2.91
2015	54,399,160	46,526,432	7,872,728	1,627,500	642,765	3.47

SOURCE: City of Lake Worth, Finance Department

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

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

City of Lake Worth, Florida

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (Amounts Expressed in Thousands) (4)</u>	<u>Per Capita Personal Income (4)</u>	<u>Assessed Value (Amounts Expressed in Thousands) (2)</u>	<u>Per Capita Assessed Value</u>	<u>Unemployment Rate (3)</u>
2006	36,412	\$ 2,033,100	\$ 55,836	\$ 1,530,258	\$ 42,026	5.8%
2007	37,044	2,176,298	58,749	2,016,075	54,424	4.3%
2008	35,133	2,081,279	59,240	2,957,971	84,194	7.6%
2009	36,725	1,906,395	51,910	1,955,343	53,243	9.8%
2010	36,173	1,900,023	52,526	1,498,653	41,430	11.0%
2011	34,910	1,867,685	53,500	1,110,135	31,800	10.3%
2012	34,901	N/A	N/A	1,047,017	30,000	8.7%
2013	35,555	N/A	N/A	1,097,153	30,858	6.6%
2014	37,145	N/A	N/A	1,198,017	32,252	6.2%
2015	37,674	N/A	N/A	1,317,159	34,962	5.1%

SOURCES:

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

N/A: Not Available.

City of Lake Worth, Florida

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

City of Lake Worth, Florida Employer	2015	
	Number of Employees	Rank
City of Lake Worth	286	1
Lake Worth High School	225	2
Highland Elementary	131	3
Publix (214 N. Dixie Hwy.)	129	4
Wayne Akers Ford	125	5
Medicana Nursing & Rehabilitation	112	6
North Grade Elementary	110	7
Lake Worth Middle School	106	8
Barton Elementary	101	9
Publix (1910 Lake Worth Rd.)	100	10
	<u>1,425</u>	

	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Palm Beach County	21,656	1	3.34%	21,616	1	3.43%
Palm Beach County	5,507	2	0.85%	6,594	2	1.05%
Tenet Healthcare Corp	4,595	3	0.71%	4,794	4	0.76%
NextEra Energy Headquarters	4,005	4	0.62%	-	-	-
Hospital Corporation of America-HCA	3,476	5	0.54%	-	-	-
Veterans Health Administration	2,700	6	0.42%	-	-	-
Florida Atlantic University	2,655	7	0.41%	2,825	6	0.45%
Boca Raton Regional Hospital	2,500	8	0.39%	-	-	-
Jupiter Medical Center	2,195	9	0.34%	-	-	-
Bethesda Health, Inc.	2,150	10	0.33%	-	-	-
Columbia PB Healthcare System, Inc	-	-	-	5,200	3	0.83%
Florida Power & Light Headquarters	-	-	-	2,850	5	0.45%
Boca Raton Resort & Club	-	-	-	2,200	7	0.35%
U. S. Sugar Corp	-	-	-	2,100	8	0.33%
Florida Crystals	-	-	-	2,000	9	0.32%
City of Boca Raton	-	-	-	1,880	10	0.30%
Total	<u>51,439</u>		<u>7.92%</u>	<u>50,179</u>		<u>7.97%</u>

SOURCE: Business Development Board of Palm Beach County.

City of Lake Worth, Florida

**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of Employees:										
General Government	87	89	74	118	96	66	69	63	65	71
Public Safety	185	196	197	186	9	14	10	12	14	13
Physical Environment	5	4	3	4	4	15	13	13	13	15
Transportation	14	11	0	0	7	7	4	3	11	8
Culture and Recreation	69	61	59	73	30	42	16	20	28	19
Community Redevelopment	4	3	2	3	2	2	6	7	2	2
Electric	85	82	82	84	89	72	88	72	66	73
Water and Sewer	38	42	40	40	44	44	39	48	47	55
Refuse	32	32	30	31	30	28	28	30	30	30
Total Full Time Employees	<u>519</u>	<u>520</u>	<u>487</u>	<u>539</u>	<u>311</u>	<u>290</u>	<u>273</u>	<u>268</u>	<u>276</u>	<u>286</u>



City of Lake Worth, Florida

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2006	2007	2008	2009
Public Safety:				
Police Calls for Service	54,416	48,054	35,773	-
Parking Violations	10,106	6,494	1,077	-
Traffic Violations	14,715	10,071	9,212	-
Fire:				
Fire Personnel	154	61	61	-
Fire Alarms Answered	222	179	239	-
Fire Inspections Performed	2,109	1,108	2,200	-
Building Department:				
Building Permits Issued-Res.	5,838	5,239	3,198	2,090
Building Permits Issued-Com.	584	599	699	1,041
Culture and Recreation:				
Golf Course-Attendance	63,572	59,239	*	60,000
Swimming Pool-Attendance	16,163	**	*	15,000
Fishing Pier-Attendance	**	**	**	100,000
Public Library:				
Circulation-All Media	81,421	79,284	83,336	86,665
Patrons Registered	16,781	19,579	20,460	17,053
Patrons Registered-Inside City	12,671	14,499	15,205	13,014
Utility System:				
Water:				
Total Number of Bills	13,109	159,537	150,843	12,581
Number of Units Billed	213,033	2,735,640	1,819,050	153,394
Total Amount Billed	\$ 735,160	\$ 11,713,861	\$ 9,695,764	\$ 844,862
Average Selling Price	\$ 3.45	\$ 4.28	\$ 3.54	\$ 5.51
Average Bill	\$ 56.08	\$ 73.42	\$ 64.28	\$ 67.15
Number of Connections	12,898	13,062	12,570	12,102
Water Main Breaks	32	24	22	26
Sewer:				
Total Number of Bills	12,016	143,792	137,800	11,493
Number of Units Billed	128,721	1,548,752	1,214,722	103,251
Total Amount Billed	\$ 441,674	\$ 5,549,999	\$ 4,947,558	\$ 448,921
Average Selling Price	\$ 3.43	\$ 3.58	\$ 4.07	\$ 4.35
Average Bill	\$ 36.75	\$ 38.60	\$ 35.90	\$ 39.06
Number of Connections	12,016	11,709	11,387	11,925

Sources: Various City Departments

* - Information unavailable.

** - Fishing pier closed during fiscal year.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,560	1,211	1,309	2,170	1,702	2,050
	616	641	480	500	425	703
	43,425	42,500	38,199	42,983	59,367	42,103
	13,000	@	@	@	8,118	13,143
	77,000	65,644	72,799	78,102	90,250	87,258
	101,345	155,274	83,790	81,256	62,454	44,599
	22,079	19,511	21,457	22,398	23,565	19,548
	15,505	14,567	16,281	17,444	17,355	14,867
	12,494	150,255	153,898	156,219	157,646	161,573
	142,208	1,706,506	15,217,786	14,782,623	15,698,399	16,135,064
\$	904,388	\$ 10,852,667	\$ 12,045,014	\$ 11,338,385	\$ 11,791,811	\$ 13,318,069
\$	6.35	\$ 6.36	\$ 0.79	\$ 0.77	\$ 0.76	\$ 0.83
\$	72.38	\$ 72.39	\$ 78.27	\$ 72.58	\$ 74.80	\$ 82.43
	12,353	12,216	12,301	*	*	*
	48	22	30	*	*	*
	11,410	136,945	138,412	140,700	142,187	143,379
	98,100	1,177,201	11,345,142	14,219,556	11,603,213	11,929,331
\$	500,733	\$ 6,534,005	\$ 7,224,736	\$ 6,856,410	\$ 6,003,365	\$ 6,725,422
\$	5.10	\$ 5.55	\$ 0.64	\$ 0.62	\$ 0.52	\$ 0.57
\$	43.88	\$ 47.72	\$ 52.20	\$ 48.73	\$ 42.23	\$ 47.00
	11,097	11,108	11,106	11,268	11,192	11,216

@ - Swimming pool closed during fiscal year.

City of Lake Worth, Florida

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

Function/Program	2006	2007	2008	2009
Electric:				
Residential Customers:				
Total Number of Bills	22,834	23,217	271,292	265,185
Number of Units Billed	21,844,047	30,439,162	307,201,231	411,030,957
Total Amount Billed	\$ 2,007,121	\$ 2,604,597	\$ 32,390,473	\$ 31,994,781
Average Selling Price	\$ 0.09	\$ 0.09	\$ 0.11	\$ 0.08
Average Bill	\$ 87.90	\$ 112.18	\$ 119.39	\$ 120.65
Commercial Customers:				
Total Number of Bills	3,132	3,163	34,978	34,037
Number of Units Billed	8,941,266	15,083,570	149,655,436	123,394,255
Total Amount Billed	\$ 923,404	\$ 1,323,690	\$ 12,904,732	\$ 13,120,479
Average Selling Price	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.11
Average Bill	\$ 294.83	\$ 418.49	\$ 368.94	\$ 385.48
Private Area Lighting:				
Total Number of Bills	594	622	7,277	7,010
Number of Units Billed	91,759	202,116	2,438,972	2,397,284
Total Amount Billed	\$ 13,791	\$ 17,928	\$ 224,179	\$ 215,961
Average Selling Price	\$ 0.15	\$ 0.09	\$ 0.09	\$ 0.09
Average Bill	\$ 23.22	\$ 28.82	\$ 30.81	\$ 30.81
Commercial Demand:				
Total Number of Bills	91	85	1,002	975
Number of Units Billed	5,987,995	4,798,856	69,995,720	60,015,027
Total Amount Billed	\$ 433,037	\$ 544,312	\$ 8,458,129	\$ 7,927,918
Average Selling Price	\$ 0.07	\$ 0.11	\$ 0.12	\$ 0.13
Average Bill	\$ 4,758.65	\$ 6,372.43	\$ 8,441.25	\$ 8,131.20
Street Lights:				
Total Number of Bills	6	7	95	103
Number of Units Billed	182,877	398,431	4,937,232	4,969,264
Total Amount Billed	\$ 24,794	\$ 28,951	\$ 378,043	\$ 372,785
Average Selling Price	\$ 0.14	\$ 0.07	\$ 0.08	\$ 0.08
Average Bill	\$ 4,132.33	\$ 3,903.54	\$ 3,979.40	\$ 3,619.27
Solid waste:				
Residential accounts	10,808	10,507	10,509	935
Commercial accounts	918	1,097	1,135	1,107

Sources: Various City Departments.

	2010	2011	2012	2013	2014	2015
	262,069	260,891	236,321	236,321	271,926	281,016
	689,827,968	661,734,180	670,732,013	670,732,013	307,934,950	324,881,383
\$	33,189,172	\$ 31,217,074	\$ 30,357,449	\$ 30,357,449	\$ 30,515,277	\$ 33,156,771
\$	0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.11
\$	126.64	\$ 119.66	\$ 128.46	\$ 128.46	\$ 112.22	\$ 117.99
	33,374	35,400	33,758	33,758	36,429	37,561
	197,727,801	253,410,443	190,521,820	190,521,820	108,714,074	152,817,241
\$	12,743,567	\$ 16,866,100	\$ 11,852,622	\$ 11,852,622	\$ 15,057,782	\$ 15,645,193
\$	0.06	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.14	\$ 0.11
\$	381.84	\$ 476.45	\$ 351.11	\$ 351.11	\$ 413.35	\$ 416.50
	6,810	6,739	6,558	6,558	6,488	6,574
	2,333,560	2,070,352	2,339,530	2,339,530	1,260,696	1,235,578
\$	203,917	\$ 202,599	\$ 201,083	\$ 201,083	\$ 226,235	\$ 220,335
\$	0.09	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.18	\$ 0.18
\$	29.94	\$ 30.06	\$ 30.66	\$ 30.66	\$ 34.87	\$ 33.52
	932	908	1,056	1,056	1,029	1,032
	106,862,451	93,041,066	122,380,220	122,380,220	56,307,954	53,104,190
\$	7,825,890	\$ 6,169,848	\$ 7,571,587	\$ 7,571,587	\$ 6,202,544	\$ 5,869,258
\$	0.07	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.11	\$ 0.11
\$	8,396.88	\$ 6,794.99	\$ 7,170.06	\$ 7,170.06	\$ 6,027.74	\$ 5,687.27
	108	108	108	108	112	108
	4,974,384	4,359,714	5,013,600	5,013,600	2,541,824	2,506,800
\$	364,262	\$ 355,775	\$ 360,750	\$ 360,750	\$ 385,858	\$ 383,706
\$	0.07	\$ 0.09	\$ 0.07	\$ 0.07	\$ 0.16	\$ 0.16
\$	3,372.80	\$ 3,294.22	\$ 3,340.28	\$ 3,340.28	\$ 3,445.16	\$ 3,552.84
	22	9	8	8	24	42
	1,083	1,068	1,085	1,085	1,104	1,136

City of Lake Worth, Florida

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	35	35	35	-	-	-	-	-	-	-
Fire:										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation:										
Miles of Streets:										
Streets-Paved	102	102	102	102	102	102	102	102	102	102
Streets-Unpaved	17	17	17	17	17	17	17	17	17	17
Number of Street Lights	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421	1,265,421
Culture and Recreation:										
Parks	18	18	18	11	11	11	11	11	11	11
Parks Acreage	266.55	266.55	266.55	266.55	266.55	266.55	266.55	266.55	266.55	266.55
Tennis Courts	7	7	7	8	8	8	8	8	8	8
Baseball/Softball Fields	9	9	9	9	10	10	10	10	10	10
In/Outdoor Basketball Courts	18	18	18	4	4	4	4	4	4	4
Public Boat Ramps	2	2	2	1	1	1	1	1	1	1
Community Centers	2	2	2	2	2	2	2	2	2	2
Municipal Gym	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Fishing Pier	1	1	1	1	1	1	1	1	1	1
Shuffleboard	1	1	1	1	1	1	1	1	1	1
Public Library	1	1	1	1	1	1	1	1	1	1
Utility System:										
Fire Hydrants	620	620	684	695	941	959	964	976	996	1,003
Solid Waste:										
Collection Trucks	29	27	27	21	22	22	22	22	22	22
Water System:										
Total Wells	14	14	18	18	18	18	18	16	16	17
Usable Wells	12	12	12	12	12	17	17	14	13	15
Miles of Water Lines	130	130	167	161	157	156	156	156	156	157
Sewer System:										
Miles of Sewer Lines	100	100	99	100	100	98	98	98	98	98
Electric system:										
Generating Plants	1	1	1	1	1	1	1	1	1	1
Miles of Distribution Lines	147	147	147	147	147	147	147	147	147	147

Sources: Various City Departments.

COMPLIANCE SECTION

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*

To the Honorable Mayor and
Members of the City Commission
City of Lake Worth, 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 the City of Lake Worth, Florida (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2016. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds for the General Employees' Retirement System, Police Officers' Relief and Retirement System, and Firefighters' Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination financial statement amounts. 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*.

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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 28, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited City of Lake Worth, Florida's (the "City") compliance with the types of compliance requirements described in *the OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2015.

CPA's + Trusted Advisors

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 28, 2016

INDEPENDENT AUDITOR'S REPORT TO CITY MANAGEMENT

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Lake Worth, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 28, 2016.

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

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 Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 28, 2016, 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. The status of findings and recommendations made in the preceding annual financial audit report are discussed in the accompanying Schedule of Findings and Questioned Costs, Part E.

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 City of Lake Worth, Florida was incorporated as a municipality in 1913 under Chapter 6713, Laws of Florida. The City includes the City of Lake Worth Community Redevelopment Agency (CRA) as its discretely-presented component unit. The CRA was established under the authority of Florida Statute Chapter 163, Part III in 1993.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City, for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, our recommendations to improve financial management are included in the Schedule of Findings and Questioned Costs, Part F.

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

City of Lake Worth, Florida

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 Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 28, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SECTION 218.415 FLORIDA STATUTES

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

We have examined the City of Lake Worth, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of Members of the City Commission, 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.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
June 28, 2016

City of Lake Worth, Florida

**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2015**

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
Federal Awards:			
<u>U.S. Department of Agriculture:</u>			
Passed through State of Florida Department of Agriculture and Consumer Services Division of Administration			
Urban and Community Forestry	10.664	20358	\$ 8,924
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through Palm Beach County Housing and Community Development			
Community Development Block Grants/Entitlement Grants - 5th Avenue Project	14.218	R2014-1587	90,672
7th Avenue Project	14.218	R2013-1805	19,573
9th Avenue Project	14.218	R2014-1585	166,634
10th Avenue Project	14.218	R2014-1586	235,676
Total U.S. Department of Housing and Urban Development			<u>512,555</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct Program			
Neighborhood Stabilization Program	ARRA 14.256	B-09-CN-FL-0019	373,630
<u>U.S. Department of the Interior, Fish and Wildlife Service:</u>			
Passed through Florida Fish and Wildlife Conservation Commission			
Sport Fishing Restoration Program - Bryant Park Boat Ramp	15.605	FWC09020	21,719
<u>U.S. Department of Justice:</u>			
Direct Program			
Edward Byrne Memorial Justice Assistance Grant Program:			
Justice Assistance 2013	16.738	2013-DJ-BX-0236	8,822
Justice Assistance 2014	16.738	2014-DJ-BX-0313	13,343
Total U.S. Department of Justice			<u>22,165</u>
Total Expenditures of Federal Awards			\$ <u>938,993</u>

City of Lake Worth, Florida

***Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2015***

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2: Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City of Lake Worth, Florida. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and other applicable regulations.

City of Lake Worth, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City.
2. No material weaknesses relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the City of Lake Worth, Florida were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The independent auditor's report on compliance for each major federal program for the City of Lake Worth, Florida expresses an unmodified opinion.
6. No audit findings relative to the major federal program for the City of Lake Worth, Florida, are reported in Part C of this schedule.
7. The program tested as major program is as follows:

Federal Program:	<u>Federal CFDA No.</u>
United States Department of Housing and Urban Development - Community Development Block Grants/Entitlement Grants	14.218

8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000 for the major federal programs.
9. The City of Lake Worth, Florida was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. Findings - Financial Statements Audit

The status of prior year findings and recommendations made are noted in the accompanying Schedule of Findings and Questioned Costs, Part E.

C. Findings and Questioned Costs – Major Federal Award Programs

No matters are reported.

City of Lake Worth, Florida
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2015
 (continued)

D. Other Issues

1. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs.
2. No Corrective Action Plan is required because there were no findings reported under OMB Circular A-133.

E. Prior Year Financial Statements Findings

		Status	
		Still Applicable	Implemented or no Longer Relevant
	2008-SD-05 Inventory		X
	2014-SD-01 Self-Insurance Liability Estimates		X

F. Other Matters and Recommendations

Current Year Financial Management Finding

2015-01: Staffing Needs

Criteria

The Finance Department should have appropriate staffing to properly record, reconcile and report all financial transactions of the City in a timely manner.

Condition

The demands on the Finance Department’s time are numerous and conflicting. While many municipalities are looking for ways in which the finance function can play an increased role in strategic decisions, new regulations and increased complexity are adding to the basic duties that demand attention from the Finance Department.

It was apparent that the recent reduction of accounting/finance staff is putting a strain on the current personnel to complete their responsibilities in a timely manner. For example, we noted that there was a significant increase in the work backlog and in the time required to close the books. The situation will likely only get more difficult as the City grows and transactions and reporting requirements increase. We recommend that the City Manager, along with the Finance Director, assess the current need for additional staffing of the Finance Department.

Cause

Staff level reductions and/or increased responsibilities of the Finance Department’s personnel.

Effect

Financial reports and transactions are not recorded and reconciled in a timely manner.

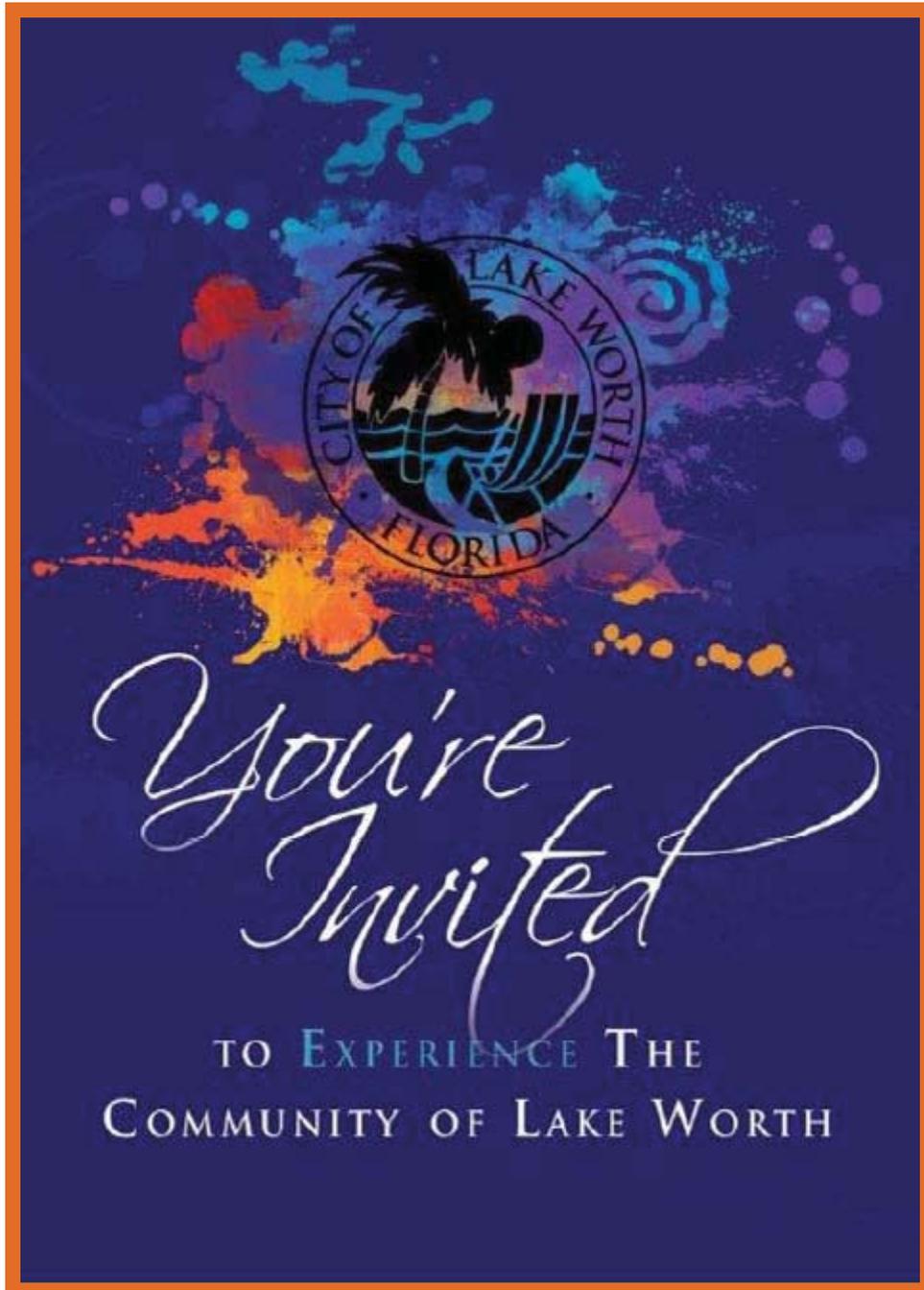
City of Lake Worth, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015
(continued)

Recommendation

We recommend that the City assess the current level of staff required by the Finance Department.

Management's Response

Management accepts the finding and recommendation. The Finance Department is currently assessing the appropriate levels of staffing required to enhance the effectiveness and efficiency of the Finance Department.



*You're
Invited*

TO EXPERIENCE THE
COMMUNITY OF LAKE WORTH